



Third Quarter 2023

October | 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
Extraordinary Dividend Payment	14

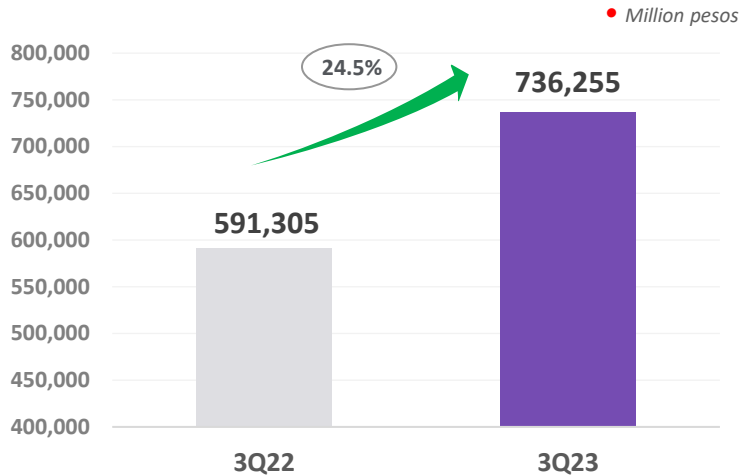
RELEVANT RESULTS |

3Q23 vs.3Q22

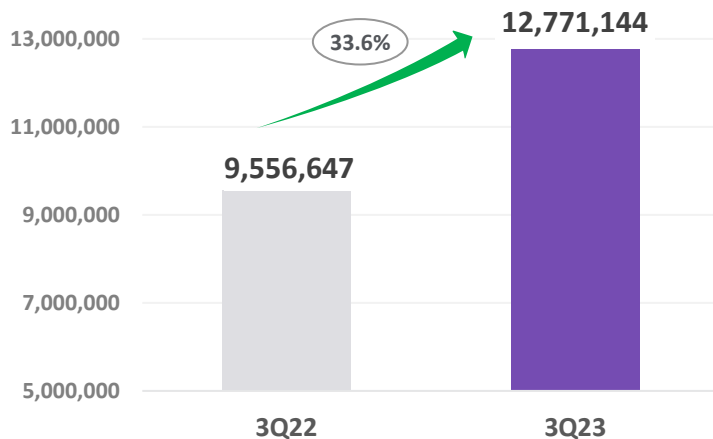
▪ Net Income	<i>growth</i>	30.6 %
▪ Revenues	<i>growth</i>	29.6 %
▪ NII	<i>growth</i>	28.6 %
▪ ROAE	▲	28.3 %
▪ ROAA	▲	3.4 %
▪ NIM	▲	7.2 %
▪ Efficiency Ratio	▼	31.6 %
▪ Total Loan Portfolio	<i>growth</i>	8.6 %
▪ Company Loans Portfolio	<i>growth</i>	10.8 %
▪ Total Deposits	<i>growth</i>	11.8 %
▪ NPL Ratio	▲	1.3 %
▪ Coverage Ratio	▼	166.1 %
▪ ICAP [*]		16.9 %

* ICAP September 2023 preliminary

▾ Transactions Amount



▾ Total Digital Channel Transactions



▾ Digital Transactions at BanBajío 3Q23

As of **September 2023**, approximately **79%** of the **money volume** and the **number of transactions** are done **through self-service channels (Digital and ATMs)**.

Clients

Clients with **digital transactions** grew **25.8% Y/Y**. We highlight the **growth of individuals of 34.8%**.

Mobile

Transactions in the **mobile channel** got an astonishing **growth of 48.4%**. **Transactions from individuals** through this channel **grew by 48.5%**. In terms of **money volume**, the **growth was 39.1%**.

Total

Total transactions amount registered an **increase of 24.5%** and **number of transactions** by **33.6%**.

▶ Loan Portfolio and Deposits Growth

- **Total Loan Portfolio** stood at **\$229.8 bn**, an increase of **8.6% YoY** in **3Q23**.
- **Company Loans**, which represents our core business, increased **10.8 %**, and **Consumer 43.0%**.

	Y o Y	Yield	
Company Loans*	10.8 %	3Q22	3Q23
Government	-25.0 %	10.77%	13.76%
Financial Institutions	55.3 %	299 bp	
Consumer	43.0 %		
Mortgage	-10.9 %		

- **Total Deposits (DD+TD)** grew **11.8%**, reaching **\$224.8 bn** in **3Q23 YoY**.

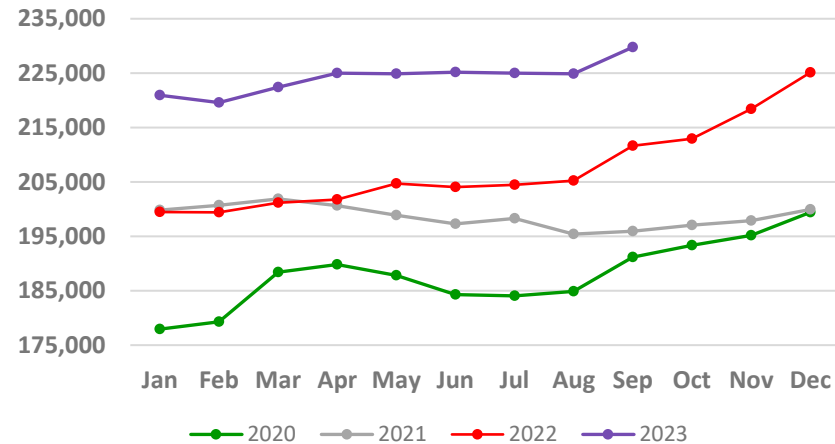
	Y o Y	Cost	
Demand Deposits (DD)	15.1 %	3Q22	3Q23
Time Deposits (TD)	8.6 %	4.51%	6.83 %
Repos	13.3 %	232 bp	
Interbank Loans**	-1.5 %		

TIIE average:	3Q22	3Q23	
	8.48 %	11.50 %	} 303 bp

* Includes Corporates and SMEs
 ** Mostly development banks.

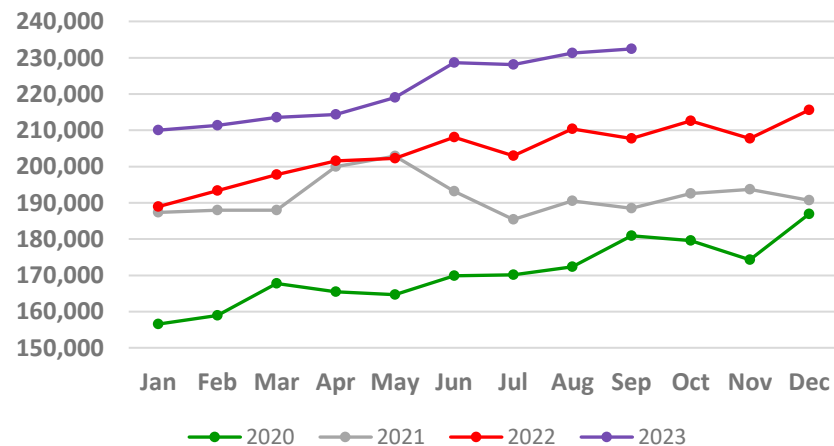
▼ Total Loan Portfolio | Millions Pesos

CAGR '20 -'3Q23: 6.7% | System 5.5%⁽¹⁾



▼ Total Deposits⁽²⁾ | Millions Pesos

CAGR '20 -'3Q23: 11.5% | System 7.8%⁽¹⁾

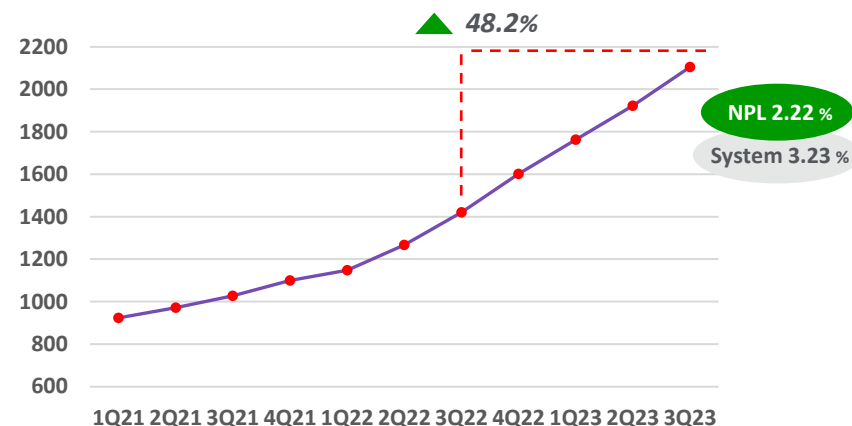


1. Total Banca Multiple consolidated figures August 2023.
 2. Includes Repos.

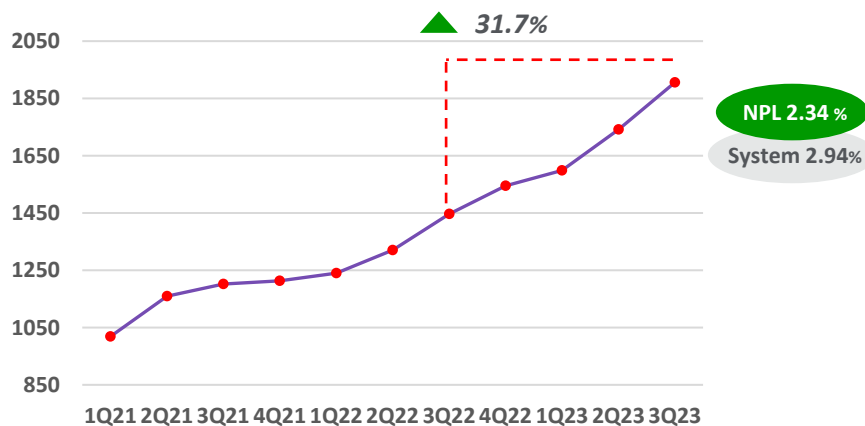
- **Consumer Loan Portfolio** grew **43.0% YoY** in **3Q23**, the **NPL Ratio** was **2.0%**, while the system was **3.2%**.
- We highlight the **growth of 48.2%** in **Credit Card**, **31.7%** in **Payroll Loans** and **122.6%** in **Personal Loans**.

	Bn. \$	YoY
Consumer	5.3	43.0%
▪ Credit Card	2.1	48.2%
▪ Payroll	1.9	31.7%
▪ Personal	0.9	122.6%
▪ Auto + ABCD	0.3	-15.0%

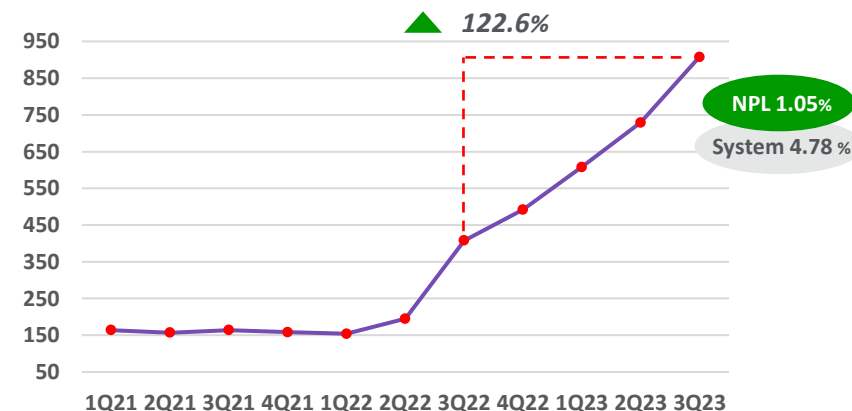
▼ Credit Card



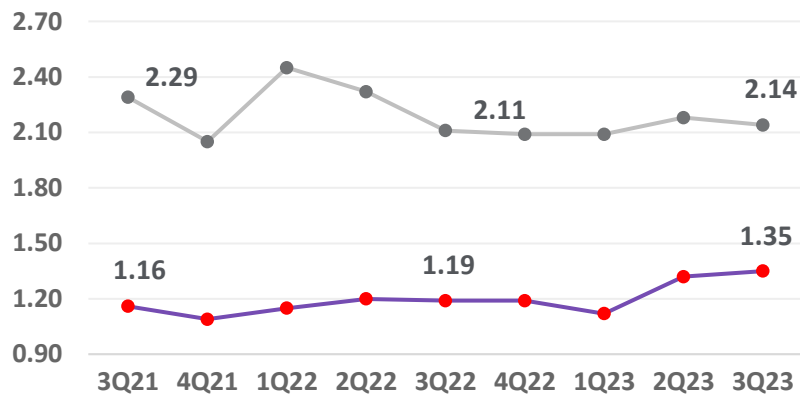
▼ Payroll



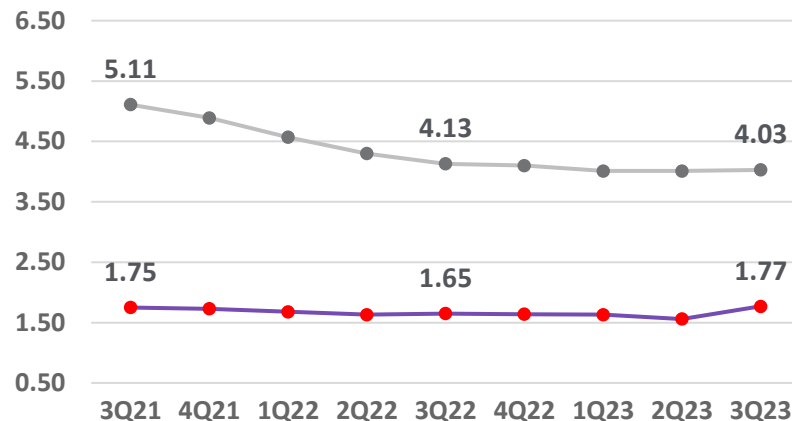
▼ Personal



▼ NPL Ratio | %

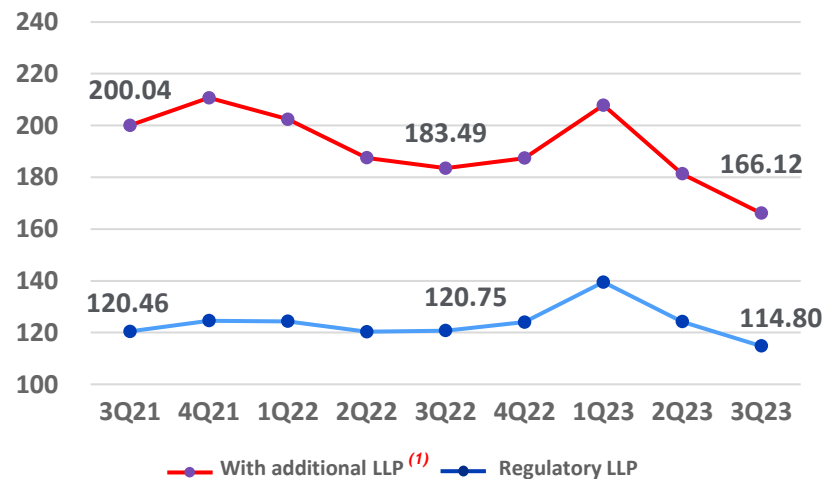


▼ NPL Ratio adjusted | %



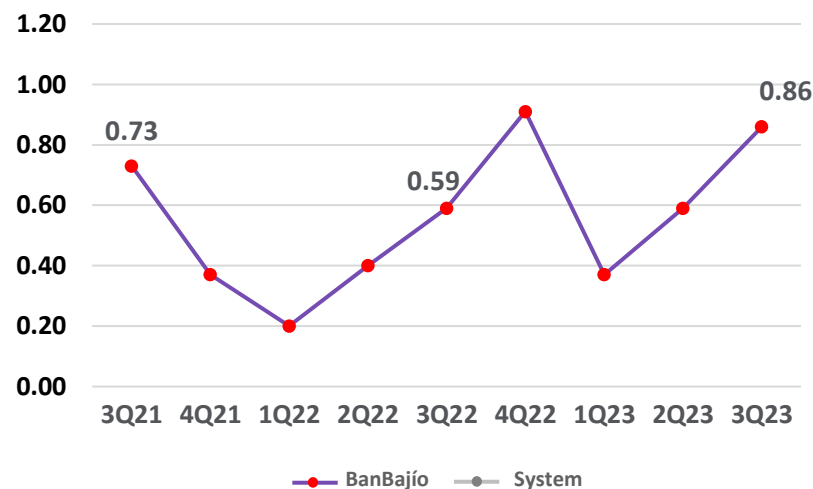
▼ Coverage Ratio | %

Aug 23: System 155.16%



▼ Cost of Risk | %

Jul-Aug 23: System 2.54%

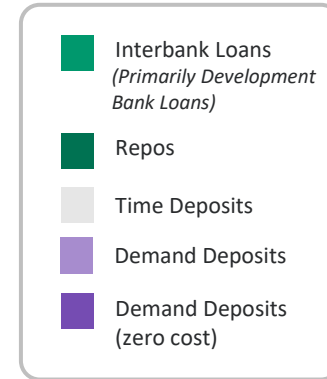
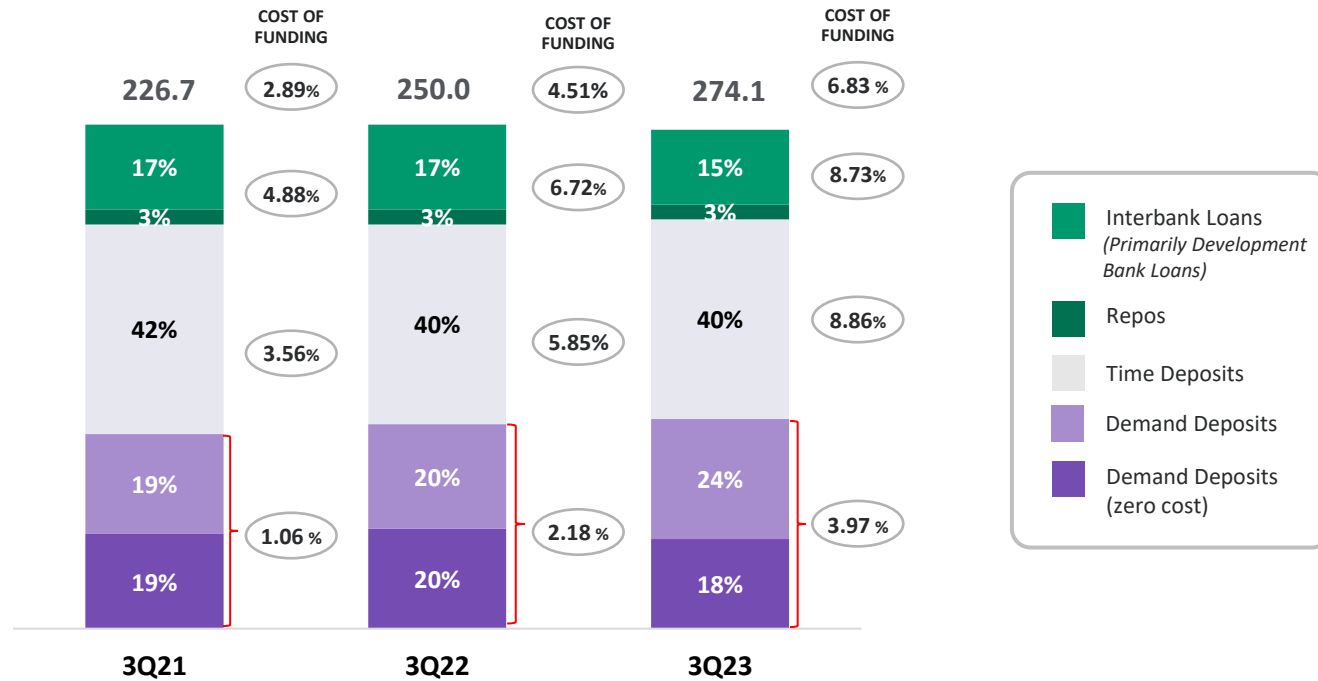


(1) LLP: Loan Loss Provisions

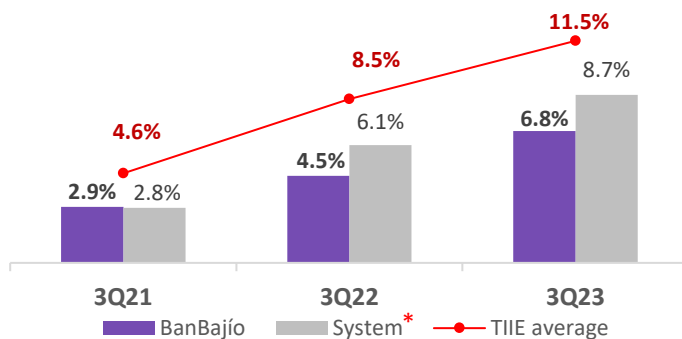
As of September 2023, additional LLP stood at \$1.6bn

Note: System last available information Aug 2023, CNBV.

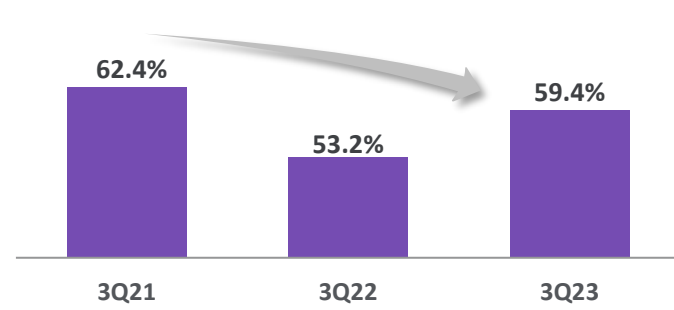
■ Funding Breakdown | Ps\$ Bn



▼ Cost of Funding ⁽¹⁾



▼ Cost of Funding as of % of TIEE

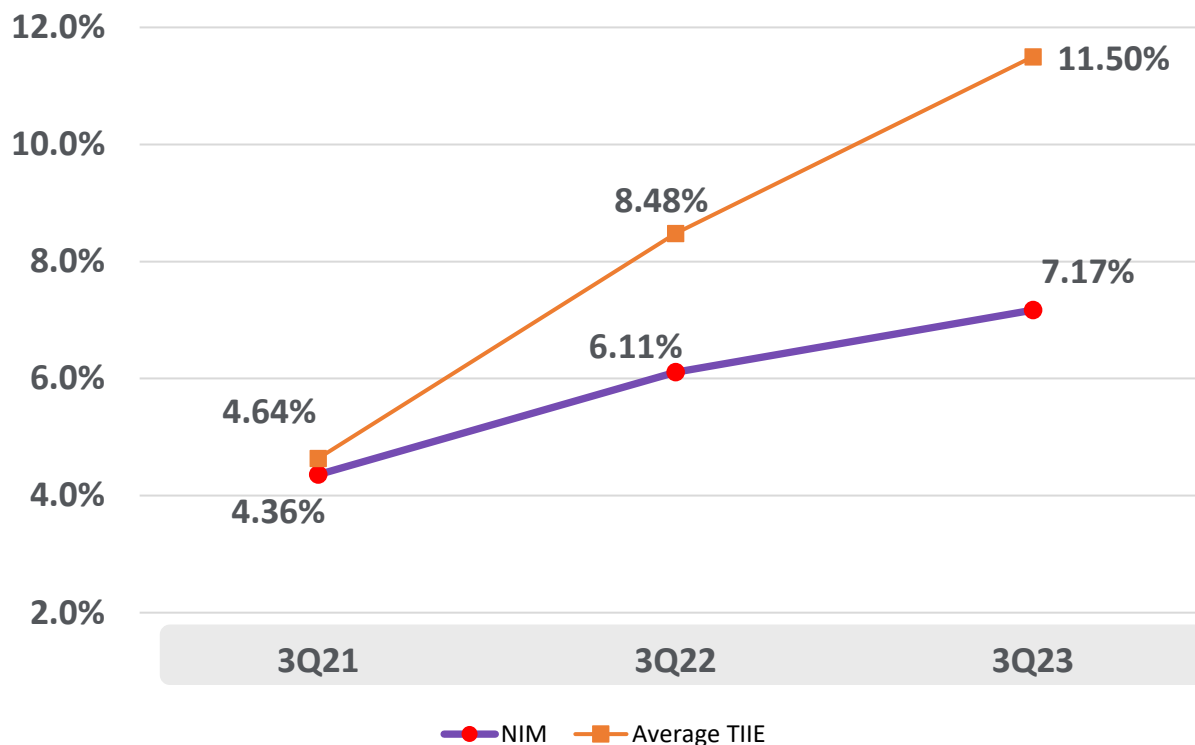


Notes:

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 August 2023.

- **NIM expanded 106 bps YoY in 3Q23**, as a result of better funding mix and higher interest rates.



3Q23 vs. 3Q22

97 bps due to TIIE Sensibility

9 bps due to MIX Improvement

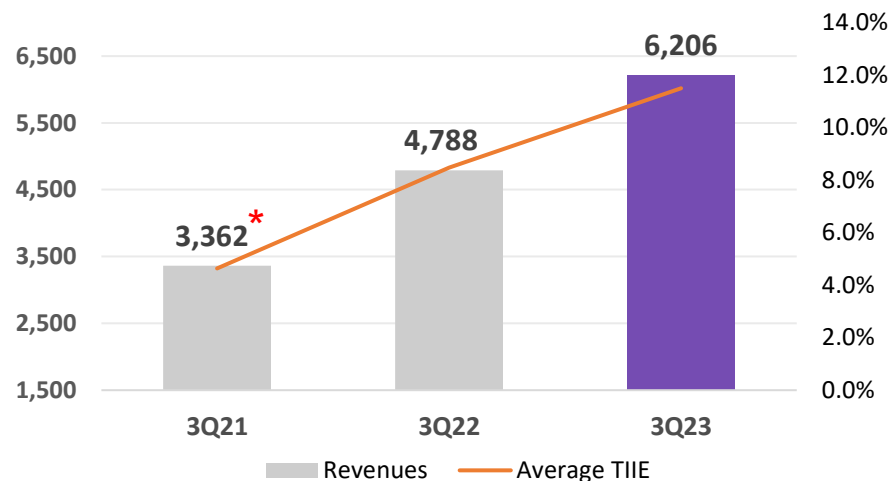
- As of September **NIM sensitivity is 26 bps** for each 100 basis points of change in the TIIE rate, equivalent to **810 million pesos of Revenues** and **510 million pesos of Net Income** for a full year.

• Million Pesos

- **Revenues** increased **29.6% YoY** in 3Q23.
- **Net Interest Income** grew **28.6% YoY** in 3Q23, and **Non-Interest Income** **38.5%**.
- **Net Fees & Commissions** increased **17.4% YoY**. We would like to highlight the growth of:

Electronic Banking Fees by **38.9%**, **Interexchange Fees** by **23.8%** and **POS Fees** by **19.5%**.
- **Trading Income** grew **21.9%**.

▼ Total Revenues



	3Q23	3Q22	Var. YoY	9M23	9M22	Var. YoY
▪ Net Interest Income	5,526	4,297	28.6 %	16,292	11,232	45.0 %
▪ Non-Interest Income	680	491	38.5 %	1,902	1,477	28.8 %
▪ <i>Net Fees & Commissions</i>	595	507	17.4 %	1,746	1,415	23.4 %
▪ <i>Trading Income</i>	245	201	21.9 %	727	619	17.4 %
▪ <i>Other Operating Income (Expense)</i>	(160)	(217)	-26.3 %	(571)	(557)	2.5 %
TOTAL REVENUES	6,206	4,788	29.6 %	18,194	12,709	43.2 %

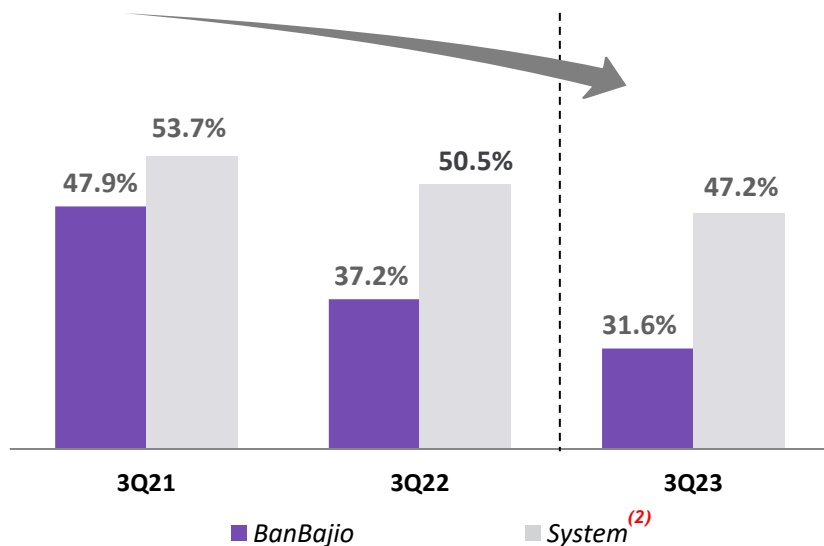
Net Fees & Commissions + Trading Income got a remarkable growth of **18.6% YoY**

* Figures before 1Q22 account for IPAB Fee reclassification.

- **Efficiency Ratio** for 3Q23 stood at **31.6%**, System **47.2%**.

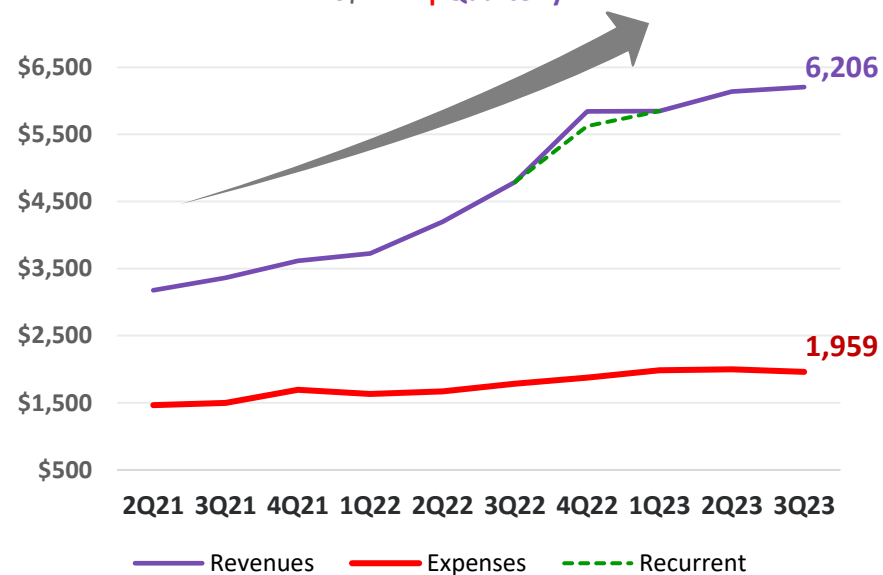
▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses*

Pes\$ MM | Quarterly



Source: Company information

Notes:

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

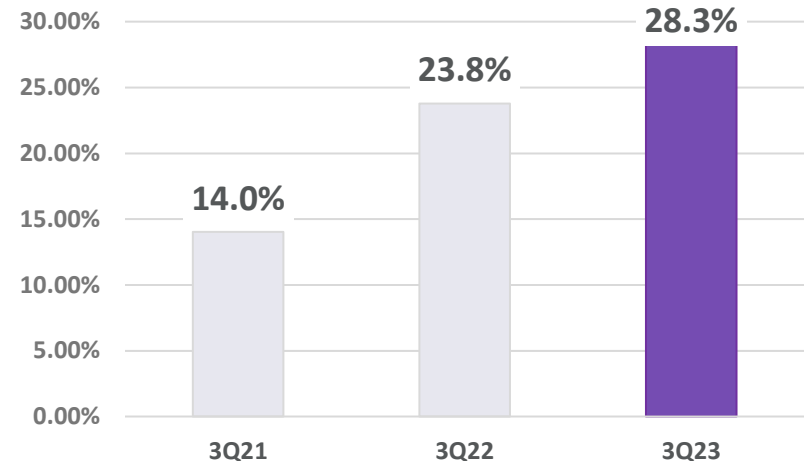
⁽²⁾ System last available information August 2023.

* Figures before 1Q22 account for IPAB's fee reclassification.

- **3Q23** annualized **ROAE** and **ROAA** were **28.3%** and **3.4%** respectively.
- **3Q23** **EPS** stood at Ps. 2.32, **30.7%** higher than 3Q22, the **Earnings Yield** was **17.2%**.

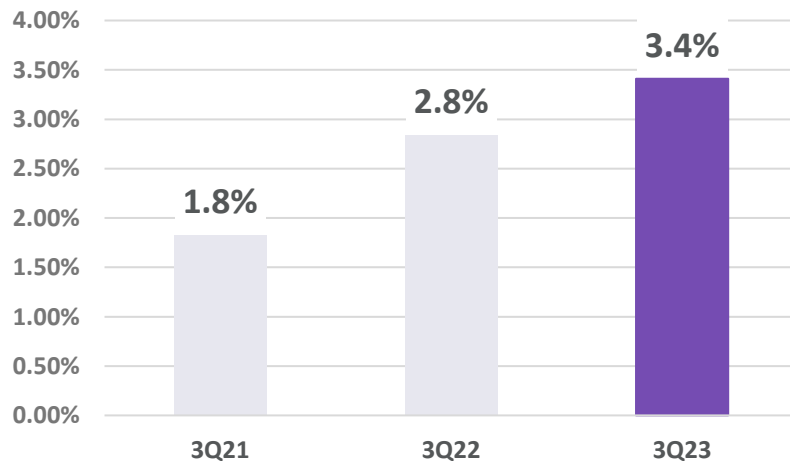
▼ ROAE

• Annualized quarter



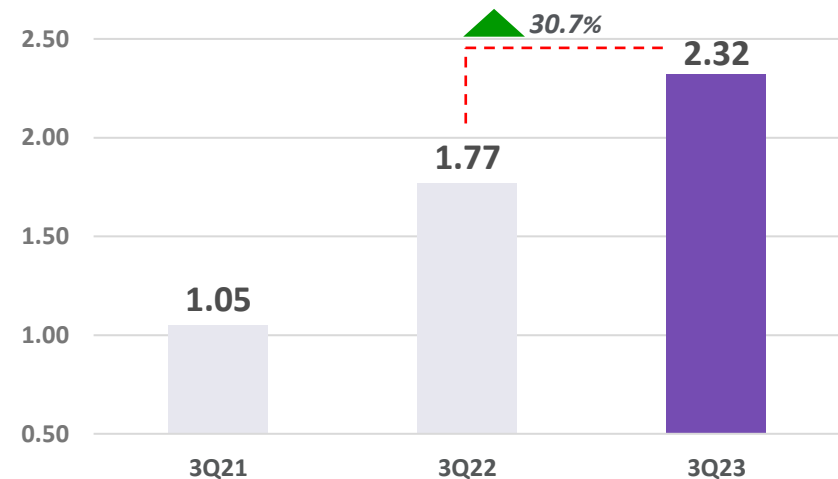
▼ ROAA

• Annualized quarter

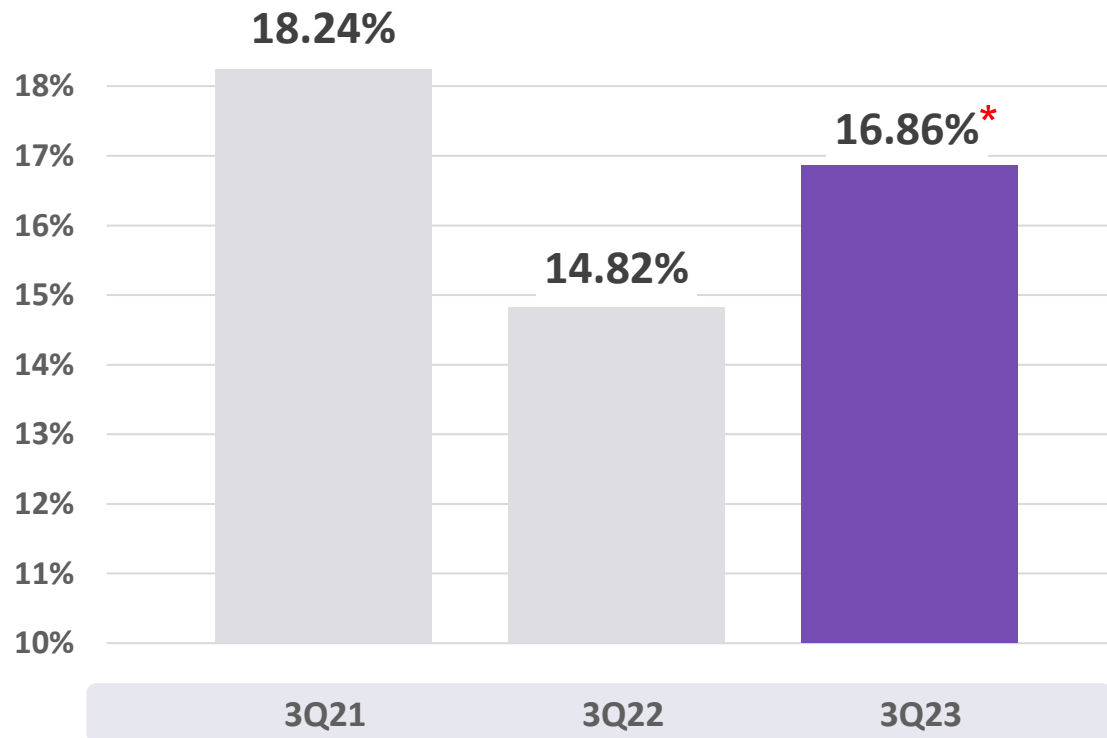


▼ EPS

• Pesos



- **Solid capitalization** ratio with **100% CET 1**.



* ICAP September 2023 preliminary.

- Today, our **Annual General Meeting** approved an extraordinary cash dividend payment equivalent to **20.0%** of **2022 Net Income**.
- The **amount to distribute** is **\$1,610,868,789**, **payment** will take place during **November 2023**.

	May	November	Total
▪ 2022 Net Income		\$8,054,343,947	
▪ Payout	60.0 %	20.0%	80.0%
▪ Amount	\$4,832,606,368	\$1,610,868,789	\$6,443,475,158
▪ Dividend per share	\$4.0612	\$1.3537	\$5.4150
▪ Dividend yield *	6.8%	2.3%	9.1%

- Right after the **dividend payment**, the **ICAP Ratio** will be around **16.4%**.

* Computed with the average price of January - October 24, 2023.

Ps\$ MM				Var.	
	3Q22	2Q23	3Q23	Y o Y	Q o Q
▪Interest Income	\$7,139	\$9,725	\$10,236	43.4%	5.3%
▪Interest Expense	(2,842)	(4,278)	(4,710)	65.7%	10.1%
Net Interest Income	\$4,297	\$5,447	\$5,526	28.6%	1.5%
▪Net Fees & Commissions	\$507	600	595	17.4%	-0.8%
▪Trading Income	201	247	245	21.9%	-0.8%
▪Other Operating Income / (Expense)	(217)	(155)	(160)	-26.3%	3.2%
Non-Interest Income	\$491	\$692	\$680	38.5%	-1.7%
Total Revenues	\$4,788	\$6,139	\$6,206	29.6%	1.1%
▪Allowance for Loan Losses	(305)	(330)	(489)	60.3%	48.2%
▪Operating Expenses	(1,783)	(2,001)	(1,959)	9.9%	-2.1%
▪Equity in income of unconsolidated subsidiaries	-	1	-		-100 %
Income Before Taxes	\$2,700	\$3,809	\$3,758	39.2%	-1.3%
▪Taxes	(\$591)	(\$1,027)	(\$1,003)	69.7%	-2.3%
Net Income	\$2,109	\$2,782	\$2,755	30.6%	-1.0%
▪Effective Tax Rate	21.9%	27.0%	26.7%		

Ps\$ MM			Var.
	9M 22	9M 23	Y o Y
▪ Interest Income	\$18,437	\$29,128	58.0%
▪ Interest Expense	(7,205)	(12,836)	78.2%
Net Interest Income	\$11,232	\$16,292	45.0%
▪ Net Fees & Commissions	1,415	1,746	23.4%
▪ Trading Income	619	727	17.4%
▪ Other Operating Income / (Expense)	(557)	(571)	2.5%
Non-Interest Income	\$1,477	\$1,902	28.8%
Total Revenues	\$12,709	\$18,194	43.2%
▪ Allowance for Loan Losses	(607)	(1,027)	69.2%
▪ Operating Expenses	(5,085)	(5,946)	16.9%
▪ Equity in income of unconsolidated subsidiaries	(1)	1	-200.0%
Income Before Tax	\$7,016	\$11,222	59.9%
▪ Tax	(1,570)	(2,994)	90.7%
Net Income	\$5,446	\$8,228	51.1%
▪ Effective Tax Rate	22.4 %	26.7 %	

Ps\$ MM				Var.	
	3Q22	2Q23	3Q23	Y o Y	Q o Q
▪Cash & Cash Equivalents	20,208	24,500	16,223	-19.7%	-33.8%
▪Investment in Securities	11,473	10,859	11,678	1.8%	7.5%
▪ Cash & Investments	\$31,681	\$35,359	\$27,901	-11.9%	-21.1%
▪Performing Loan Portfolio Stage 1	207,010	219,760	223,636	8.0%	1.8%
▪Performing Loan Portfolio Stage 2	2,141	2,431	3,047	42.3%	25.3%
▪Non-performing Loan Portfolio	2,513	2,981	3,099	23.3%	4.0%
▪ Gross Loan Portfolio	\$211,664	\$225,172	\$229,782	8.6%	2.0%
▪Loan Loss Provisions	(4,611)	(5,405)	(5,148)	11.6%	-4.8%
▪Deferred Accounts	(782)	(1,060)	(1,063)	35.9%	0.3%
Net Loan Portfolio	\$206,271	\$218,707	\$223,571	8.4%	2.2%
▪Repos	41,211	47,715	56,535	37.2%	18.5%
▪Other Assets	16,622	18,676	18,167	9.3%	-2.7%
Total Assets	\$295,785	\$320,457	\$326,174	10.3%	1.8%
▪Demand Deposits	100,606	110,266	115,756	15.1%	5.0%
▪Time Deposits	100,413	110,514	109,035	8.6%	-1.3%
Total Deposits	\$201,019	\$220,780	\$224,791	11.8%	1.8%
▪Repos	6,745	7,861	7,644	13.3%	-2.8%
Funding Including Repos	\$207,764	\$228,641	\$232,435	11.9%	1.7%
▪Interbank Loans *	42,285	41,943	41,666	-1.5%	-0.7%
▪Other Liabilities	11,516	12,275	11,725	1.8%	-4.5%
Total Liabilities	\$261,565	\$282,859	\$285,826	9.3%	1.0%
Shareholder's Equity	\$34,220	\$37,598	\$40,348	17.9%	7.3%

* Mostly development banks.