



Second Quarter 2019

Conference Call Presentation

July | 2019

► Guidance

	2019 Original	2019 Revised	
▪ Loan Growth	9% - 11%	8% - 10%	✘
▪ Deposits Growth	9% - 11%	14% - 16%	✔
▪ NIM	5.7% - 5.8%	5.5% - 5.6%	✘
▪ Revenues, Net of Reserves	13% - 14%	12% - 13%	✘
▪ Expenses Growth	14% - 16%	11% - 12%	✔
▪ Efficiency	Below 45%	Below 45%	≡
▪ Cost of Risk	Below 1%	Below 1%	≡
▪ Tax Rate	24.0% - 26.0%	24.0% - 26.0%	≡
▪ Net Income	\$5,500 - \$5,700	\$5,500 - \$5,700	≡
Growth	8.1% - 12.0%	8.1% - 12.0%	≡
▪ ROAE	18.1% - 18.7%	18.1% - 18.7%	≡
▪ NPL Ratio	Below 1.3%	Below 1.2%	✔
▪ Coverage Ratio	Above 160%	Above 160%	≡
▪ Capitalization Ratio	16.25% - 16.85%	16.3% - 16.7%	≡

* Does not consider any adjustment in the reference rate-TIIE.

RELEVANT RESULTS |

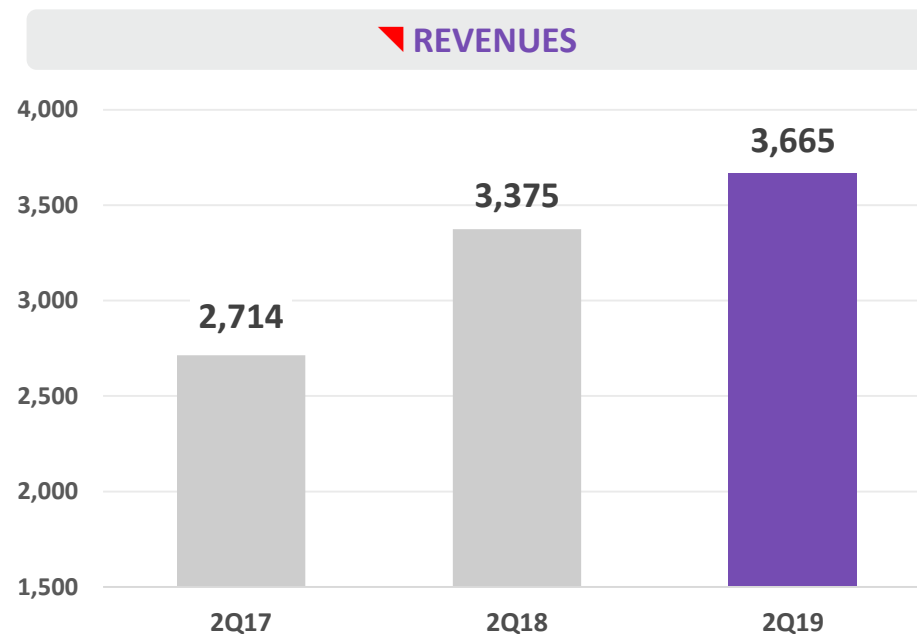
2Q19 vs.2Q18

▪ Net Income	<i>growth</i>	15.4 %
▪ Revenues	<i>growth</i>	8.6 %
▪ Financial Margin	<i>growth</i>	10.1 %
▪ ROAE	▼	19.1 %
▪ ROAA	≡	2.4 %
▪ NIM	▼	5.5%
▪ Efficiency Ratio	≡	43.8 %
▪ Total Loan Portfolio	<i>growth</i>	11.1%
▪ Company Loans Portfolio	<i>growth</i>	12.2 %
▪ Total Deposits	<i>growth</i>	16.3 %
▪ NPL Ratio	▼	0.84 %
▪ Coverage Ratio	▼	175.4 %

▶ Continuous upward trend in Revenues

• Million Pesos

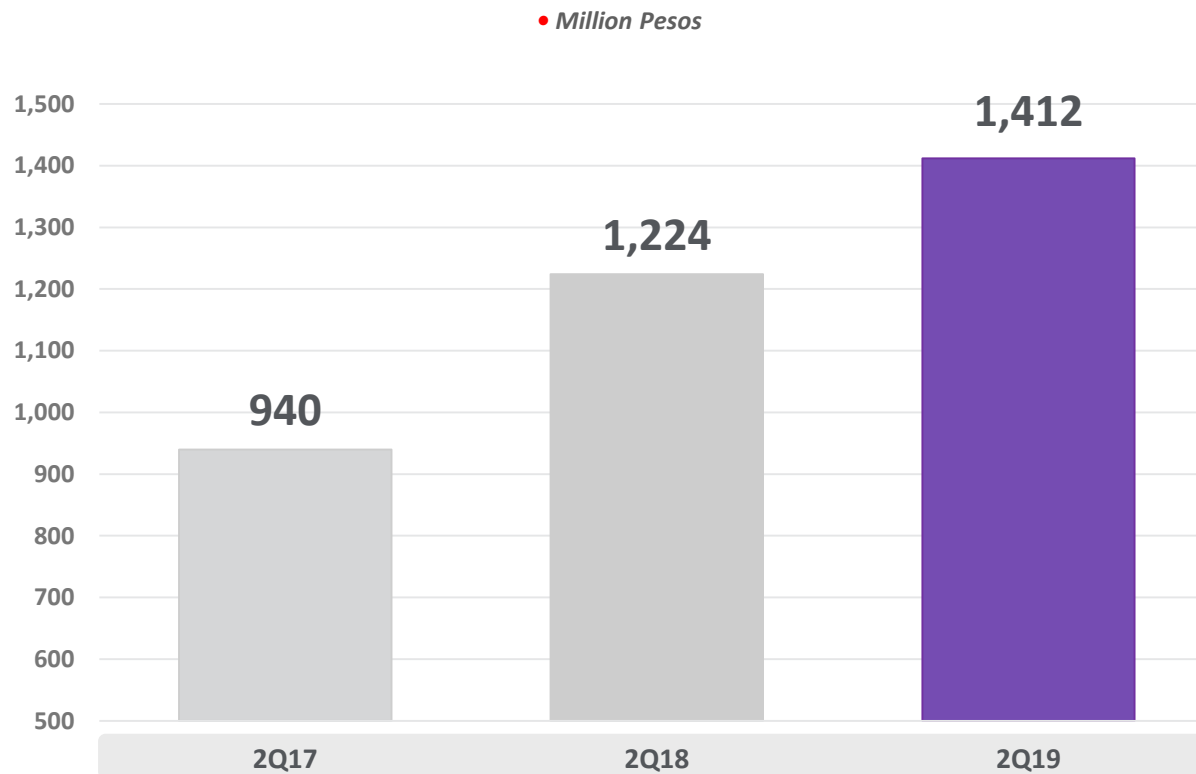
- **Revenues** increased **8.6%** in **2Q19** YoY and **13.2%** in **6M19**.
- **Positive performance in the Net Interest Income** as a result of an increase in volume and interest rates.



	2Q19	YoY	6M19	YoY
▪ Net Interest Income	3,063	10.1 %	6,145	14.0 %
▪ Non Interest Income	602	1.5 %	1,160	8.9 %
▪ <i>Net Fees & Commissions</i>	423	-3.9 %	830	2.0 %
▪ <i>Trading Income</i>	132	51.7 %	219	42.2 %
▪ <i>Other Operating Income</i>	47	-28.8 %	111	14.4 %
TOTAL REVENUES	3,665	8.6 %	7,305	13.2 %

▶ Historical Net Income Performance

- **Net Income** was Ps. **1,412 million** in **2Q19**, **15.4%** higher than 2Q18, as a result of an increase in volume and interest rates. **6M19** was Ps. **2,822 million** **18.6%** higher than **6M18**.

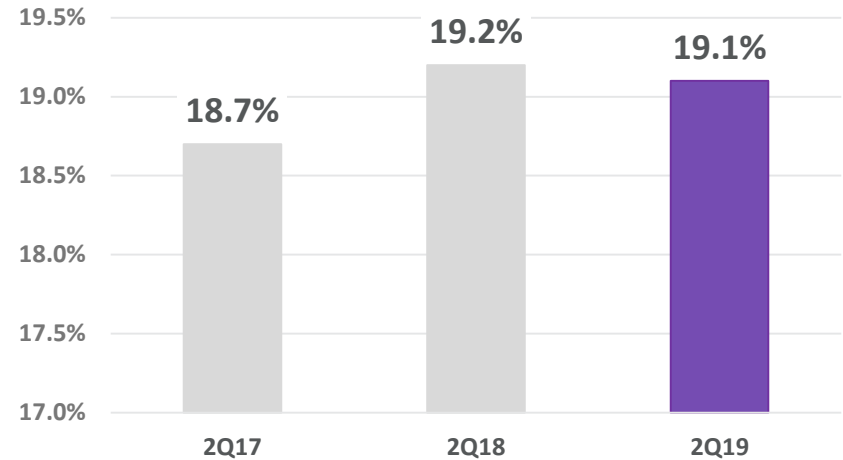


▶ Strong Results boosted Returns and EPS

- We continue to post an above 18% level of ROAE since the IPO.
- Continuous growth in Earnings, resulted in a **84.6%** increase in EPS since the IPO, and 23.2% YoY.

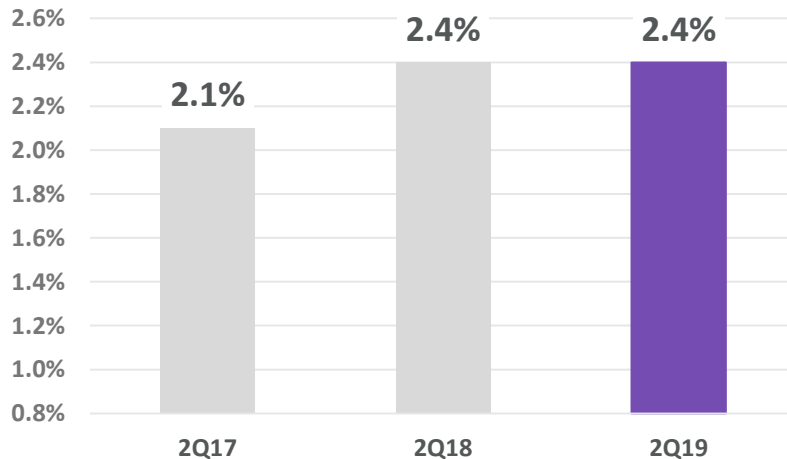
▼ ROAE

• Annualized quarter



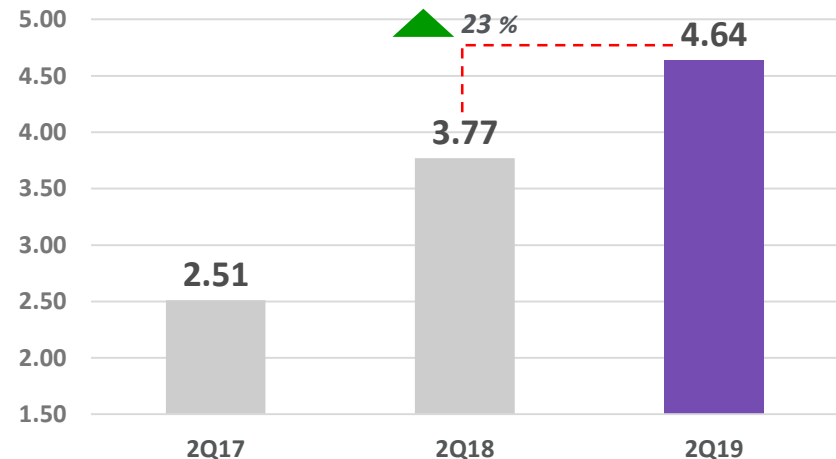
▼ ROAA

• Annualized quarter



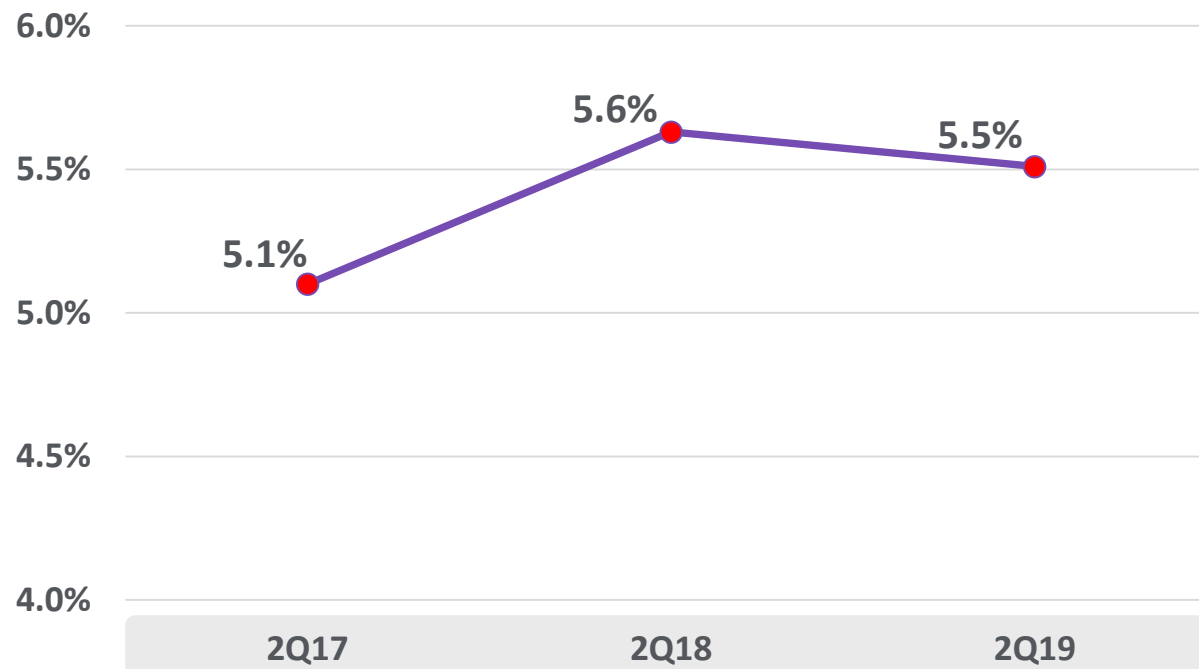
▼ EPS

• Pesos



▶ Net Interest Margin

- **NIM contracted 12 bps in 2Q19 YoY**, as a result of:
 - ▶ The **\$2 billion** Ps. dividend payment paid in May 10th that was replaced with interest bearing liabilities.
 - ▶ A higher growth in deposits compared to loans.

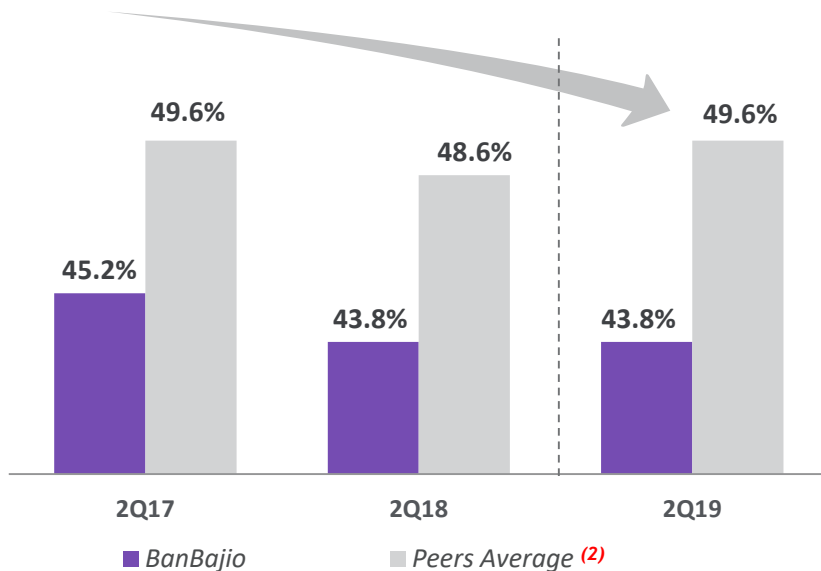


▶ Efficiency Ratio

- Efficiency Ratio for 2Q19 remains stable at 43.8% and 43.3% for 6M19 below the 44.2% in 6M18.

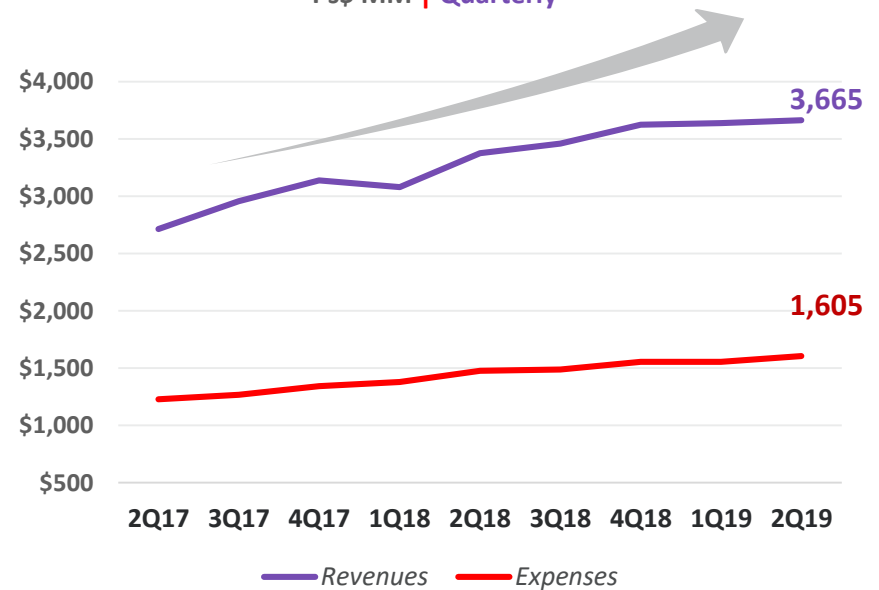
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Quarterly



Source Company information

Notes:

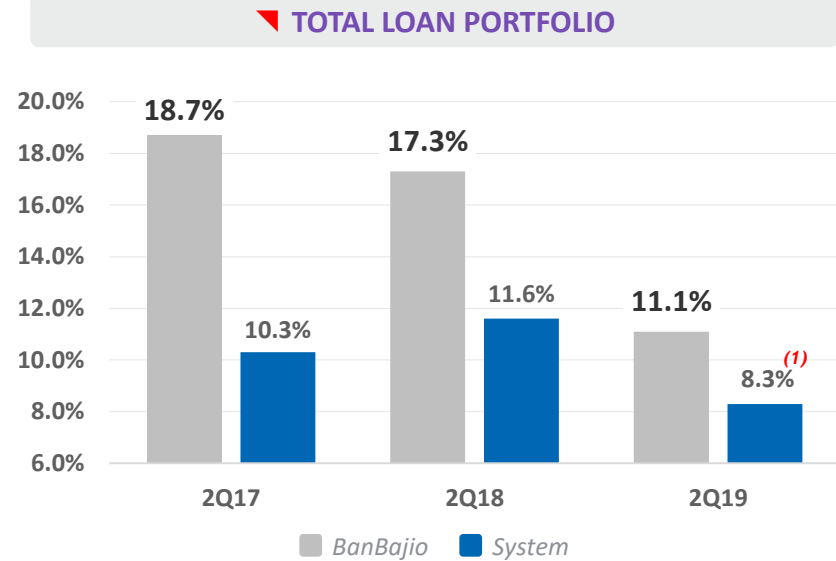
⁽¹⁾ Total Revenues (excluding Loan Loss Provisions).

⁽²⁾ Peers Include: Banorte, Banregio, BBVA Bancomer, Citibanamex, HSBC, Santander and Scotiabank consolidated figures; last available information for the April and May19 period.

▶ Loan Portfolio Growth YoY

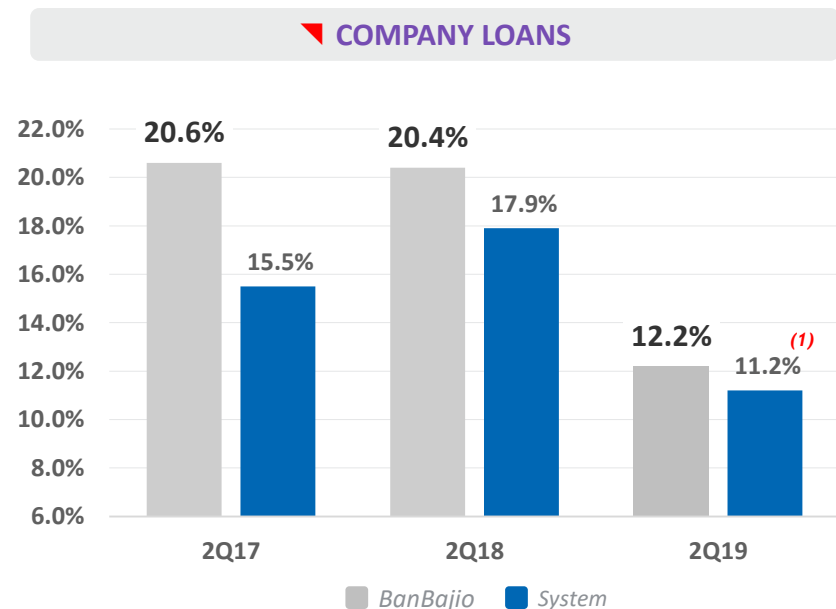
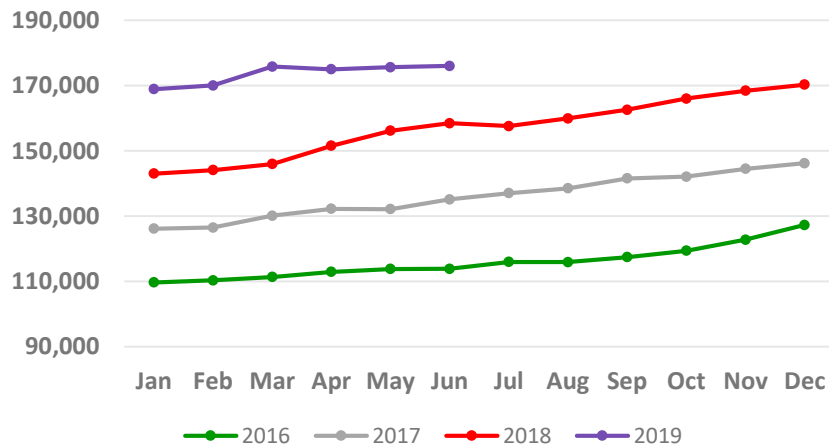
- **Total Loan Portfolio** grew **11.1%** in **2Q19**, above the 8.3% of the system as of May 2019.
- **Company Loans**, which represents our core business, increased **12.2%**.

		YoY
Company Loans	Corporates	10.7 %
	SME's	15.1 %
	Financial Institutions	-10.6 %
	Government	25.8 %
	Consumer	31.3 %
	Mortgage	-0.6 %



▼ TOTAL LOAN PORTFOLIO | MILLION PESOS

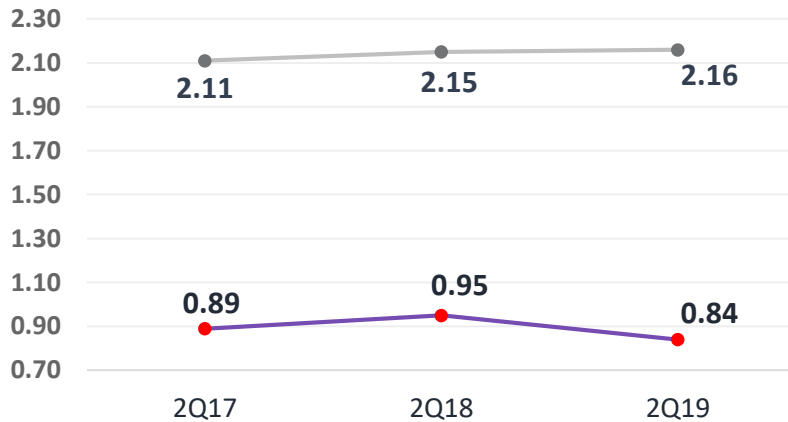
CAGR '16 -'2Q19: 14.8% System⁽¹⁾ 10.0%



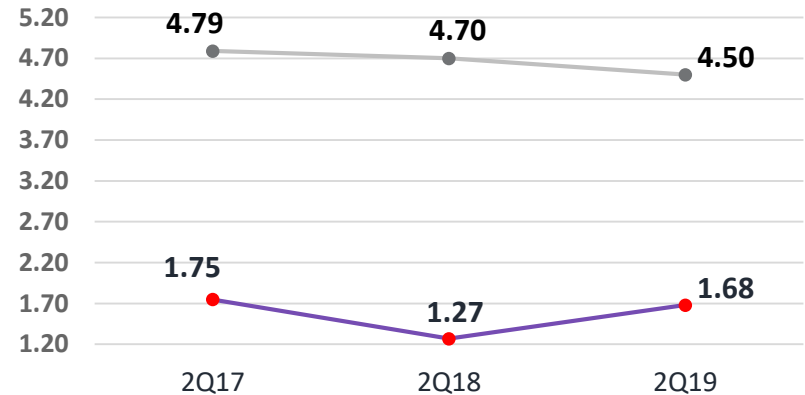
1. Total Banca Multiple consolidated figures May19.

▪ High asset quality and outstanding risk profile

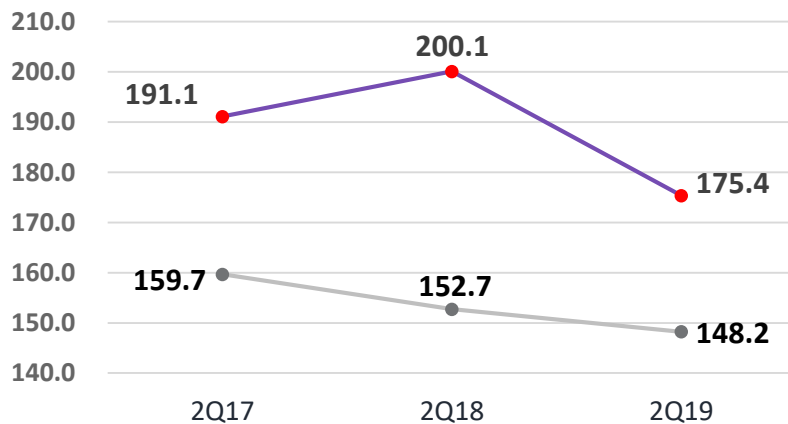
▼ NPL Ratio | %



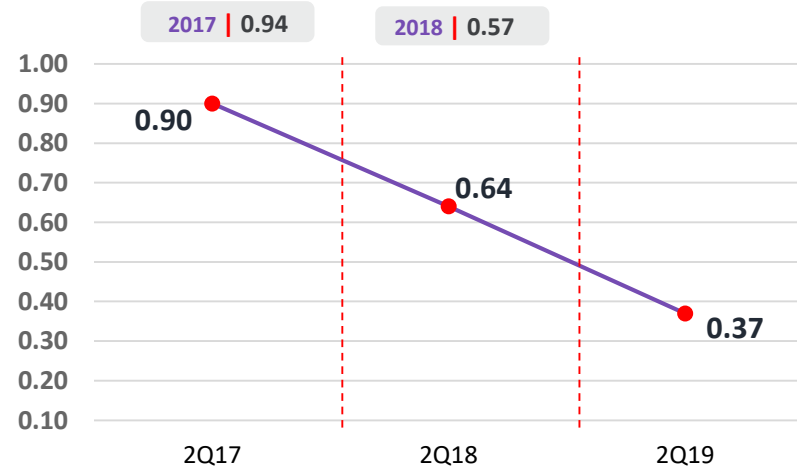
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



▼ Cost of Risk¹ | %

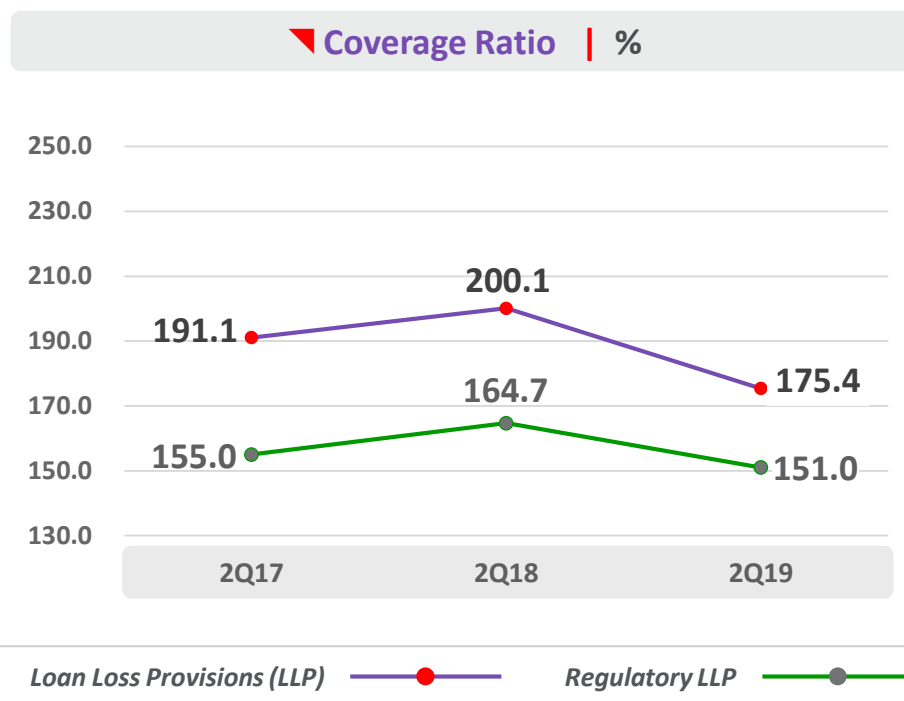


BanBajio —●— System —●—

¹ Annualized quarter

* System Last Available Information May 2019, CNBV.

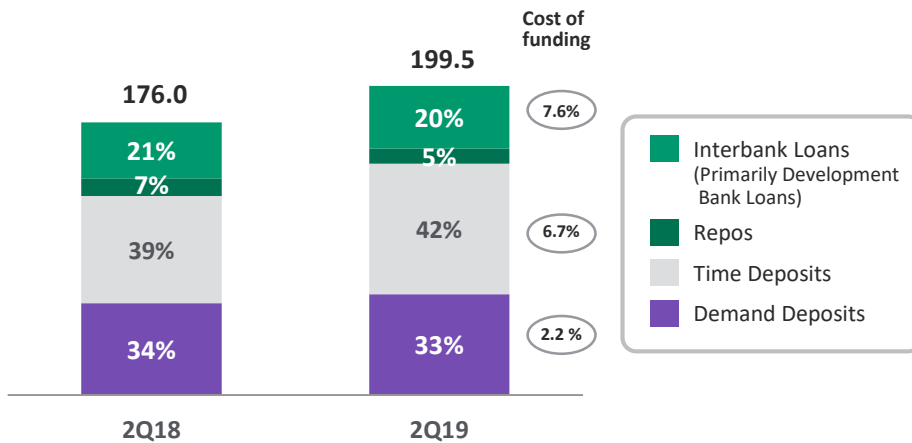
▶ Asset Quality, Anticyclical Cushion Policy



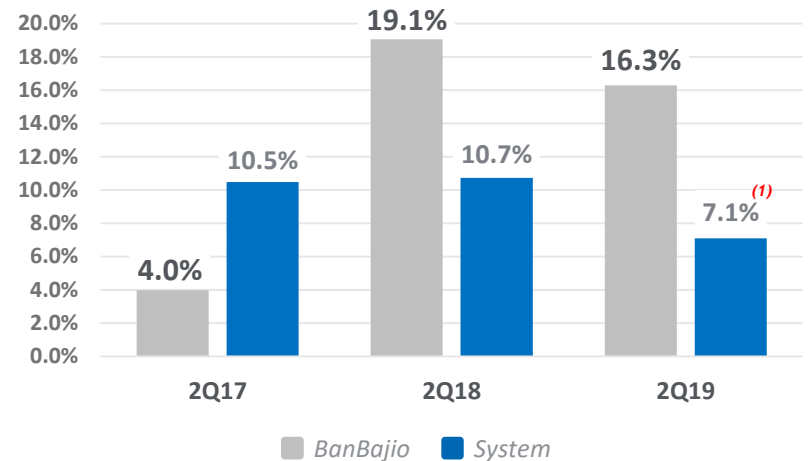
• Million Pesos	2Q17	2Q18	2Q19
▶ Loan Loss Provisions (LLP)	2,286	3,003	2,606
▶ Additional Provisions	432	530	361
▶ Regulatory LLP	1,854	2,473	2,245

▶ Strong growth in Total Deposits

Funding Breakdown | Ps\$ Bn

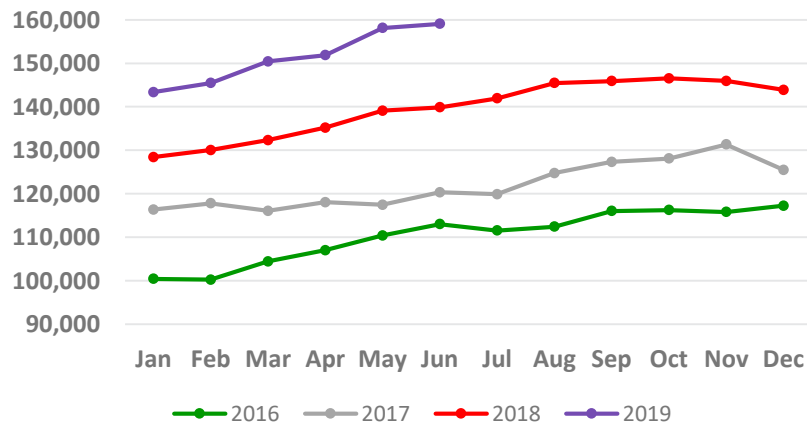


Total Deposits Growth (Demand + Time)



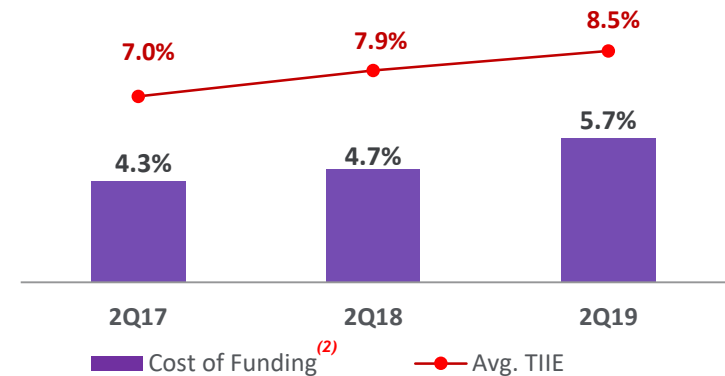
Total Deposits * | Million Pesos

CAGR '16 -'2Q19: 13.8% System⁽¹⁾ 7.1%



Cost of Total Funding | %

May19: System⁽¹⁾⁽³⁾ 5.2%⁽⁴⁾



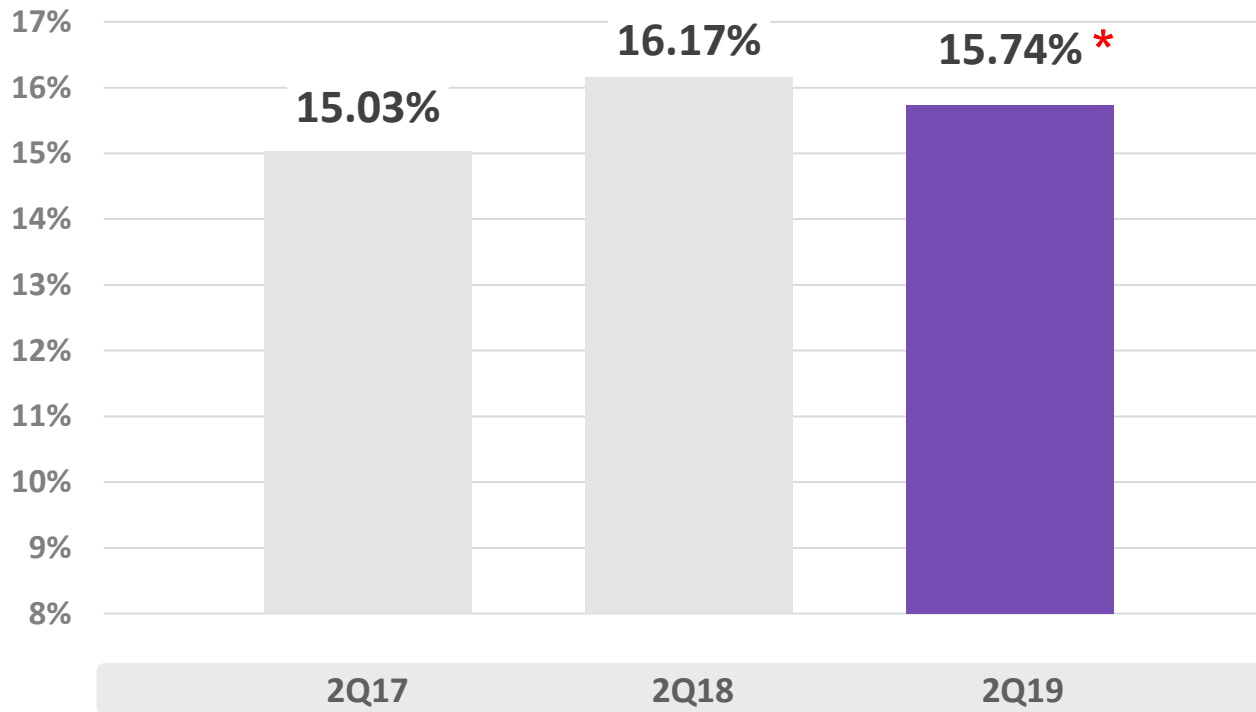
Notes:

1. Total Banca Multiple consolidated figures May19.
2. Interest expense divided by total funding (deposits, interbank loans, repos).
3. Includes repos, derivatives, and changes in adjustment to financial asset hedging valuation.
4. Annualized.

Source: Company information, CNBV
* Includes Repos.

▶ Capital Adequacy Ratio

- **Solid capitalization** ratio with **99.9% TIER 1**



* ICAP June 2019 preliminary

▶ Fitch Ratings upgrades BanBajío's Ratings, Outlook Stable

- On June 7th, **Fitch Ratings de México** upgraded our national long term ratings with an outlook stable.

	BEFORE	CURRENT
NATIONAL SCALE		
Long term	AA(mex)	AA+(mex)
Short term (affirmed)	F1+(mex)	F1+(mex)

- The current rating actions already consider the downgrade of the Mexican Sovereign Ratings as per June 5, 2019.

▶ Income Statement

Ps\$ MM	Var.				
	2Q18	1Q19	2Q19	Y o Y	Q o Q
▪ Interest Income	\$4,776	\$5,576	\$5,827	22.0 %	4.5 %
▪ Interest Expense	(1,994)	(2,494)	(2,764)	38.6 %	10.8 %
Financial Margin	\$2,782	\$3,082	\$3,063	10.1 %	-0.6 %
▪ Net Fees & Commissions	440	407	423	-3.9 %	3.9 %
▪ Trading Income	87	87	132	51.7 %	51.7 %
▪ Other Operating Income / (Expense)	66	64	47	-28.8 %	-26.6 %
Non Interest Income	593	558	602	1.5 %	7.9 %
Total Revenues	\$3,375	\$3,640	\$3,665	8.6 %	0.7 %
▪ Allowance for Loan Losses	(245)	(177)	(162)	-33.9 %	-8.5 %
▪ Administrative and Advertising Expenses	(1,477)	(1,557)	(1,605)	8.7 %	3.1 %
▪ Equity in income of unconsolidated subsidiaries	1	(2)	1	0.0 %	-150.0 %
Income Before Taxes	\$1,654	\$1,904	\$1,899	14.8 %	-0.3 %
▪ Taxes	(430)	(494)	(487)	13.3 %	-1.4 %
Net Income	\$1,224	\$1,410	\$1,412	15.4 %	0.1 %
▪ Effective Tax Rate	26.0 %	25.9 %	25.6 %	-35 b.p.	-30 b.p.

▶ Income Statement

Ps\$ MM	Var.		
	6M 18	6M 19	Y o Y
▪ Interest Income	\$9,262	\$11,403	23.1 %
▪ Interest Expense	(3,871)	(5,258)	35.8 %
Net Interest Income	\$5,391	\$6,145	14.0 %
▪ Net Fees & Commissions	814	830	2.0 %
▪ Trading Income	154	219	42.2 %
▪ Other Operating Income / (Expense)	97	111	14.4 %
Non Interest Income	1,065	1,160	8.9 %
Total Revenues	\$6,456	\$7,305	13.2 %
▪ Allowance for Loan Losses	(417)	(339)	-18.7 %
▪ Administrative and Advertising Expenses	(2,855)	(3,162)	10.8 %
▪ Equity in income of unconsolidated subsidiaries	2	(1)	-150.0 %
Income Before Tax	\$3,186	\$3,803	19.4 %
▪ Tax	(806)	(981)	21.7 %
Net Income	\$2,380	\$2,822	18.6 %
▪ Effective Tax Rate	25.3 %	25.8 %	

► Balance Sheet

Ps\$ MM				Var.	
	2Q18	1Q19	2Q19	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$18,243	\$24,063	\$28,419	55.8 %	18.1 %
▪ Investment in Securities	19,191	17,006	11,226	-41.5 %	-34.0 %
▪ Cash & Investments	\$37,434	\$41,069	\$39,645	5.9 %	-3.5 %
▪ Performing Loan Portfolio	156,912	174,174	174,504	11.2 %	0.2 %
▪ Non-performing Loan Portfolio	1,501	1,614	1,486	-1.0 %	-7.9 %
▪ Gross Loan Portfolio	\$158,413	\$175,788	\$175,990	11.1 %	0.1 %
▪ Loan Loss Provisions	(3,003)	(2,795)	(2,606)	-13.2 %	-6.8 %
Net Loan Portfolio	\$155,410	\$172,993	\$173,384	11.6 %	0.2 %
▪ Repos	8,932	3,203	12,359	38.4 %	285.9 %
▪ Other Assets	11,983	12,333	15,843	32.2 %	28.5 %
Total Assets	\$213,759	\$229,598	\$241,231	12.9 %	5.1 %
▪ Demand Deposits	59,384	59,686	65,084	9.6 %	9.0 %
▪ Time Deposits	69,032	79,323	84,238	22.0 %	6.2 %
Total Deposits	\$128,416	\$139,009	\$149,322	16.3 %	7.4 %
▪ Repos	11,452	11,423	9,758	-14.8 %	-14.6 %
Funding Including Repos	\$139,868	\$150,432	\$159,080	13.7 %	5.7 %
▪ Interbank Loans *	36,153	40,073	40,410	11.8 %	0.8 %
▪ Other Liabilities	11,970	9,240	12,589	5.2 %	36.2 %
Total Liabilities	\$187,991	\$199,745	\$212,079	12.8 %	6.2 %
Shareholder's Equity	\$25,768	\$29,853	\$29,152	13.1 %	-2.3 %

* Mostly development banks funding.

Edgardo del Rincón Gutiérrez



- Joined BanBajío on Jul 1st, 2019 as Chief Executive Officer.
- Has over 34 years of banking experience; began his career at Banamex and rose to Chief Executive Officer of Consumer Banking. Was also CEO of *Crédito Familiar* and *Grupo Financiero Uno*.
- Economist with a degree from *Instituto Tecnológico y de Estudios Superiores de Monterrey* and has degrees in Finance and in Financial Intermediation from this institute.
- Former Board Member of VISA, Vice-president of the Mexican Banking Association (ABM) Means of Payment Commission and Chairman of the Board for the National Credit Bureau.