



Third Quarter 2019

Conference Call Presentation

October | 2019

RELEVANT RESULTS |

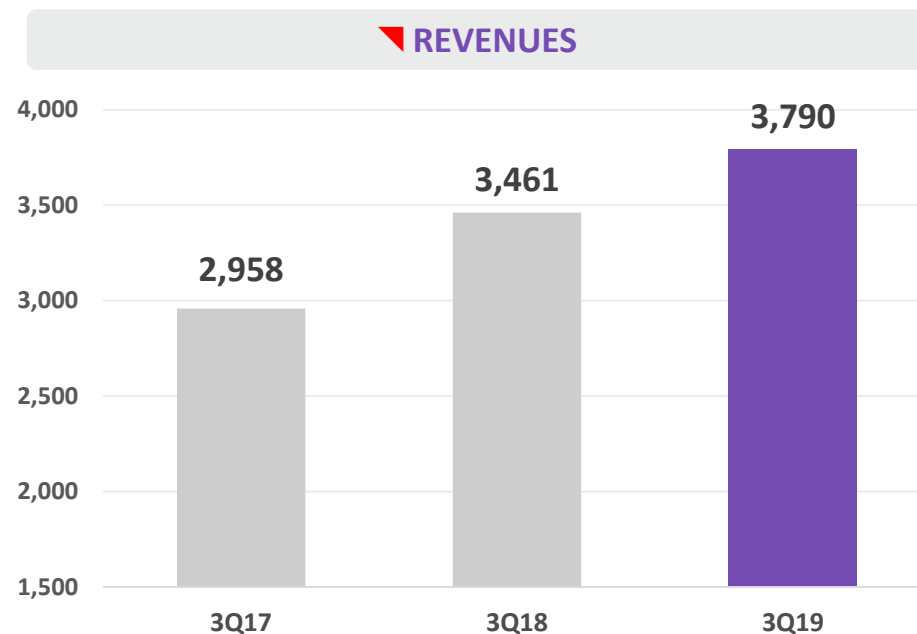
3Q19 vs.3Q18

▪ Revenues	<i>growth</i>	9.5 %
▪ Financial Margin	<i>growth</i>	5.0 %
▪ Net Income	<i>growth</i>	4.6 %
▪ ROAE	▼	18.7 %
▪ ROAA	▼	2.3 %
▪ NIM	▼	5.6%
▪ Efficiency Ratio	≡	43.0 %
▪ Total Loan Portfolio	<i>growth</i>	10.0%
▪ Company Loans Portfolio	<i>growth</i>	12.0 %
▪ Total Deposits	<i>growth</i>	13.3 %
▪ NPL Ratio	▼	0.97 %
▪ Coverage Ratio	▼	156.6 %

▶ Continuous upward trend in Revenues

• Million Pesos

- **Revenues** increased **9.5%** in **3Q19** YoY and **11.9%** in **9M19**.
- **Strong performance in the Non Interest Income.**

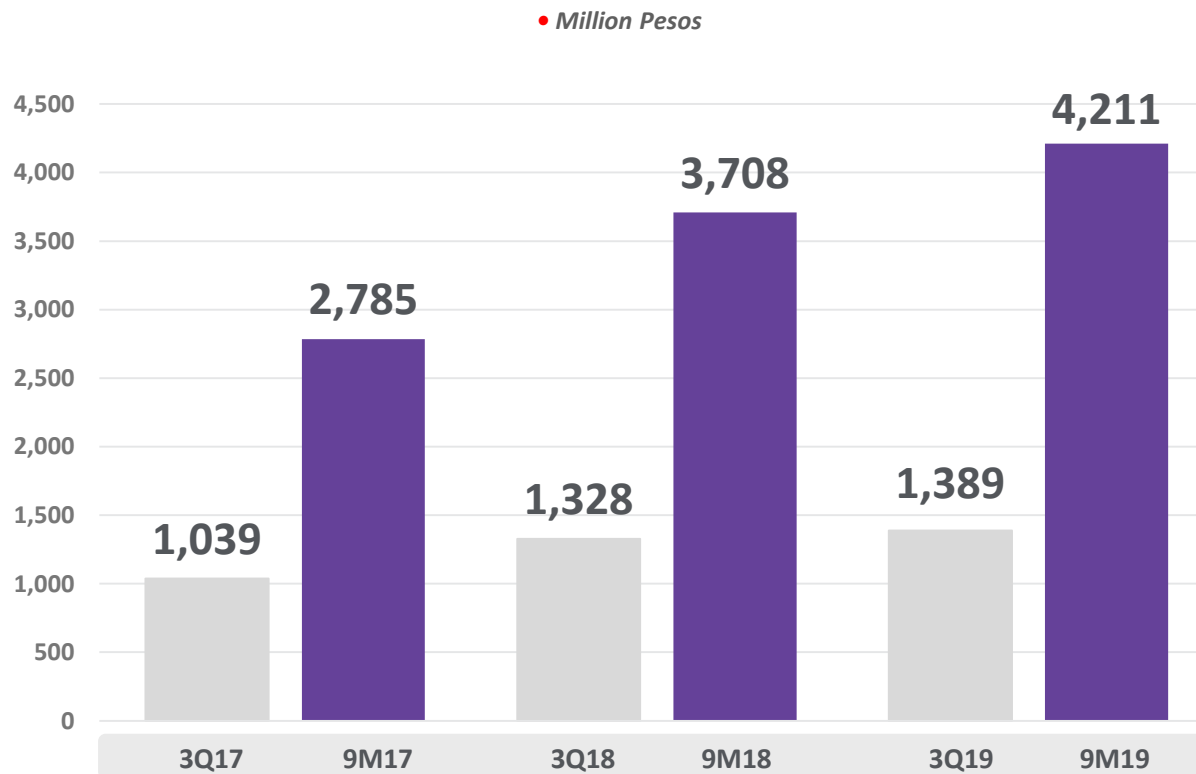


	3Q19	YoY	9M19	YoY
▪ Net Interest Income*	3,139	7.6 %	9,284	11.7 %
▪ Non Interest Income	651	19.7 %	1,811	12.6 %
▪ <i>Net Fees & Commissions</i>	456	8.1 %	1,286	4.0 %
▪ <i>Trading Income*</i>	155	72.2 %	374	53.3 %
▪ <i>Other Operating Income</i>	40	25.0 %	151	17.1 %
TOTAL REVENUES	3,790	9.5 %	11,095	11.9 %

* 3Q18 includes an adjustment of Ps. 73 million, also included in our 2018 audited financial statements.

▶ Historical Net Income Performance

- **Net Income was Ps. 1,389 million in 3Q19, 4.6% higher than 3Q18, despite a higher effective tax rate due to a lower level of inflation. For the 9M19 period, Net Income totaled Ps. 4,211 million, 13.6% higher than 9M18.**

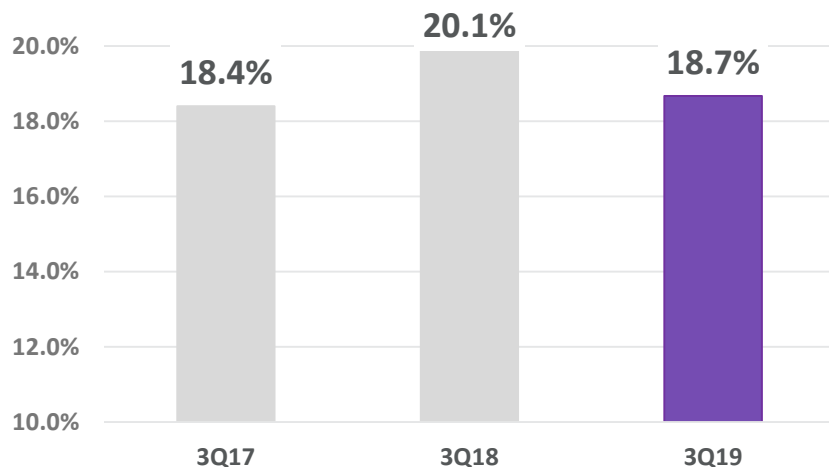


▶ Returns and EPS in line with our guidance

- We continue to post an above 18% level of ROAE since the IPO.
- Continuous growth in Earnings, resulted in a 86.6% increase in EPS since the IPO, and 16.9% YoY.

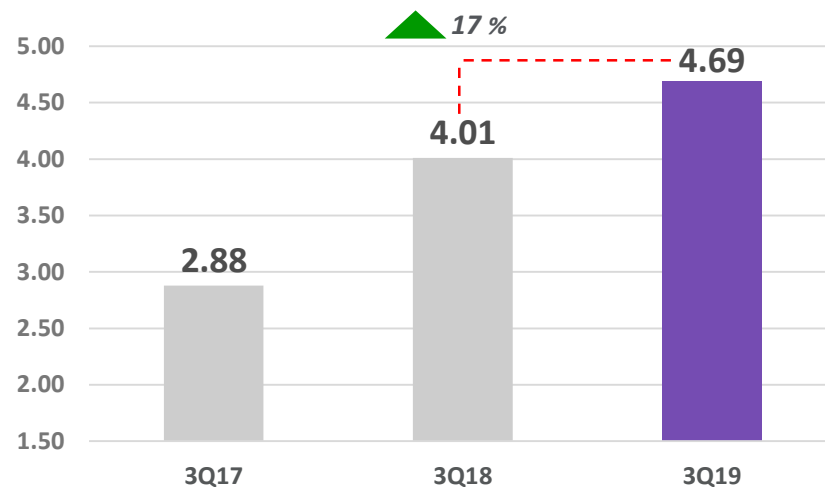
ROAE

• Annualized quarter



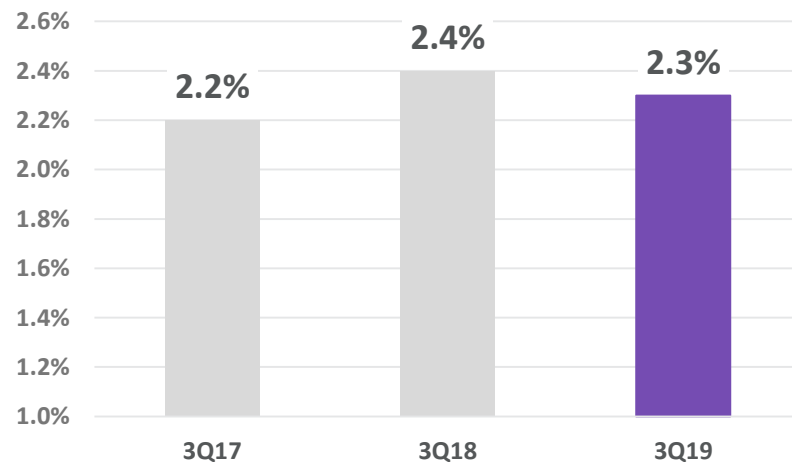
EPS

• Pesos



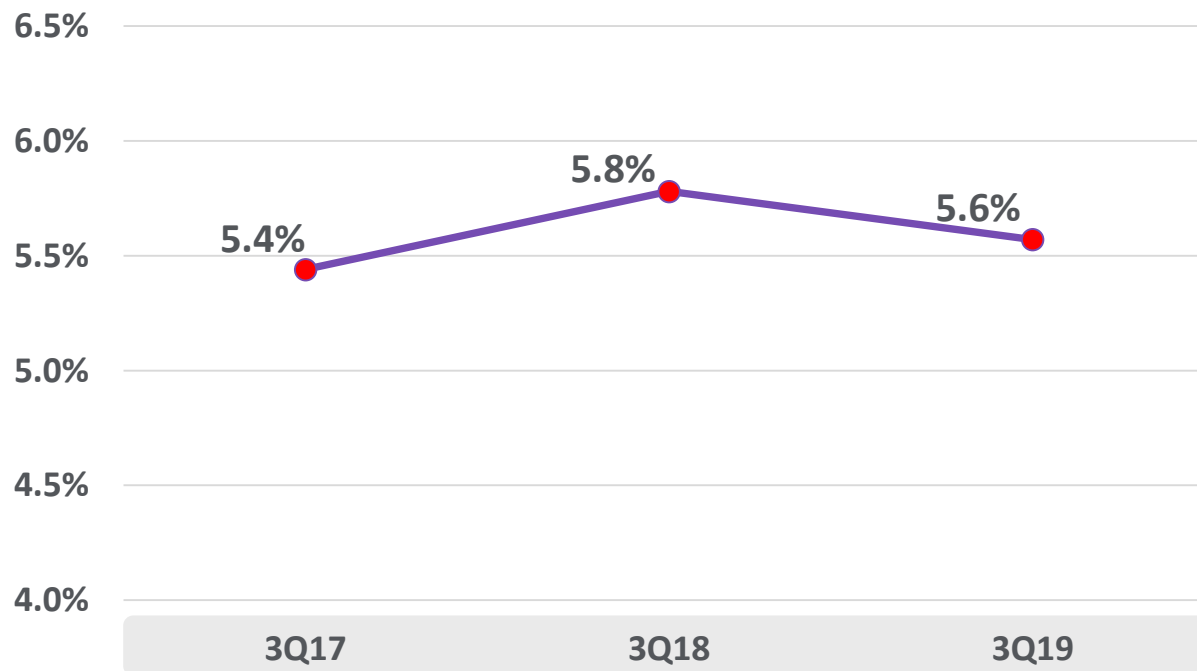
ROAA

• Annualized quarter



▶ Net Interest Margin

- **NIM contracted 21 bps in 3Q19 YoY**, as a result of:
 - ▶ The Ps. **\$2 billion** dividend payment paid in May 10th that was replaced with interest bearing liabilities.
 - ▶ A higher growth in deposits compared to loans.
 - ▶ A reduction in the reference rate.

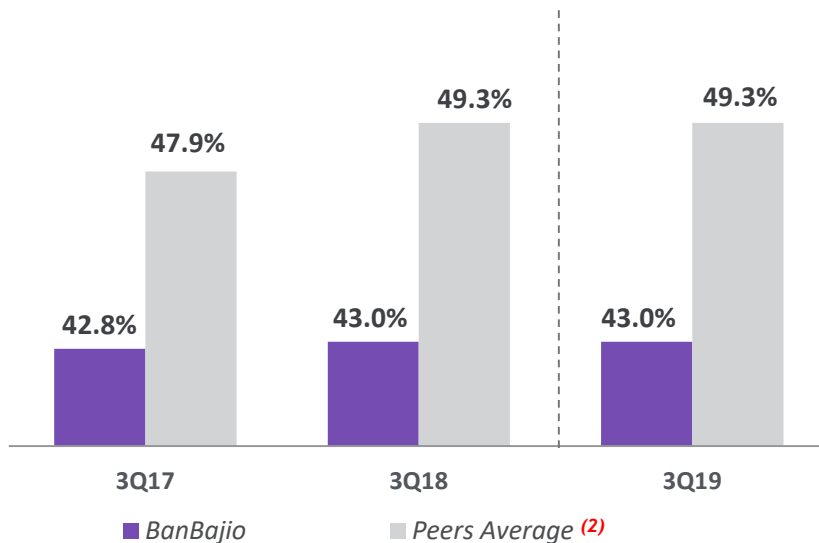


▶ Efficiency Ratio

- Efficiency Ratio for 3Q19 remains stable at 43.0%.

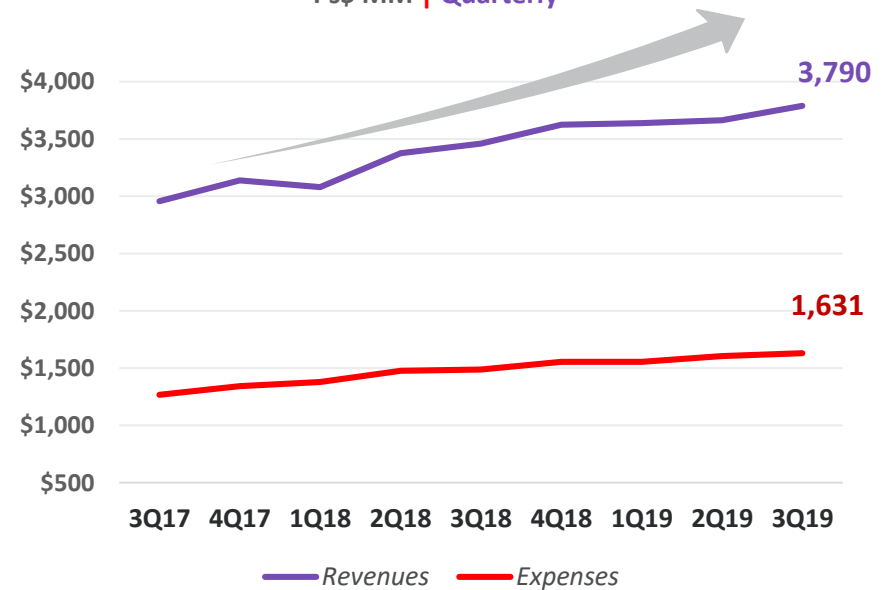
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Pes\$ MM | Quarterly



Source Company information

Notes:

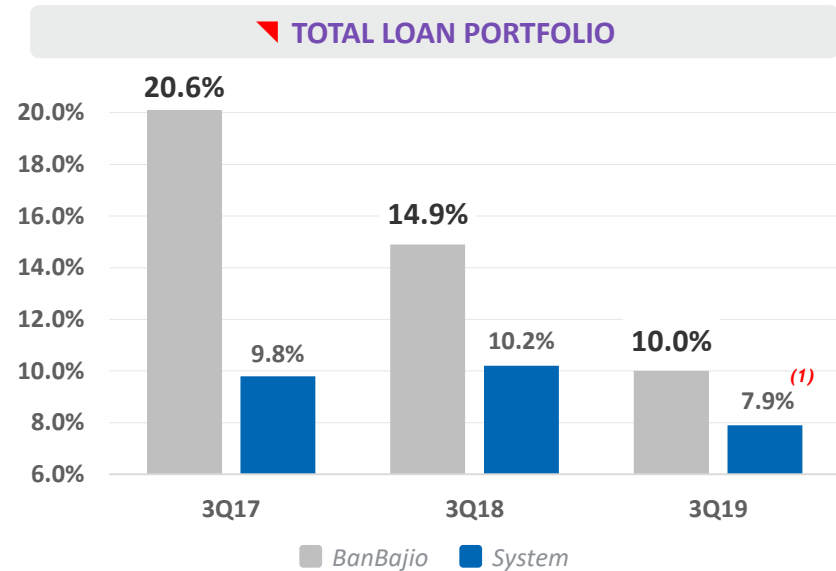
⁽¹⁾ Total Revenues (excluding Loan Loss Provisions).

⁽²⁾ Peers Include: Banorte, Banregio, BBVA Bancomer, Citibanamex, HSBC, Santander and Scotiabank consolidated figures; last available information for the July and August 19 period.

▶ Loan Portfolio Growth YoY

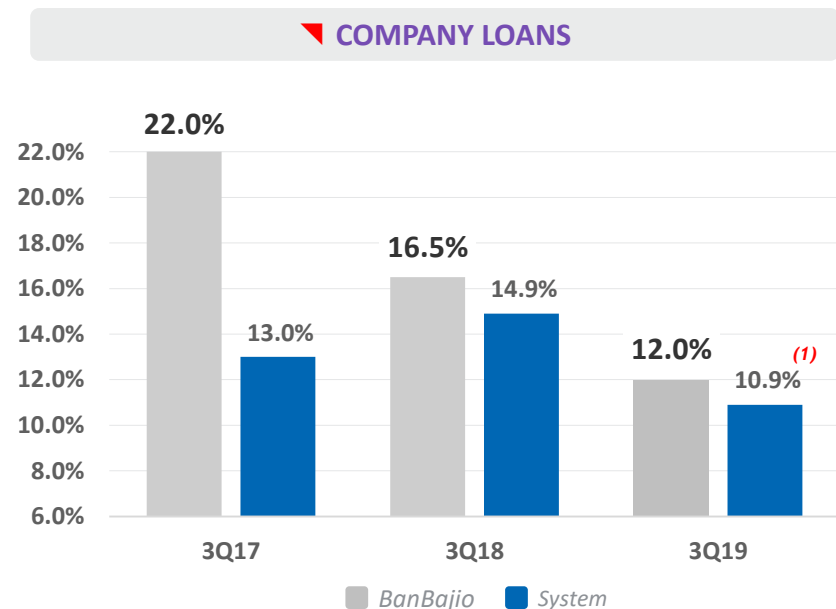
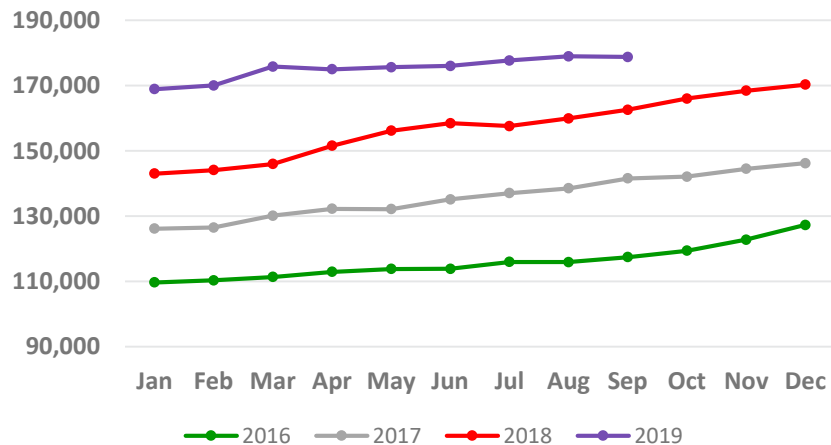
- **Total Loan Portfolio** grew **10.0%** in **3Q19**, above the 7.9% of the system as of Aug 2019.
- **Company Loans**, which represents our core business, increased **12.0%**.

	YoY
Company Loans	12.0 %
Financial Institutions	-14.5 %
Government	15.3 %
Consumer	37.4 %
Mortgage	-2.7 %



TOTAL LOAN PORTFOLIO | MILLION PESOS

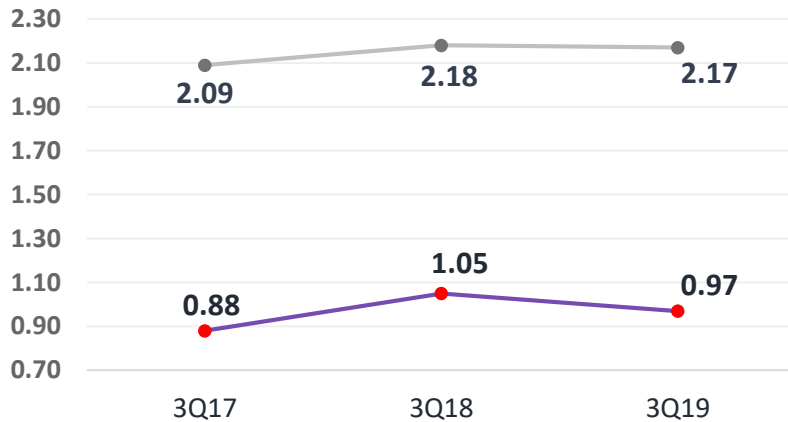
CAGR '16 -'3Q19: 14.2% System⁽¹⁾ 9.8%



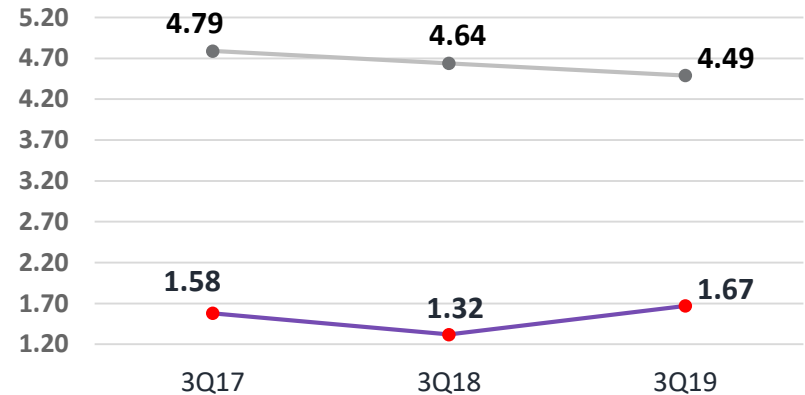
1. Total Banca Multiple consolidated figures Aug19.

▪ High asset quality and outstanding risk profile

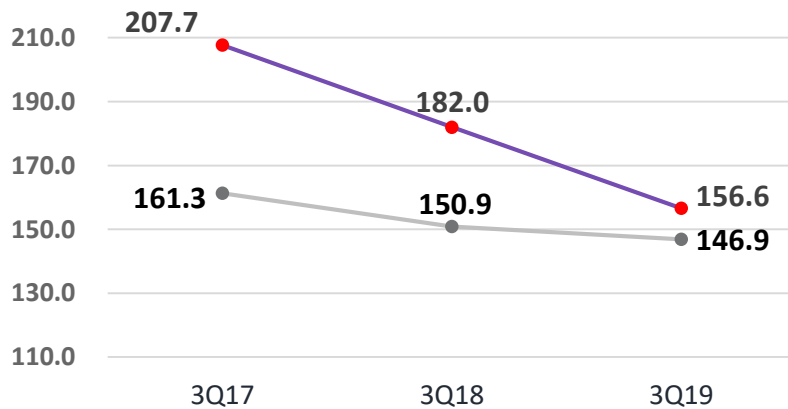
▼ NPL Ratio | %



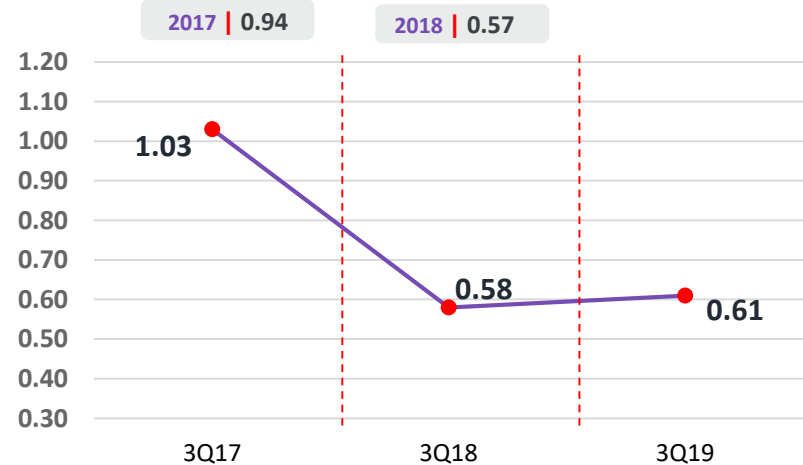
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



▼ Cost of Risk¹ | %



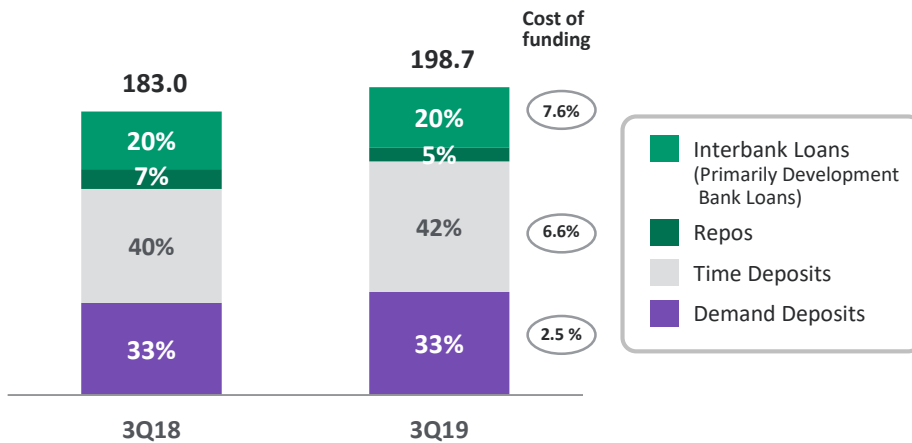
BanBajio —●— System —●—

¹ Annualized quarter

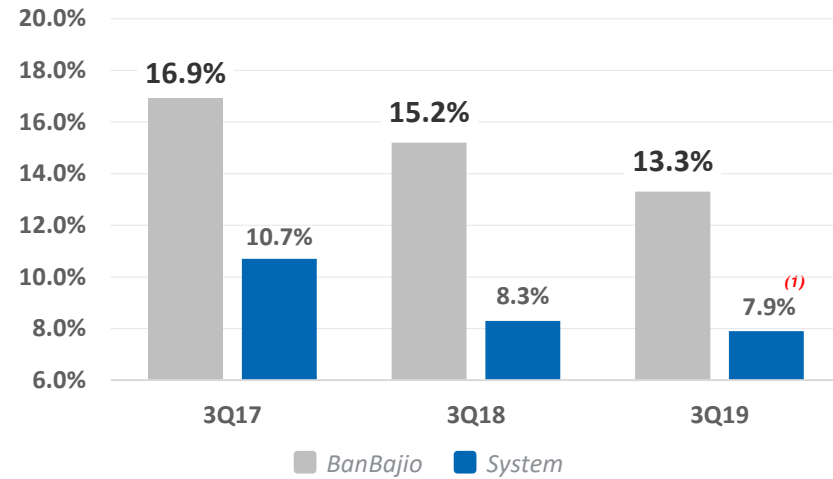
* System Last Available Information Aug 2019, CNBV.

▶ Strong growth in Total Deposits

Funding Breakdown | Ps\$ Bn

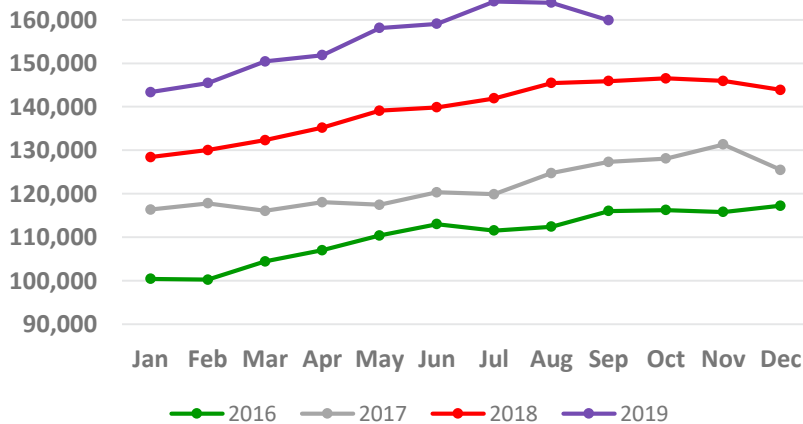


Total Deposits Growth (Demand + Time)



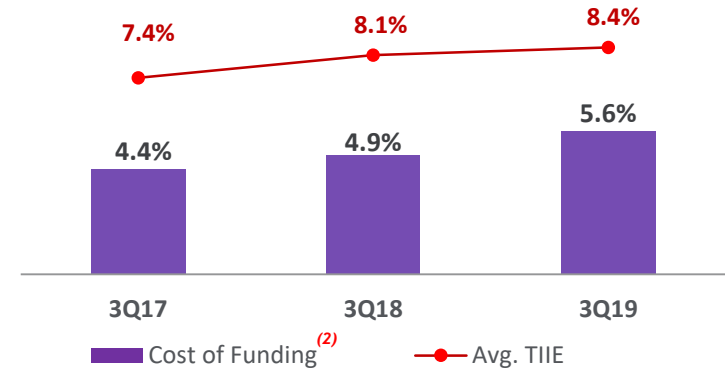
Total Deposits * | Million Pesos

CAGR '16 -'3Q19: 13.0% System⁽¹⁾ 7.6%



Cost of Total Funding | %

Aug19: System⁽¹⁾⁽³⁾ 5.3%⁽⁴⁾



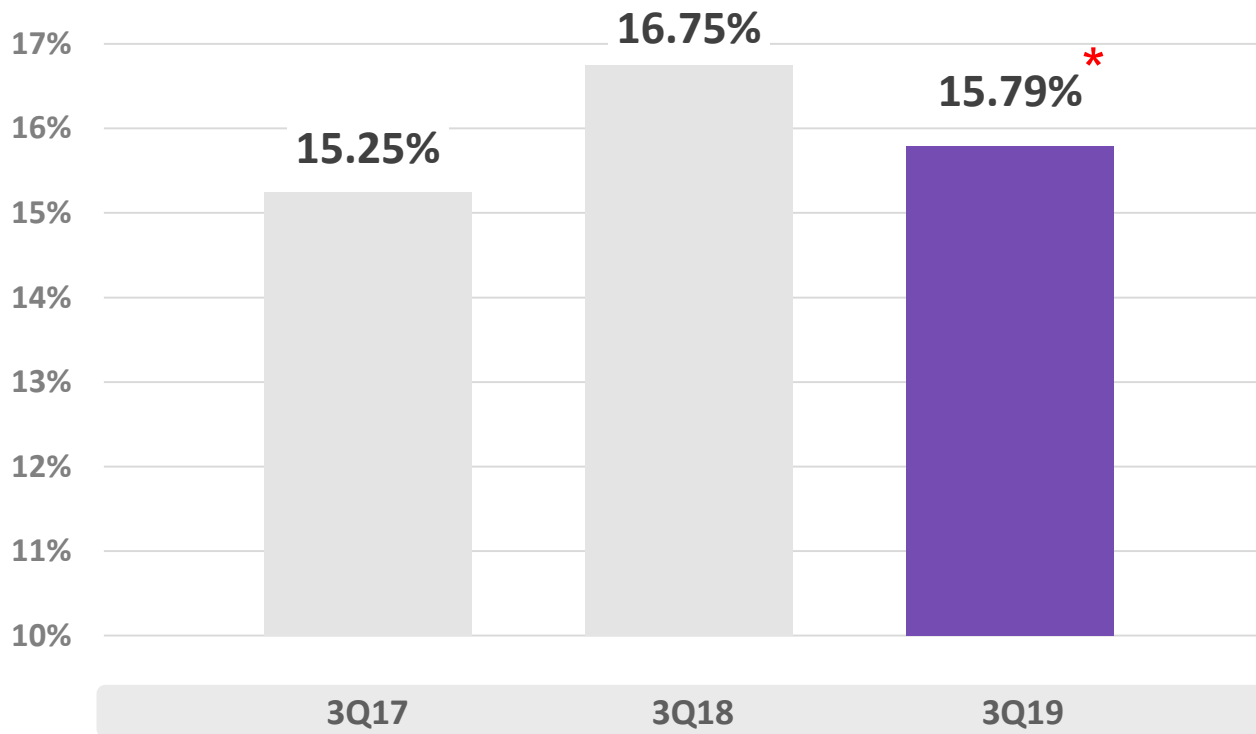
Notes:

1. Total Banca Multiple consolidated figures Aug19.
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 September 2019 preliminary

▶ HR Ratings upgrades BanBajio's Ratings, Outlook Stable

- On August 23rd, **HR Ratings** upgraded to “**HR AAA**” our national and “**HR A-(G)**” global long term ratings with an outlook stable.

	BEFORE	CURRENT
NATIONAL SCALE		
Long term	HR AA+	HR AAA
Short term (affirmed)	HR+1	HR+1
GLOBAL SCALE		
Long term	HR BBB+ (G)	HR A- (G)

► Income Statement

Ps\$ MM				Var.	
	3Q18	2Q19	3Q19	Y o Y	Q o Q
▪ Interest Income	\$5,177	\$5,827	\$5,943	14.8 %	2.0 %
▪ Interest Expense	(2,187)	(2,764)	(2,804)	28.2 %	1.4 %
Financial Margin *	\$2,990	\$3,063	\$3,139	5.0 %	2.5 %
▪ Net Fees & Commissions	422	423	456	8.1 %	7.8 %
▪ Trading Income *	17	132	155	811.8 %	17.4 %
▪ Other Operating Income / (Expense)	32	47	40	25.0 %	-14.9 %
Non Interest Income	471	602	651	38.2 %	8.1 %
Total Revenues	\$3,461	\$3,665	\$3,790	9.5 %	3.4 %
▪ Allowance for Loan Losses	(234)	(162)	(269)	15.0 %	66.0 %
▪ Administrative and Advertising Expenses	(1,488)	(1,605)	(1,631)	9.6 %	1.6 %
▪ Equity in income of unconsolidated subsidiaries	0	1	1	1150.0 %	0.0 %
Income Before Taxes	\$1,739	\$1,899	\$1,891	8.7 %	-0.4 %
▪ Taxes	(411)	(487)	(502)	22.1 %	3.1 %
Net Income	\$1,328	\$1,412	\$1,389	4.6 %	-1.6 %
▪ Effective Tax Rate	23.6 %	25.6 %	26.5 %		

* Figures included in this page, does not include the adjustment that was disclosed on page 3.

▶ Income Statement

Ps\$ MM	Var.		
	9M 18	9M 19	Y o Y
▪ Interest Income	\$14,439	\$17,346	20.1 %
▪ Interest Expense	(6,058)	(8,062)	33.1 %
Net Interest Income	\$8,381	\$9,284	10.8 %
▪ Net Fees & Commissions	1,236	1,286	4.0 %
▪ Trading Income	171	374	118.7 %
▪ Other Operating Income / (Expense)	129	151	17.1 %
Non Interest Income	1,536	1,811	17.9 %
Total Revenues	\$9,917	\$11,095	11.9 %
▪ Allowance for Loan Losses	(651)	(608)	-6.6 %
▪ Administrative and Advertising Expenses	(4,343)	(4,793)	10.4 %
▪ Equity in income of unconsolidated subsidiaries	2	(0)	-95.5 %
Income Before Tax	\$4,925	\$5,694	15.6 %
▪ Tax	(1,217)	(1,483)	21.9 %
Net Income	\$3,708	\$4,211	13.6 %
▪ Effective Tax Rate	24.7 %	26.0 %	

* Figures included in this page, does not include the adjustment that was disclosed on page 3.

► Balance Sheet

Ps\$ MM				Var.	
	3Q18	2Q19	3Q19	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$16,914	\$28,419	\$26,120	54.4 %	-8.1 %
▪ Investment in Securities	18,384	11,226	10,695	-41.8 %	-4.7 %
▪ Cash & Investments	\$35,298	\$39,645	\$36,815	4.3 %	-7.1 %
▪ Performing Loan Portfolio	160,823	174,504	176,990	10.1 %	1.4 %
▪ Non-performing Loan Portfolio	1,709	1,486	1,729	1.2 %	16.4 %
▪ Gross Loan Portfolio	\$162,532	\$175,990	\$178,719	10.0 %	1.6 %
▪ Loan Loss Provisions	(3,110)	(2,606)	(2,708)	-12.9 %	3.9 %
Net Loan Portfolio	\$159,422	\$173,384	\$176,011	10.4 %	1.5 %
▪ Repos	14,503	12,359	10,502	-27.6 %	-15.0 %
▪ Other Assets	12,805	15,843	17,669	38.0 %	11.5 %
Total Assets	\$222,028	\$241,231	\$240,997	8.5 %	-0.1 %
▪ Demand Deposits	59,493	65,084	66,579	11.9 %	2.3 %
▪ Time Deposits	73,601	84,238	84,230	14.4 %	0.0 %
Total Deposits	\$133,094	\$149,322	\$150,809	13.3 %	1.0 %
▪ Repos	12,800	9,758	9,060	-29.2 %	-7.2 %
Funding Including Repos	\$145,894	\$159,080	\$159,869	9.6 %	0.5 %
▪ Interbank Loans *	37,074	40,410	38,776	4.6 %	-4.0 %
▪ Other Liabilities	11,947	12,589	11,977	0.3 %	-4.9 %
Total Liabilities	\$194,915	\$212,079	\$210,622	8.1 %	-0.7 %
Shareholder's Equity	\$27,113	\$29,152	\$30,375	12.0 %	4.2 %

* Mostly development banks funding.