



Second Quarter 2023

July | 2023



Executive Summary	3
Digital Transformation	4
Loan Portfolio and Deposits Growth	5
Consumer Loan 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
Strong Results boosted Returns and EPS	12
Capital Adequacy Ratio	13

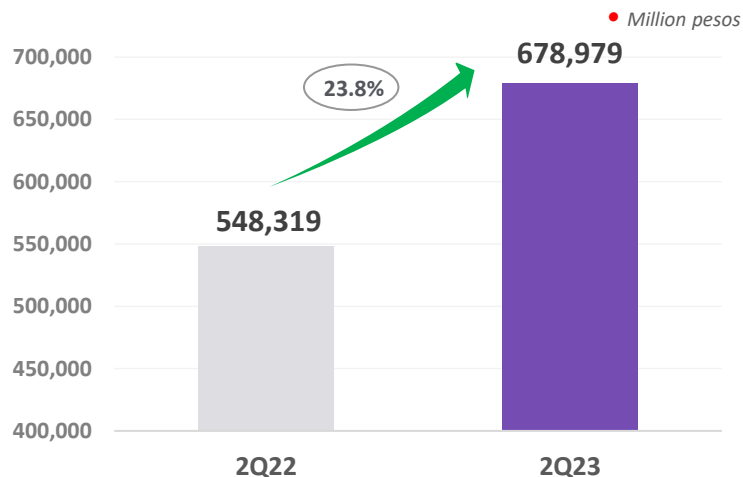
RELEVANT RESULTS |

2Q23 vs.2Q22

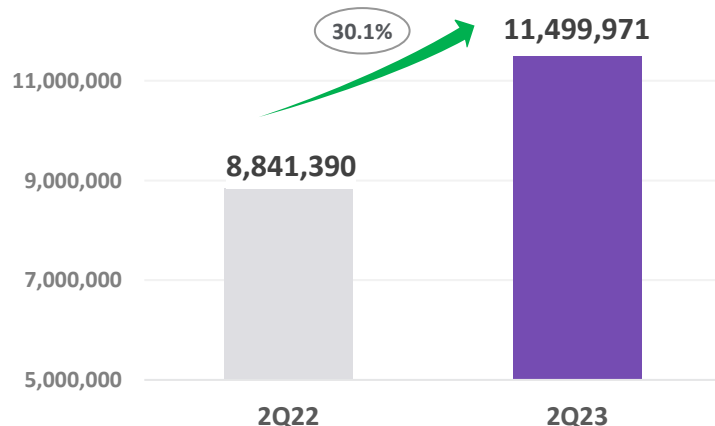
▪ Net Income	<i>growth</i>	53.6 %
▪ Revenues	<i>growth</i>	46.3 %
▪ NII	<i>growth</i>	47.8 %
▪ ROAE	▲	28.8 %
▪ ROAA	▲	3.5 %
▪ NIM	▲	7.3 %
▪ Efficiency Ratio	▼	32.6 %
▪ Total Loan Portfolio	<i>growth</i>	10.3 %
▪ Company Loans Portfolio	<i>growth</i>	12.4 %
▪ Total Deposits	<i>growth</i>	9.8 %
▪ NPL Ratio	▲	1.3 %
▪ Coverage Ratio	▼	181.3 %
▪ ICAP*		15.7 %

* ICAP June 2023 preliminary

▾ Transactions Amount



▾ Total Digital Channel Transactions



▾ Digital Transactions at BanBajío 2Q23

As of **June 2023**, approximately **77%** 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 **22.9% Y/Y**. We highlight the **growth of individual of 30.0%**.

Mobile

Transactions in the **mobile channel** got an astonishing **growth of 40.7%**. **Transactions from individual** through this channel **grew by 44.5%**. In terms of **money volume**, the **growth was 30.6%**.

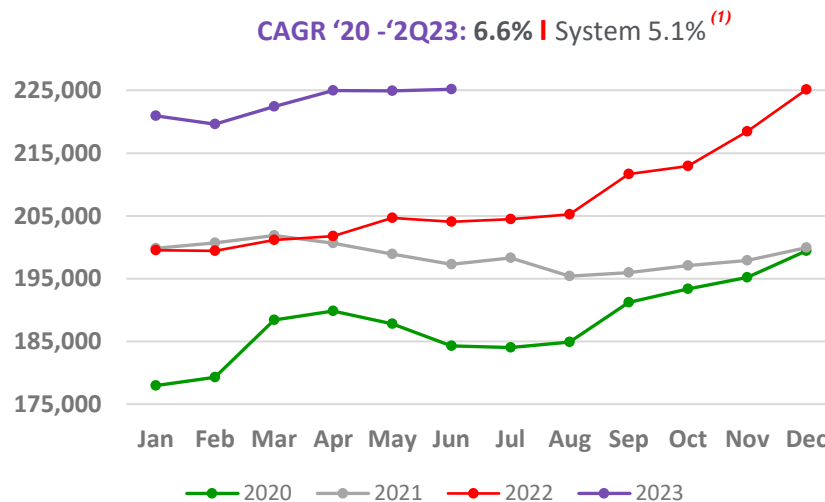
Total

Total transactions amount registered an **increase of 23.8%** and **number of transactions** by **30.1%**.

- **Total Loan Portfolio** stood at **\$225.2 bn**, an increase of **10.3% YoY** in **2Q23**.
- **Company Loans**, which represents our core business, increased **12.4 %**, and **Consumer 48.3%**.

	Y o Y	Yield	
		2Q22	2Q23
Company Loans*	12.4 %	9.61%	13.68%
Government	-24.6 %		
Financial Institutions	74.0 %	407 bp	
Consumer	48.3 %		
Mortgage	-11.0 %		

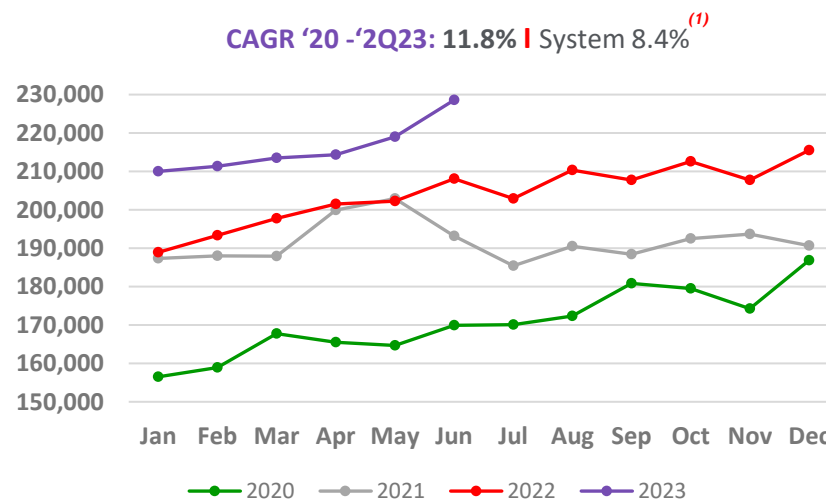
▼ Total Loan Portfolio | Million Pesos



- **Total Deposits (DD+TD)** grew **9.8%**, reaching **\$220.8 billion** in **2Q23 YoY**.

	Y o Y	Cost	
		2Q22	2Q23
Demand Deposits (DD)	5.4 %	3.85%	6.43%
Time Deposits (TD)	14.7 %		
Repos	11.6 %	258 bp	
Interbank Loans**	8.5 %		
TIIE average:		2Q22 7.07 %	2Q23 11.52%
		445 bp	

▼ Total Deposits⁽²⁾ | Million Pesos



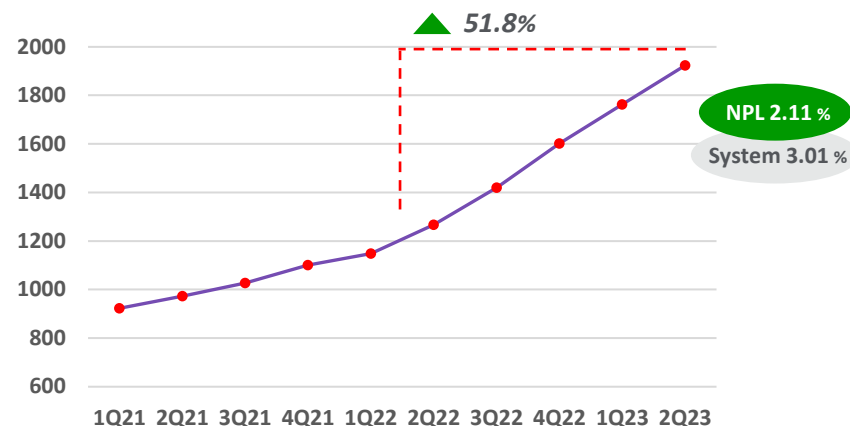
* Includes Corporates and SMEs
 ** Mostly development banks.

1. Total Banca Multiple consolidated figures May 2023.
 2. Includes Repos.

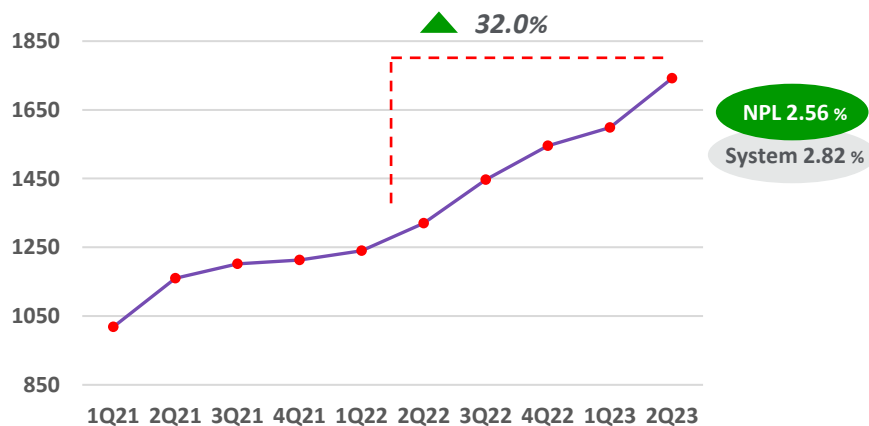
- **Consumer Loan Portfolio** grew **48.3% YoY** in 2Q23, the **NPL Ratio** was **2.0%**, while the system was 3.1%.
- We highlight the **growth of 51.8%** in **Credit Card**, **32.0%** in **Payroll Loans** and **273.8%** in **Personal Loans**.

	Bn. \$	YoY
Consumer	4.8	48.3%
▪ Credit Card	1.9	51.8%
▪ Payroll	1.7	32.0%
▪ Personal	0.7	273.8%
▪ Auto + ABCD	0.4	-14.8%

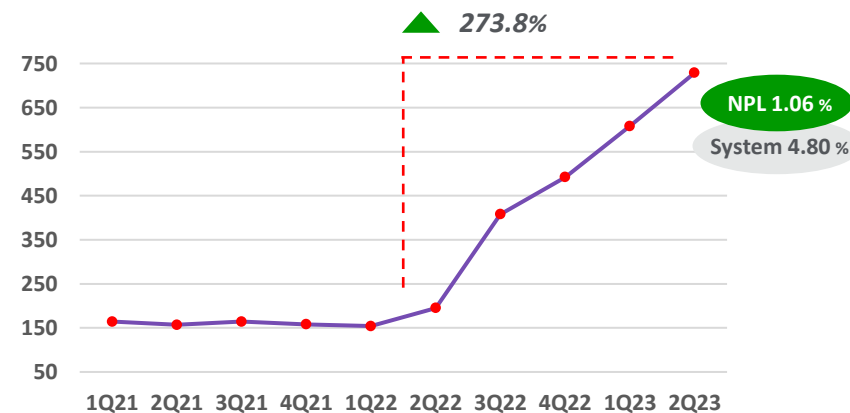
▼ Credit Card



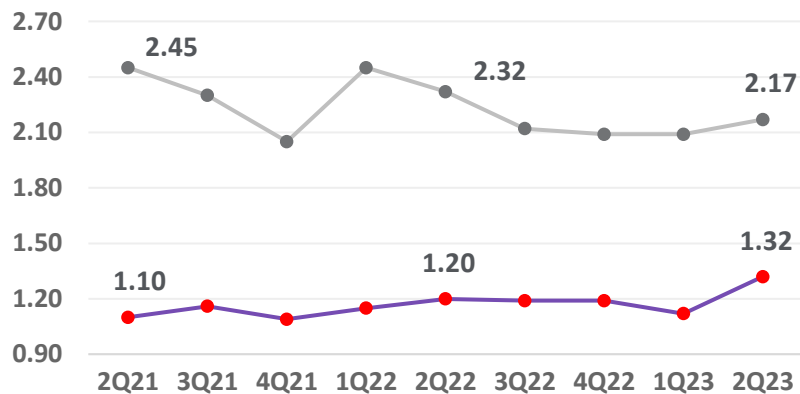
▼ Payroll



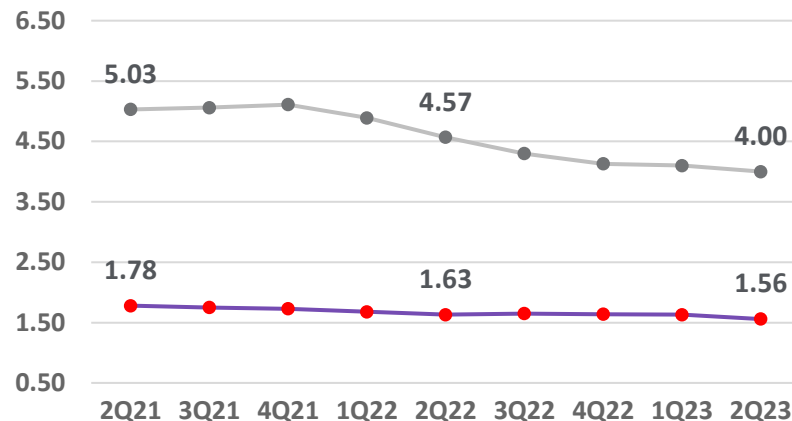
▼ Personal



▼ NPL Ratio | %

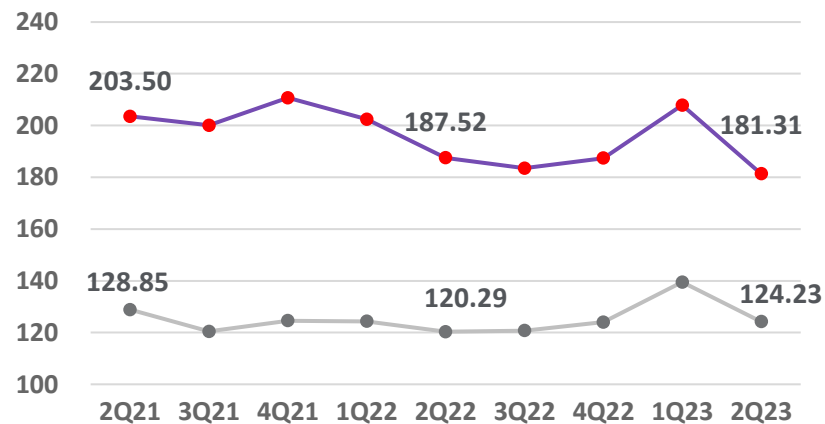


▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %

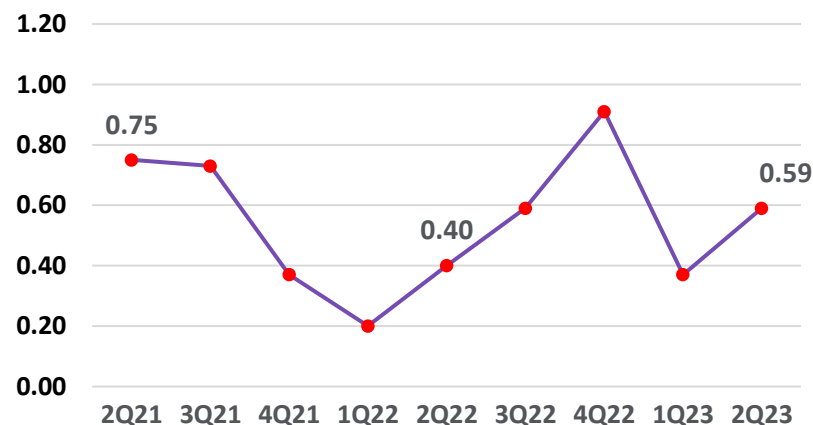
May 23: System 153.53%



● With additional LLP ⁽¹⁾ ● Regulatory LLP

▼ Cost of Risk | %

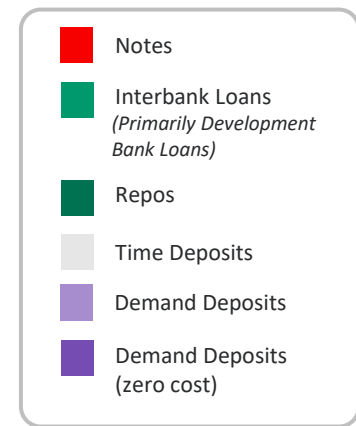
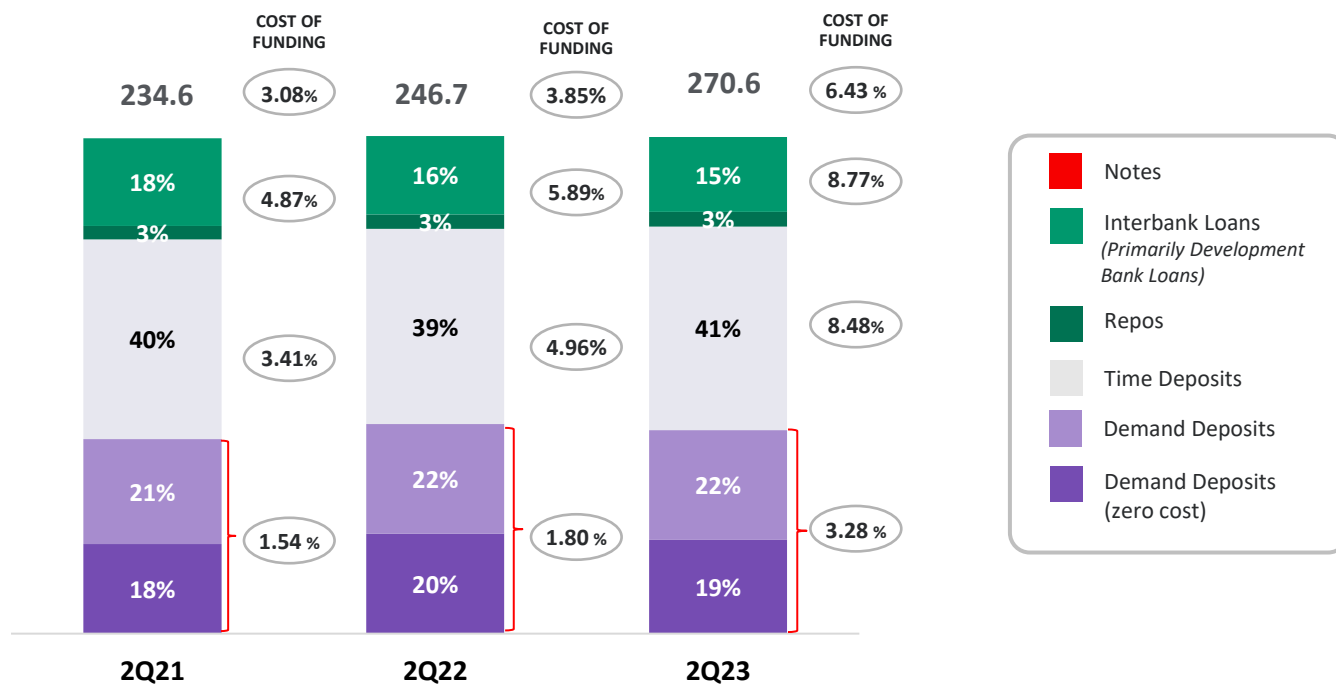
Apr-May 23: System 2.35%



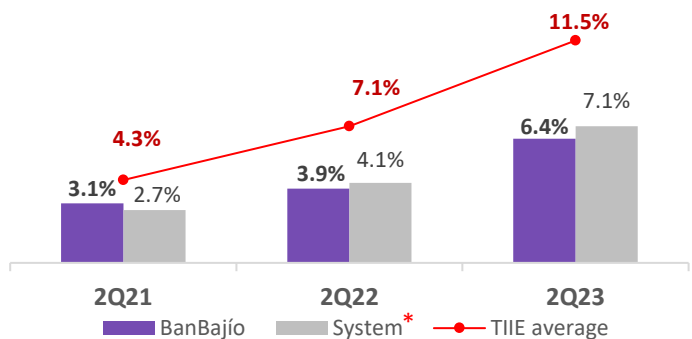
⁽¹⁾ LLP: Loan Loss Provisions
As of June 2023, additional LLP stood at \$1.7bn

Note: System Last Available Information May 2023, CNBV.

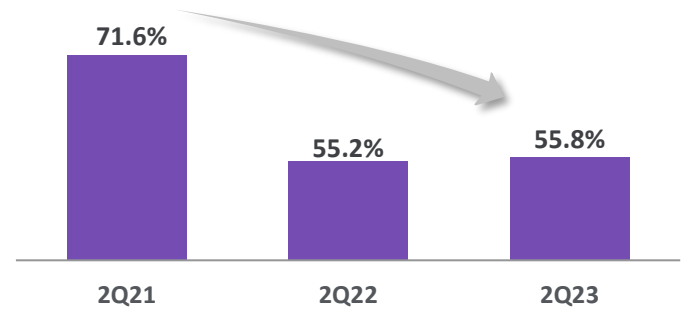
■ Funding Breakdown | Ps\$ Bn



▼ Cost of Funding ⁽¹⁾



▼ Cost of Funding as of % of TIE

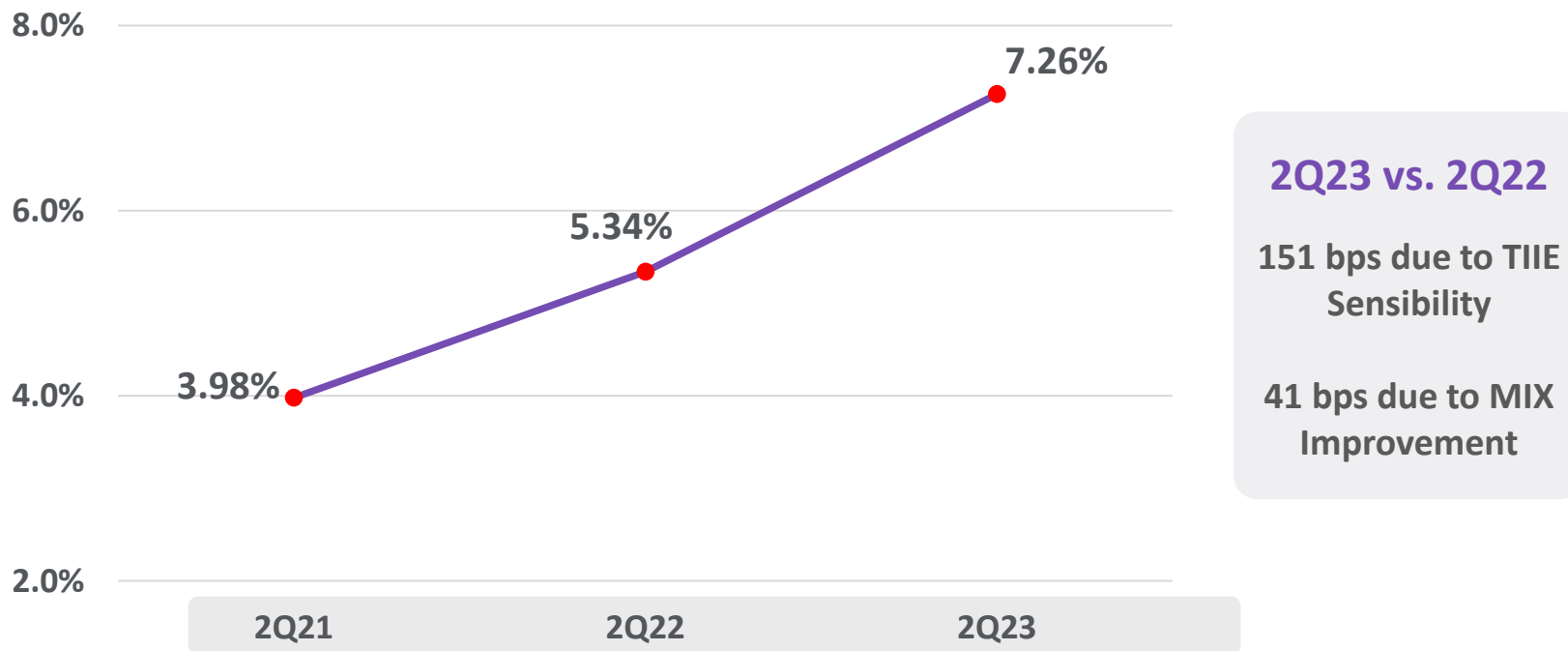


Notes:

1. Quarterly interest expense annualized (without considering leasing liabilities), 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 May 2023.

- **NIM expanded 192 bps YoY in 2Q23**, as a result of better funding mix and higher interest rates.

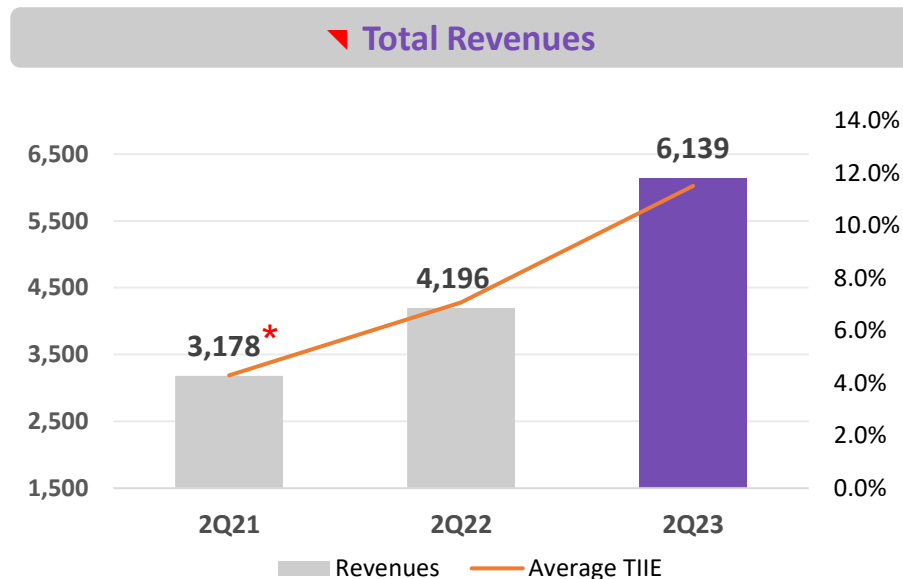


- As of June, **NIM sensitivity** is **26 bps** for each 100 basis points of change in the TIIE rate, equivalent to **795 million pesos of Revenues** and **500 million pesos of Net Income** for a full year.

• Million Pesos

- **Revenues** increased **46.3% YoY** in **2Q23**.
- **Net Interest Income** grew **47.8% YoY** in **2Q23**, and **Non Interest Income** **35.4%**.
- **Net Fees & Commissions** increased **28.8% YoY**. We would like to highlight the performance of:

POS Fees growing by **19.1%**.
- **Trading Income** grew **11.8%**.



	2Q23	2Q22	Var. YoY	6M23	6M22	Var. YoY
▪ Net Interest Income	5,447	3,685	47.8 %	10,766	6,935	55.2 %
▪ Non Interest Income	692	511	35.4 %	1,222	986	23.9 %
▪ <i>Net Fees & Commissions</i>	600	466	28.8 %	1,151	908	26.8 %
▪ <i>Trading Income</i>	247	221	11.8 %	482	418	15.3 %
▪ <i>Other Operating Income (Expense)</i>	(155)	(176)	-11.9 %	(411)	(340)	20.9 %
TOTAL REVENUES	6,139	4,196	46.3 %	11,988	7,921	51.3 %

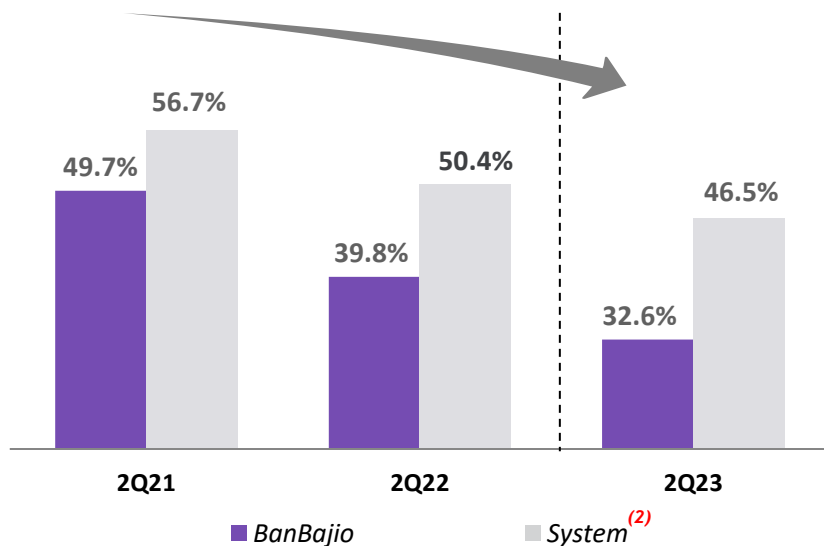
Net Fees & Commissions + Trading Income got a remarkable growth of **23.2% YoY**

* Figures before 2Q22 account for IPAB Fee reclassification.

- **Efficiency Ratio** for 2Q23 stood at **32.6%**, System **46.5%**.

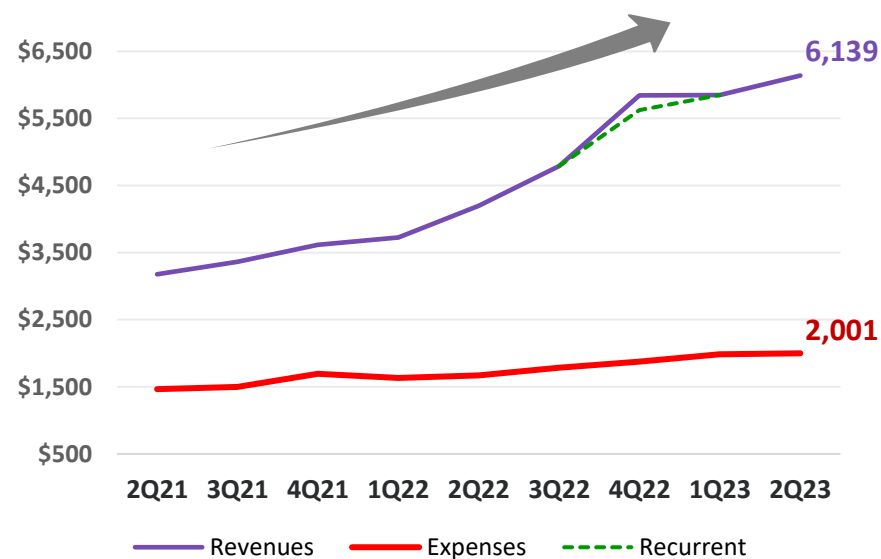
▼ Efficiency Ratio Evolution vs. System

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 May 2023.

* Figures before 2Q22 account for IPAB's fee reclassification.

- **2Q23** annualized **ROAE** and **ROAA** were **28.8%** and **3.5%** respectively.
- **2Q23** **EPS** stood at Ps. 2.34, **53.6%** higher than 2Q22, the **Earnings Yield** was **16.1%**.

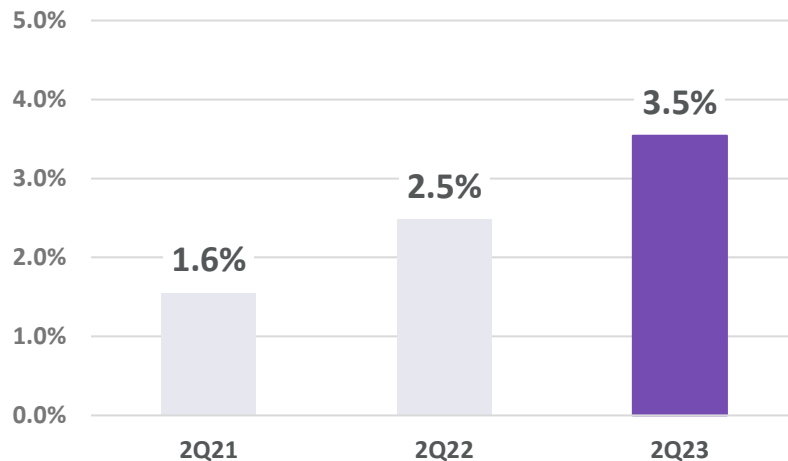
▼ ROAE

• Annualized quarter



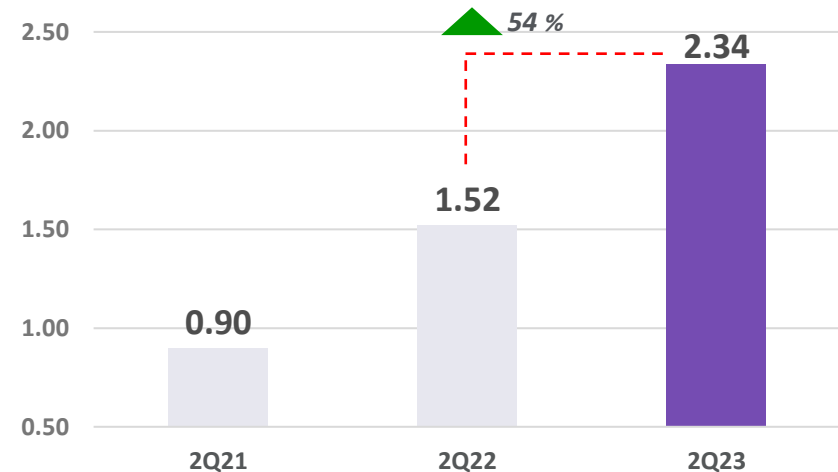
▼ ROAA

• Annualized quarter

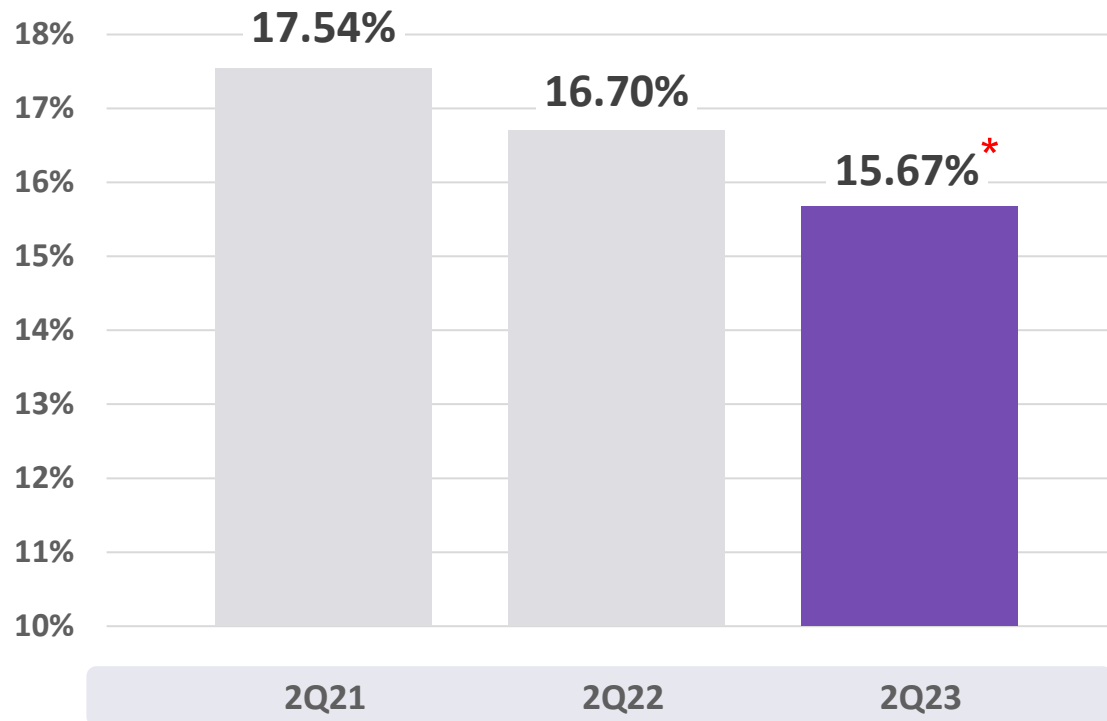


▼ EPS

• Pesos



- **Solid capitalization** ratio with **99.98% CET 1**.



* ICAP June 2023 preliminary.

Ps\$ MM				Var.	
	2Q22	1Q23	2Q23	Y o Y	Q o Q
▪Interest Income	\$6,043	\$9,167	\$9,725	60.9%	6.1%
▪Interest Expense	(2,358)	(3,848)	(4,278)	81.4%	11.2%
Net Interest Income	\$3,685	\$5,319	\$5,447	47.8%	2.4%
▪Net Fees & Commissions	\$466	551	600	28.8%	8.9%
▪Trading Income	221	235	247	11.8%	5.1%
▪Other Operating Income / (Expense)	(176)	(256)	(155)	-11.9%	-39.5%
Non Interest Income	\$511	\$530	\$692	35.4%	30.6%
Total Revenues	\$4,196	\$5,849	\$6,139	46.3%	5.0%
▪Allowance for Loan Losses	(204)	(208)	(330)	61.8%	58.7%
▪Operating Expenses	(1,671)	(1,986)	(2,001)	19.7%	0.8%
▪Equity in income of unconsolidated subsidiaries	(1)	-	1	-200.0%	100 %
Income Before Taxes	\$2,320	\$3,655	\$3,809	64.2%	4.2%
▪Taxes	(\$509)	(\$964)	(\$1,027)	101.8%	6.5%
Net Income	\$1,811	\$2,691	\$2,782	53.6%	3.4%
▪Effective Tax Rate	21.9%	26.4%	27.0%		

Ps\$ MM			Var.
	6M 22	6M 23	Y o Y
▪ Interest Income	\$11,298	\$18,892	67.2%
▪ Interest Expense	(4,363)	(8,126)	86.2%
Net Interest Income	\$6,935	\$10,766	55.2%
▪ Net Fees & Commissions	908	1,151	26.8%
▪ Trading Income	418	482	15.3%
▪ Other Operating Income / (Expense)	(340)	(411)	20.9%
Non Interest Income	\$986	\$1,222	23.9%
Total Revenues	\$7,921	\$11,988	51.3%
▪ Allowance for Loan Losses	(302)	(538)	78.1%
▪ Operating Expenses	(3,302)	(3,987)	20.7%
▪ Equity in income of unconsolidated subsidiaries	(1)	1	-200.0%
Income Before Tax	\$4,316	\$7,464	72.9%
▪ Tax	(979)	(1,991)	103.4%
Net Income	\$3,337	\$5,473	64.0%
▪ Effective Tax Rate	22.7 %	26.7 %	

Ps\$ MM	Var.				
	2Q22	1Q23	2Q23	Y o Y	Q o Q
▪Cash & Cash Equivalents	22,390	24,560	24,500	9.4%	-0.2%
▪Investment in Securities	8,745	9,693	10,859	24.2%	12.0%
▪ Cash & Investments	\$31,135	\$34,253	\$35,359	13.6%	3.2%
▪Performing Loan Portfolio Stage 1	198,980	216,637	219,760	10.4%	1.4%
▪Performing Loan Portfolio Stage 2	2,662	3,279	2,431	-8.7%	-25.9%
▪Non-performing Loan Portfolio	2,451	2,489	2,981	21.6%	19.8%
▪ Gross Loan Portfolio	\$204,093	\$222,405	\$225,172	10.3%	1.2%
▪Loan Loss Provisions	(4,596)	(5,174)	(5,405)	17.6%	4.5%
▪Deferred Accounts	(672)	(967)	(1,060)	57.7%	9.6%
Net Loan Portfolio	\$198,825	\$216,264	\$218,707	10.0%	1.1%
▪Repos	47,460	40,513	47,715	0.5%	17.8%
▪Other Assets	20,521	17,782	18,676	-9.0%	5.0%
Total Assets	\$297,941	\$308,812	\$320,457	7.6%	3.8%
▪Demand Deposits	104,649	104,972	110,266	5.4%	5.0%
▪Time Deposits	96,379	102,750	110,514	14.7%	7.6%
Total Deposits	\$201,028	\$207,722	\$220,780	9.8%	6.3%
▪Repos	7,045	5,799	7,861	11.6%	35.6%
Funding Including Repos	\$208,073	\$213,521	\$228,641	9.9%	7.1%
▪Interbank Loans *	38,666	42,713	41,943	8.5%	-1.8%
▪Other Liabilities	14,511	12,940	12,275	-15.4%	-5.1%
Total Liabilities	\$261,250	\$269,174	\$282,859	8.3%	5.1%
Shareholder's Equity	\$36,691	\$39,638	\$37,598	2.5%	-5.1%

* Mostly development banks.