



Press Release

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2Q19

## **BANBAJÍO RECORDED NET INCOME OF Ps. 1,412 MILLION IN 2Q19, 15.4% MORE THAN 2Q18.**

**León, Guanajuato, July 17, 2019** – Banco del Bajío, S.A. Institución de Banca Múltiple, (BMV: BBAJIO) announced today its non-audited results for the second quarter 2019 (“2Q19”). All figures are expressed in million pesos. Percentage changes are the result of comparing against the same period of the previous year, unless otherwise specified.

**Accumulated net income** at the close of **June 30, 2019 (6M19)** totaled **Ps. 2,822 million, 18.6%** above the Ps. 2,380 million recorded in the first six months of 2018 (6M18). **Net income** during 2Q19 was **Ps. 1,412 million, 15.4%** above the Ps. 1,224 million recorded in the same last year period.

The Return on Equity (ROE) for the annualized semester was **19.6%** while for 2Q19 it was **19.1%**.

**Total revenues** rose **8.6%** in 2Q19 while administrative and advertising expenses grew 8.7% when compared to 2Q18 resulting in an efficiency ratio of 43.8%, the same level recorded in 2Q18.

The **total loan portfolio** amounted to **Ps. 175,990 million** at the close of 2Q19, a growth of **11.1%** in comparison to 2Q18. **Company loans**, a specialization niche for BanBajío that comprises corporates and SMEs, amounted to **Ps. 146,300 million** at the close of 2Q19, posting a **12.2%** increase from the same period in 2018.

In terms of asset quality, the **Non-Performing Loans (NPL)** ratio was **0.84%** at the close of 2Q19, significantly lower than the banking system average which was 2.16% at the end of May 2019. The **coverage ratio** for 2Q19 stood at **175.4%**, which is above the 148.2% recorded for the whole system as of May 2019.

**Total deposits** in 2Q19 amounted to **Ps. 149,322 million**, increasing **16.3%** from 2Q18.

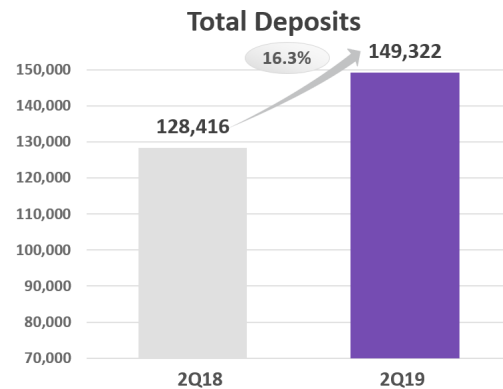
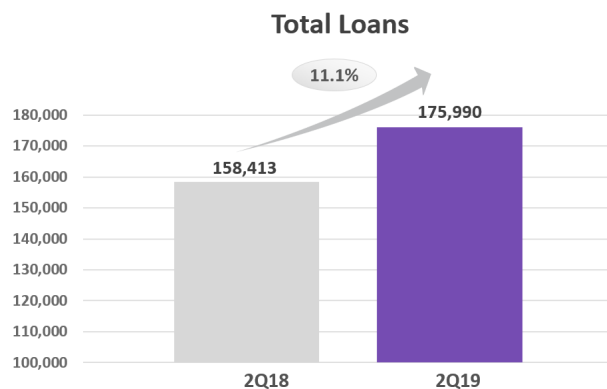
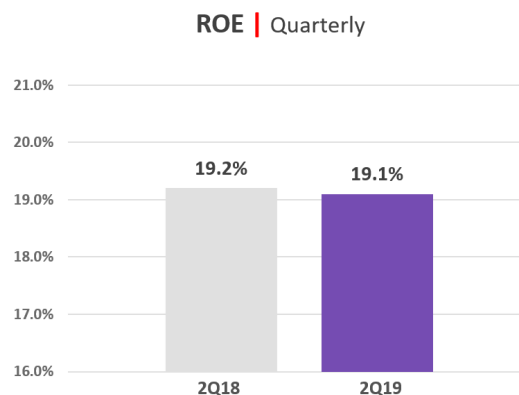
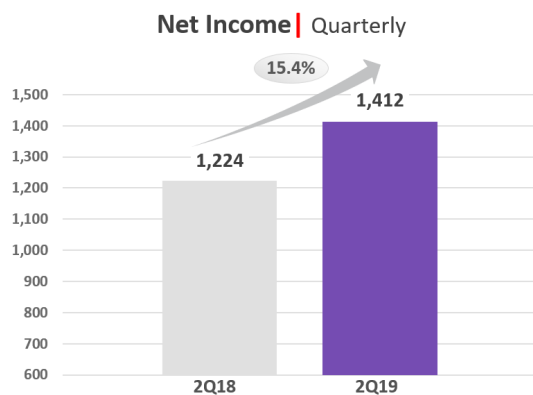
**The capitalization index** was **15.74%\*\*** at the end of 2Q19, which compares against the 16.17% recorded in 2Q18. It is worth highlighting that 99.9% of our net capital is **TIER 1**.

*\*Note: CNBV information; historical series consolidated as of May 2019 (last available information)*

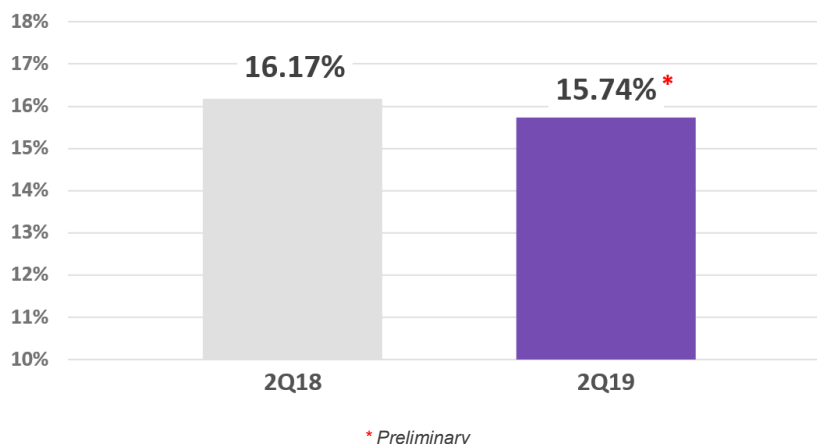
*\*\*Preliminary for June 2019, in revision by CNBV and Banco de México.*

FINANCIAL HIGHLIGHTS	2Q18	1Q19	2Q19	Y to Y	Q to Q
▪ Net Income	1,224	1,410	1,412	15.4%	0.1%
▪ Financial Margin	2,782	3,082	3,063	10.1%	-0.6%
▪ NIM	5.6%	5.7%	5.5%	(12) <i>b.p.</i>	(17) <i>b.p.</i>
▪ Loan Portfolio	158,413	175,788	175,990	11.1%	0.1%
▪ Total Deposits	128,416	139,009	149,322	16.3%	7.4%
▪ Shareholder's Equity	25,768	29,853	29,152	13.1%	-2.3%
▪ Efficiency Ratio	43.8%	42.8%	43.8%	3 <i>b.p.</i>	102 <i>b.p.</i>
▪ Non-performing Loans Ratio	0.95%	0.92%	0.84%	(11) <i>b.p.</i>	(8) <i>b.p.</i>
▪ Coverage Ratio	200.07%	173.17%	175.37%	(2,470) <i>b.p.</i>	220 <i>b.p.</i>

• Million Pesos



## Capitalization Index



BanBajío's capitalization index (ICAP) stood at **15.74%** at the end of June 2019. A dividend payment of Ps. \$2 billion was paid on May 10, 2019. It is worth highlighting that 99.9% of our net capital is **TIER 1**.

## Credit Ratings

On June 7<sup>th</sup>, 2019, Fitch Ratings de México upgraded BanBajío's and Financiera Bajío, S.A. de C.V. Sofom E.R.'s (FinBajío) long-term National scale ratings to 'AA+(mex)' from 'AA(mex)'. Short-Term National Scale Ratings were affirmed at 'F1+(mex)'. At the same time, affirmed Long- and Short-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at 'BBB-' and 'F3', respectively. In addition, BanBajío's Viability Rating (VR) has been affirmed at 'bbb-'. The Rating Outlook of the long-term ratings on both scales is Stable. The rating actions already consider the downgrade of the Mexican Sovereign Ratings as per June 5, 2019.

	Fitch Ratings
<b>I. National Scale</b>	
Short-term	F1+(mex)
Long-term	AA+(mex), Stable
<b>I. Global Scale</b> (Local and foreign currency)	<b>Issuer Default Rating</b>
Short-term	F3
Long-term	BBB-, Stable

## Analyst Coverage

To BanBajío's knowledge, the following institutions and analysts have issued opinions and/or analysis regarding the performance of the issuer to date. This does not exclude that there might be some other institution and/or analyst that issues opinions on BanBajío.

INSTITUTION	ANALYST	E-MAIL	RECOMMENDATION
Citi	Jörg Friedemann	jorg.friedemann@investmentresearch.citi.com	Buy
InterCam	Alejandra Marcos	amarcos@intercam.com.mx	Buy
Morgan Stanley	Jorge Kuri	Jorge.kuri@morganstanley.com	Underweight
BBVA Bancomer	Rodrigo Ortega	r.ortega@bbva.com	Market Perform
UBS	Philip Finch	philip.fich@ubs.com	Buy
BTG Pactual	Eduardo Rosman	eduardo.rosman@btgpactual.com	Buy
Santander	Claudia Benavente	cpbenavente@santander.com.mx	Buy
HSBC	Neha Agarwala	neha.agarwala@us.hsbc.com	Buy
Actinver	Enrique Mendoza	emendoza@actinver.com.mx	Buy
Bank of America Merrill Lynch	Ernesto Gabilondo	ernesto.gabilondo@baml.com	Buy
Scotiabank	Jason Mollin	Jason.mollin@scotiabank.com	Sector Outperform
Barclays	Gilberto García	gilberto.garcia@barclays.com	Underweight
ITAU BBA	Arturo Langa	arturo.langa@itaubba.com	Outperform

**BanBajío will host a conference call to discuss the results of the second quarter of 2019, on Thursday, July 18, 2019 at 10:00 a. m. Mexico City time (11:00 a.m. ET).**

To participate you must dial: from USA telephone +1-877-830-2576, or from other international locations (outside the US) telephone +1-785-424-1726. There will be a live webcast broadcast available at: <https://services.choruscall.com/links/bbajio190718VdURmINf.html>.

The replay of this teleconference will be available for 7 days. To obtain the replay please dial: from USA +1-844-488-7474 and International (outside the U.S.) +1-862-902-0129, with access code: 92471019.

## Investor Relations Contacts

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