



BanBajío®



BBAJIO



Press Release

3Q19

BANBAJÍO RECORDED NET INCOME OF Ps. 4,211 MILLION AS OF SEPTEMBER 2019, 13.6% HIGHER THAN THE ONE REGISTERED IN THE SAME PERIOD OF 2018.

León, Guanajuato, October 23, 2019 – Banco del Bajío, S.A. Institución de Banca Múltiple, (BMV: BBAJIO) announced today its non-audited results for the third quarter 2019 (“3Q19”). All figures are expressed in million pesos, unless otherwise specified.

Net income during 3Q19 was **Ps. 1,389 million, 4.6%** above the Ps. 1,328 million recorded in the same last year period. **Accumulated net income** at the close of **September 30th, 2019 (“9M19”)** totaled **Ps. 4,211 million, 13.6%** above the Ps. 3,708 million recorded in the first nine months of 2018 (“9M18”).

The Return on Equity (ROE) annualized as of September was **19.1%** while for 3Q19 it was **18.7%**.

Total revenues rose **9.5%** in 3Q19 mainly driven by the growth in the non-interest income line that, in 3Q19, increased **19.7%*** compared to the same period of a year ago. **Net interest margin (NIM)** stood at **5.6%** in 3Q19.

The **efficiency ratio for 3Q19** was **43.0%**, in line with the one recorded in 3Q18.

The **total loan portfolio** amounted to **Ps. 178,719 million** at the close of 3Q19, a growth of **10.0%** in comparison to 3Q18. **Company loans**, a specialization niche for BanBajío that comprises corporates and SMEs, amounted to **Ps. 148,579 million** at the close of 3Q19, posting a **12.0%** increase from the same period in 2018.

In terms of asset quality, the **Non-Performing Loans (NPL)** ratio was **0.97%** at the close of 3Q19, significantly lower than the banking system average which was 2.17% at the end of August 2019. The **coverage ratio** for 3Q19 stood at **156.6%**, which is above the 146.9% recorded for the whole system as of August 2019.

Total deposits in 3Q19 amounted to **Ps. 150,809 million**, increasing **13.3%** from 3Q18. **Demand deposits** grew **11.9%** while **time deposits** increased **14.4%**.

The **capitalization index** was **15.79%**** at the end of 3Q19. It is worth highlighting that 99.9% of our net capital is **TIER 1**. Such index is well above the regulatory limit.

** 3Q18 includes adjustment of Ps. 73 million in the 2018 audited financial statements*

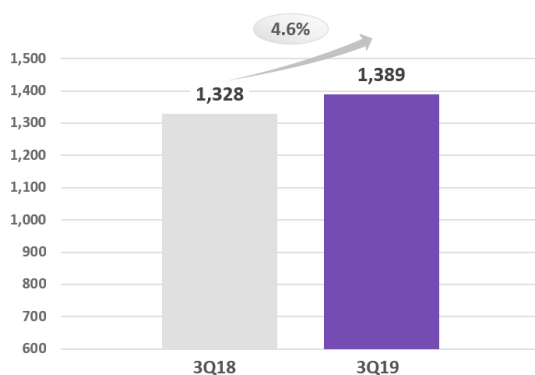
*** Preliminary for September 2019, in revision by CNBV and Banco de México.*

Note: CNBV information; historical series consolidated as of August 2019 (last available information)

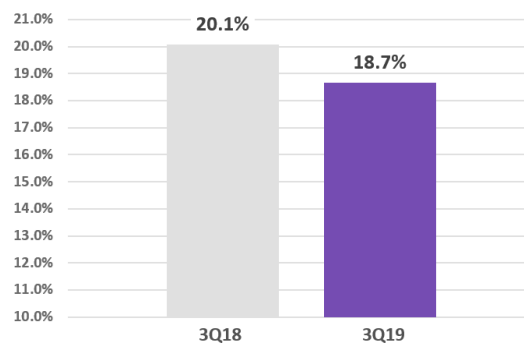
FINANCIAL HIGHLIGHTS	3Q18	2Q19	3Q19	Y to Y	Q to Q
▪ Net Income	1,328	1,412	1,389	4.6%	-1.6%
▪ Financial Margin	2,990	3,063	3,139	5.0%	2.5%
▪ NIM	5.8%	5.5%	5.6%	(21) <i>b.p.</i>	6 <i>b.p.</i>
▪ Loan Portfolio	162,532	175,990	178,719	10.0%	1.6%
▪ Total Deposits	133,094	149,322	150,809	13.3%	1.0%
▪ Shareholder's Equity	27,113	29,152	30,375	12.0%	4.2%
▪ Efficiency Ratio	43.0%	43.8%	43.0%	4 <i>b.p.</i>	(76) <i>b.p.</i>
▪ Non-performing Loans	1.05%	0.84%	0.97%	(8) <i>b.p.</i>	13 <i>b.p.</i>
▪ Coverage Ratio	181.98%	175.37%	156.62%	(2,536) <i>b.p.</i>	(1,875) <i>b.p.</i>

• Million Pesos

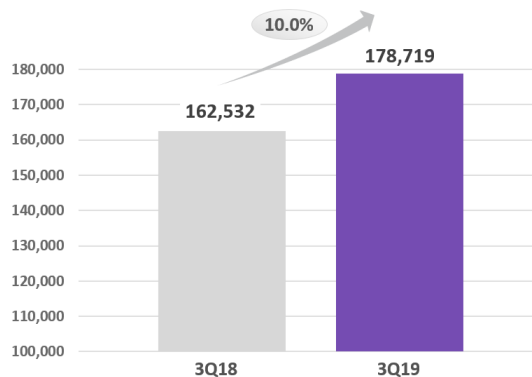
Net Income | Quarterly



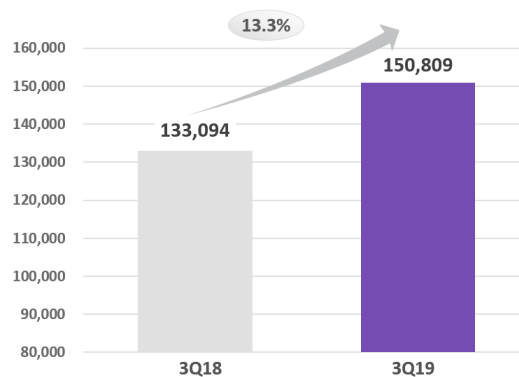
ROE | Quarterly



Total Loans



Total Deposits



Credit Ratings

On August 23rd, 2019, HR Ratings upgraded BanBajío's national scale and global long-term to HR AAA from HR AA+ and HR A-(G) from HR BBB+(G), respectively, with outlook stable. National scale short-term rating was ratified in HR+1.

	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)

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	Neutral
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	Neutral
Santander	Claudia Benavente	cpbenavente@santander.com.mx	Buy
HSBC	Neha Agarwala	neha.agarwala@us.hsbc.com	Buy
Actinver	Enrique Mendoza	emendoza@actinver.com.mx	Outperform
Bank of America Merrill Lynch	Ernesto Gabilondo	ernesto.gabilondo@baml.com	Neutral
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	Market Perform
BX+	Eduardo López Ponce	elopezp@vepormas.com	Buy

BanBajío will host a conference call to discuss the results of the third quarter of 2019, on Thursday, October 24, 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/bbajio191024dzmb110H.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: 11369202.

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