

# Second Quarter 2024

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July | 2024



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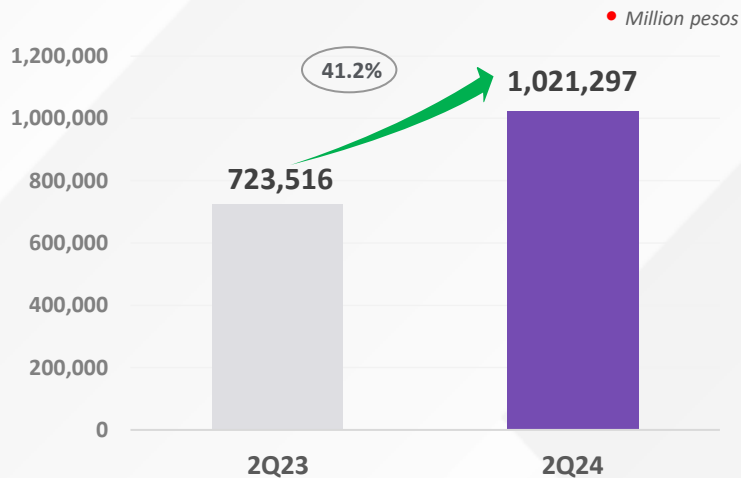
## RELEVANT RESULTS |

2Q24 vs.2Q23

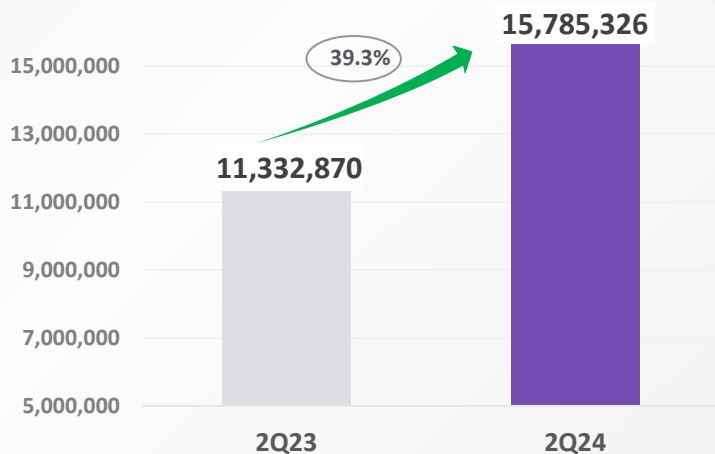
▪ Net Income	<i>growth</i>	<b>2.3 %</b>
▪ Revenues	<i>growth</i>	<b>7.7 %</b>
▪ NII	<i>growth</i>	<b>4.7 %</b>
▪ ROAE		<b>26.8 %</b>
▪ ROAA		<b>3.3%</b>
▪ NIM		<b>6.9 %</b>
▪ Efficiency Ratio		<b>33.7 %</b>
▪ Total Loan Portfolio	<i>growth</i>	<b>10.4 %</b>
▪ Company Loans Portfolio	<i>growth</i>	<b>12.1 %</b>
▪ Total Deposits	<i>growth</i>	<b>11.3 %</b>
▪ NPL Ratio		<b>1.48 %</b>
▪ Coverage Ratio		<b>151.8 %</b>
▪ ICAP <sup>*</sup>		<b>14.6 %</b>

\* ICAP June 2024 preliminary

## ▼ Transactions Amount



## ▼ Total Digital Channel Transactions



## ▼ Digital Transactions at BanBajío 2Q24

As of **2Q24**, approximately **82%** of the **money volume** and the **number of transactions** are done **through self-service channels (Digital and ATMs)**.

### Clients

Clients with **digital transactions** grew **28.6% Y/Y**. We highlight the **growth of individuals of 38.5%**.

### Mobile

Transactions in the **mobile channel** got an astonishing **growth of 64.2%Y/Y**. **Transactions from individuals** through this channel **grew by 64.1%**. In terms of **money volume**, the **growth was 45.8%**.

### Total

**Total transactions amount** registered an **increase of 41.2%** and **number of transactions** by **39.3%**.

# ▶ Loan Portfolio and Deposits Growth

- Total **Loan Portfolio** stood at **\$248.6 Bn**, a **growth of 10.4% YoY** in **2Q24**.
- **Company Loans**, which represents **our core business**, increased **12.1 %**.

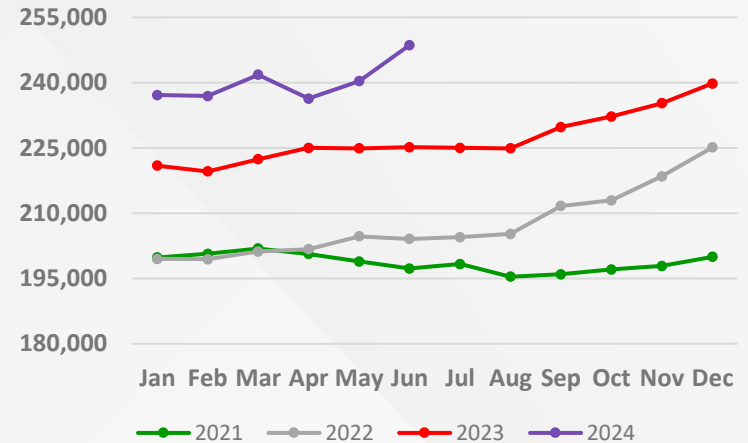
	Bn. \$	Q o Q	Y o Y
Company Loans*	209.1	2.3 %	12.1 %
Government	16.2	5.9 %	-4.6 %
Financial Institutions	12.5	8.5 %	3.6 %
Consumer	6.4	4.5 %	34.9 %
Mortgage	4.4	-2.6 %	-10.2 %

**Yield**

2Q23	2Q24
13.68 %	13.39 %
(29) bp	

## ▼ Total Loan Portfolio | Million pesos

CAGR '21 -'2Q24: 6.5%



- Total **Deposits (DD+TD)** grew **11.3%**, reaching **\$245.8 Bn** in **2Q24 YoY**.

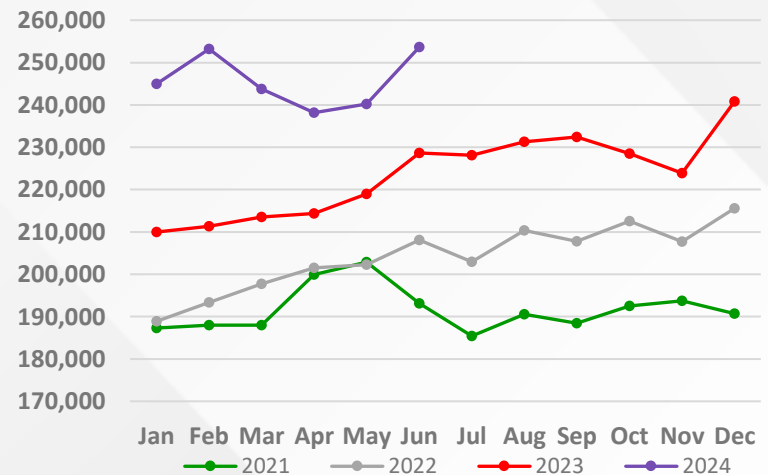
	Bn. \$	Q o Q	Y o Y
Demand Deposits (DD)	123.6	8.8%	12.1 %
Time Deposits (TD)	122.2	0.2%	10.6 %
Repos	7.8	-3.7%	-0.4 %
Interbank Loans**	43.5	8.4%	3.7 %

**Cost**

2Q23	2Q24
6.43%	6.68%
25 bp	

## ▼ Total Deposits<sup>(1)</sup> | Million pesos

CAGR '21 -'2Q24: 9.1%



**Average TIIE :**

2Q23	11.52 %
2Q24	11.24 %
(28) bp	

\* Includes Corporates and SMEs.  
\*\* Mostly development banks.

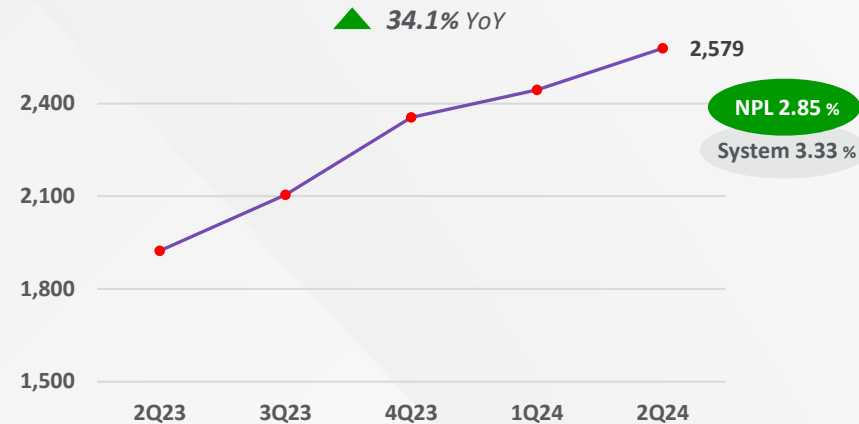
(1) Includes Repos

# ▶ Consumer Loan Growth

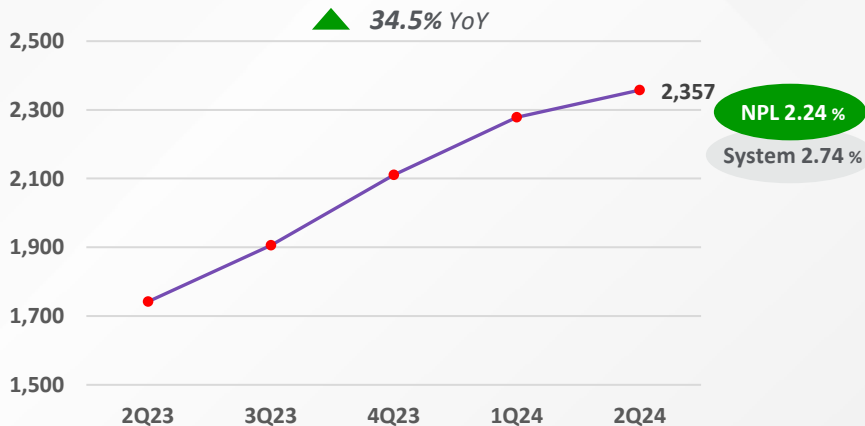
- **Consumer Loan Portfolio** grew **34.9% YoY** in **2Q24**, the **NPL Ratio** was **2.3%**, while the system was 3.0%.\*
- We highlight the **growth of 34.1%** in **Credit Card**, **34.5%** in **Payroll Loans** and **58.3%** in **Personal Loans**.

	Bn. \$	YoY	System
<b>Consumer</b>	<b>6.4</b>	<b>34.9%</b>	<b>18.9%</b>
▪ Credit Card	2.6	34.1%	15.9%
▪ Payroll	2.4	34.5%	10.5%
▪ Personal	1.1	58.3%	13.8%
▪ Auto + ABCD	0.3	-5.6%	49.8%

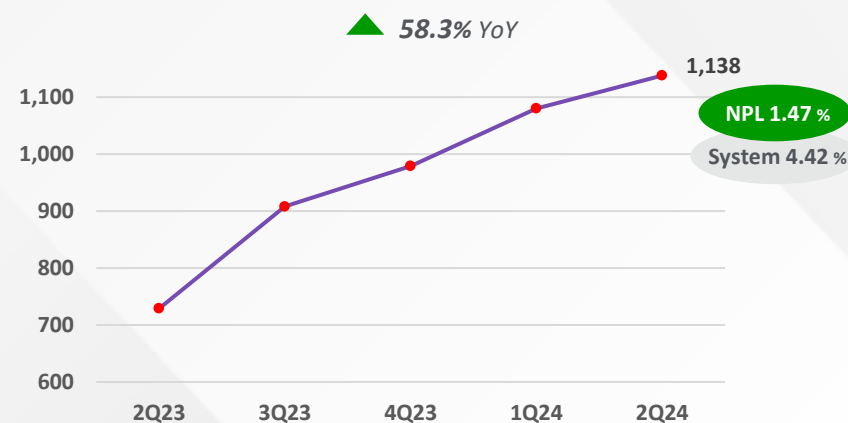
## ▼ Credit Card



## ▼ Payroll



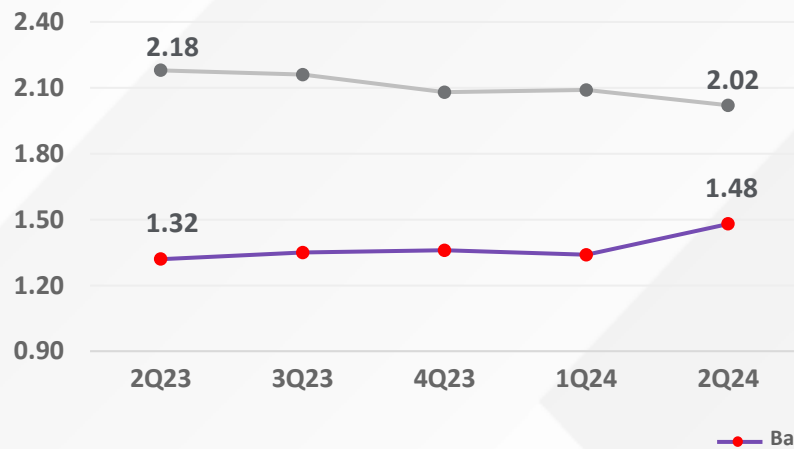
## ▼ Personal



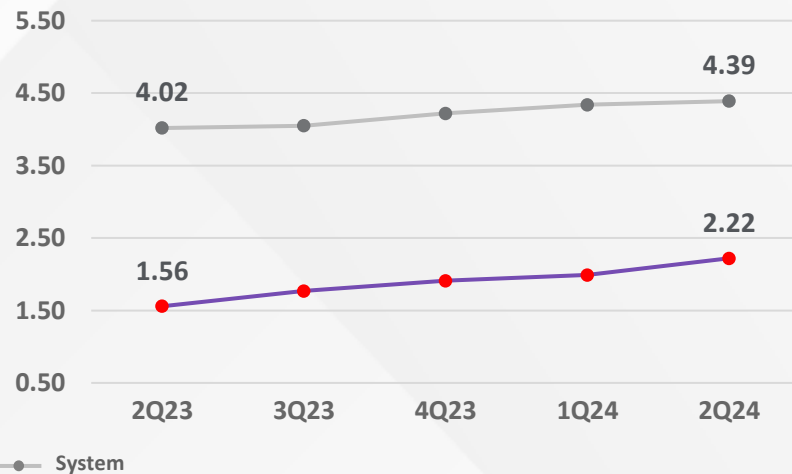
\* Total Banca Múltiple consolidated figures April 2024.

# ▶ Sound Asset Quality and outstanding Risk Profile

▼ NPL Ratio | %

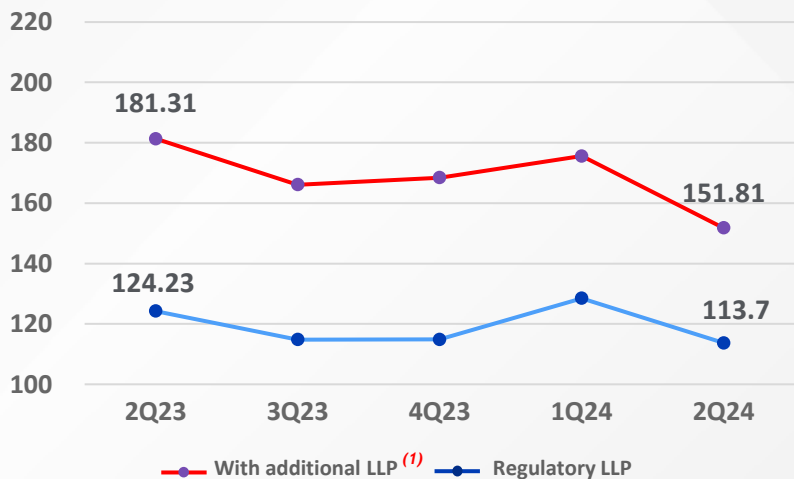


▼ NPL Ratio adjusted | %



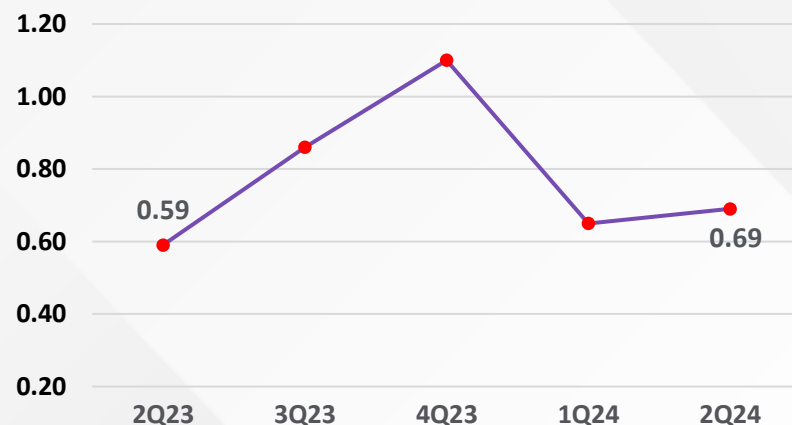
▼ Coverage Ratio | %

Apr 24: System 156.79%



▼ Cost of Risk | %

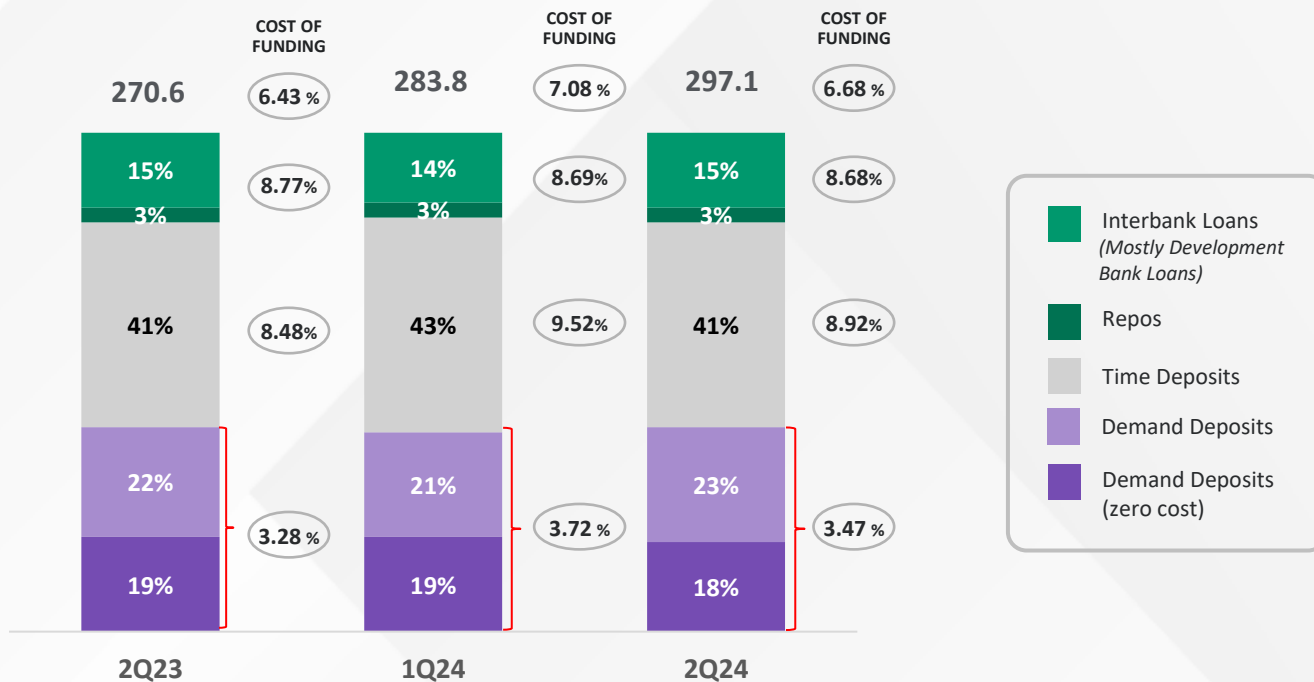
Apr 24: System 2.41%



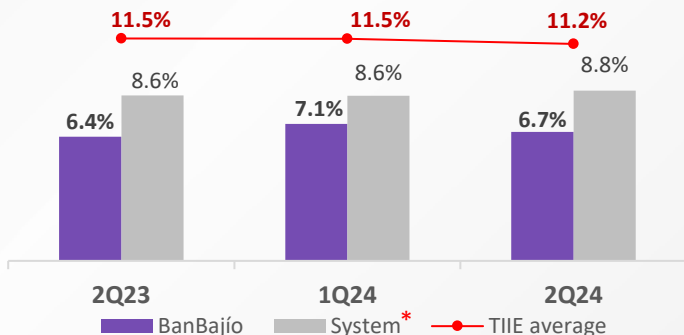
(1) LLP: Loan Loss Provisions  
As of June 2024, additional LLP stood at \$1.4bn

Note: System last available information April 2024, CNBV.

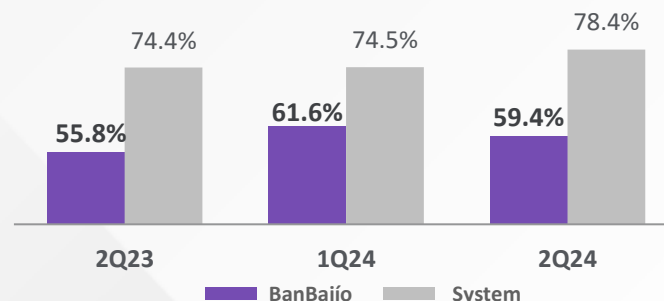
## ■ Funding Breakdown | Ps\$ Bn



### ▼ Cost of Funding <sup>(1)</sup>



### ▼ Cost of Funding as of % of TIIE



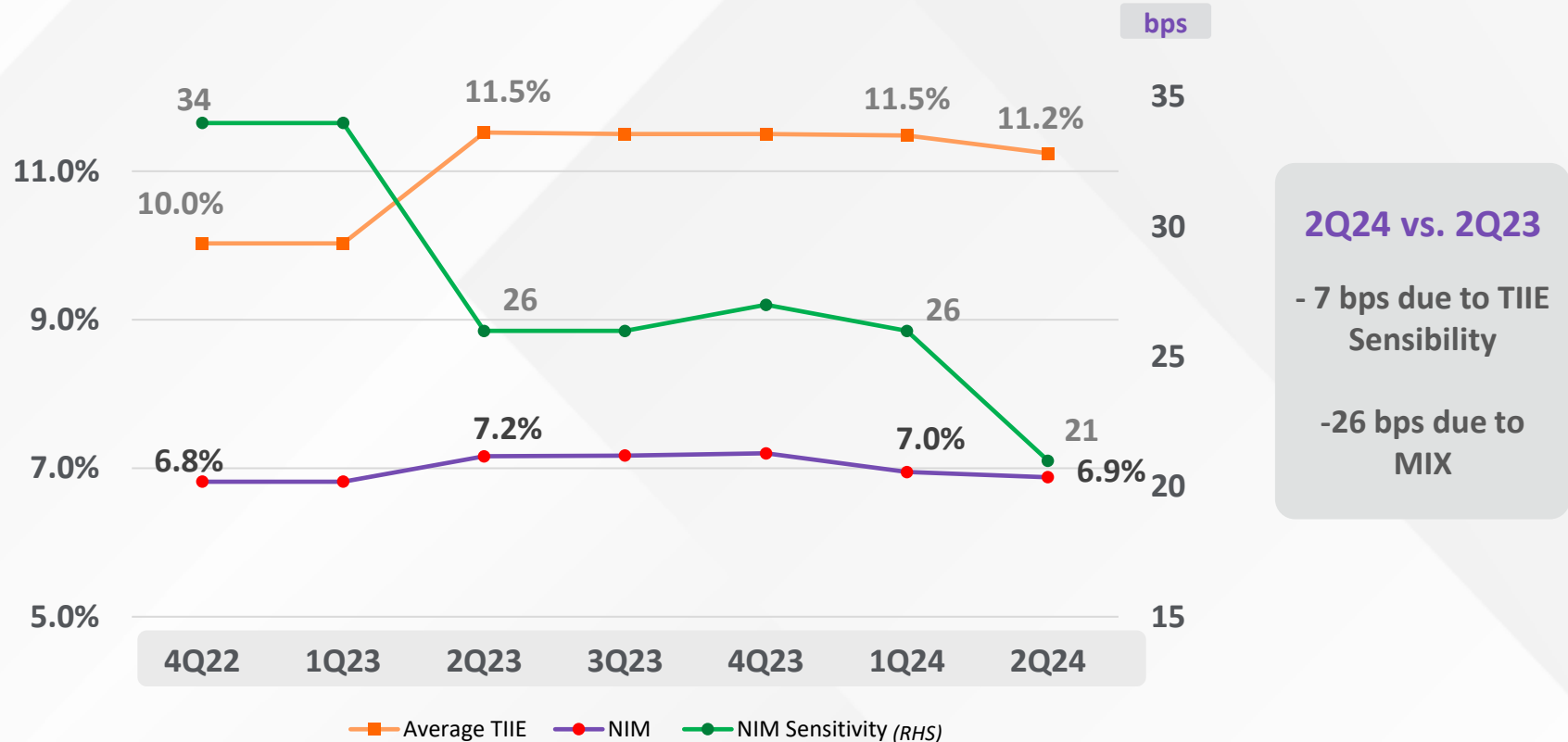
**Notes:**

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 April 2024.

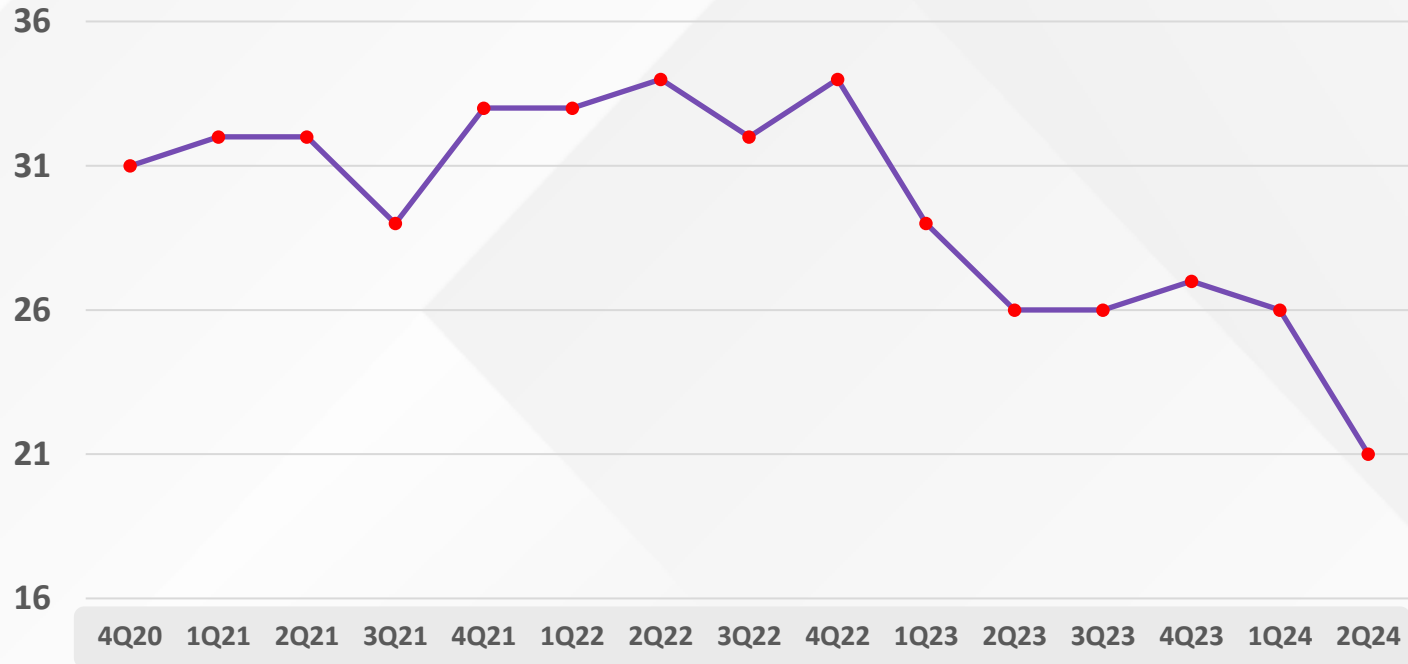


- **NIM contracted 33 bps YoY in 2Q24**, as a result of a higher funding cost and asset growth at the end of the quarter.



- As of June, **NIM sensitivity decreased to 21 bps from 26 bps in 1Q24**. For each 100 basis points of change in the TIIE rate, equivalent to **693 million pesos of Revenues and 436 million pesos of Net Income** for a full year.

- As of June, **NIM sensitivity decreased to 21 bps from 26 bps in 1Q24.**



- The strategy to reduce **sensitivity** has been focus on extending the duration in the **Securities Portfolio**. We acquired 9.3 Bn pesos of **MBonos** at an average yield of 10% and a Macaulay Duration of 5.6 years.

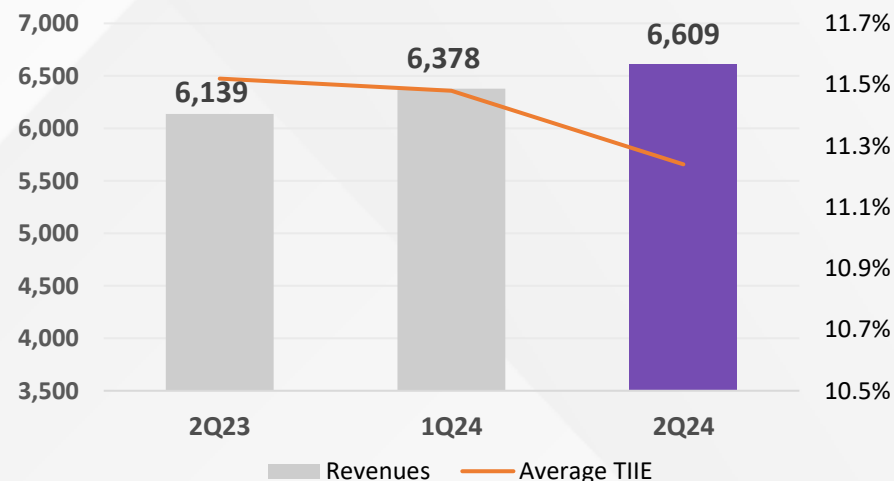
• Million Pesos

- **Revenues** increased **7.7% YoY** in **2Q24**.
- **Non-Interest Income** grew **29.3% YoY**.
- **Net Fees & Commissions** increased **6.5% YoY**. We would like to highlight the growth of: **Bancassurance 34.4%**, **Interexchange Fees 15.1%**, **POS Fees 13.9%** and a decrease of **-33.4% in Transfer Fees**.
- **Trading Income** grew **94.7%**, **positively impacted** by **Mxn 298.8m** due to a non-strategic equity asset sold, conversely it was negatively impacted by **Mxn 97m** due to reserves and other valuations.

The largest component which is **FX Trading** grew **17.9%**.

**Net Fees & Commissions + Trading Income** grew of **34.8% YoY**.

## ▼ Total Revenues



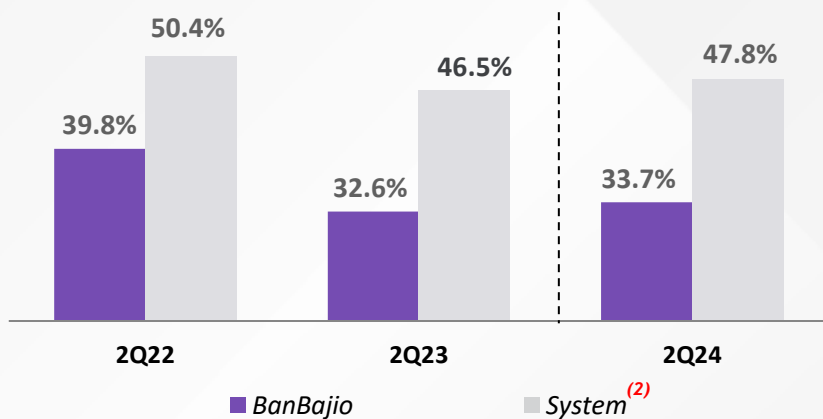
	2Q23 *	2Q24	Var. YoY
▪ <b>Net Interest Income</b>	5,411	5,668	4.7 %
▪ <b>Non-Interest Income</b>	728	941	29.3 %
▪ <i>Net Fees &amp; Commissions</i>	600	639	6.5 %
▪ <i>Trading Income</i>	283	551	94.7 %
▪ <i>Other Operating Income (Expense)</i>	(155)	(249)	60.6%
<b>TOTAL REVENUES</b>	<b>6,139</b>	<b>6,609</b>	<b>7.7 %</b>

\* 2Q23 Figures reinstated audit adjustment.

- **Efficiency Ratio** for **2Q24** stood at **33.7%**, System **47.8%**

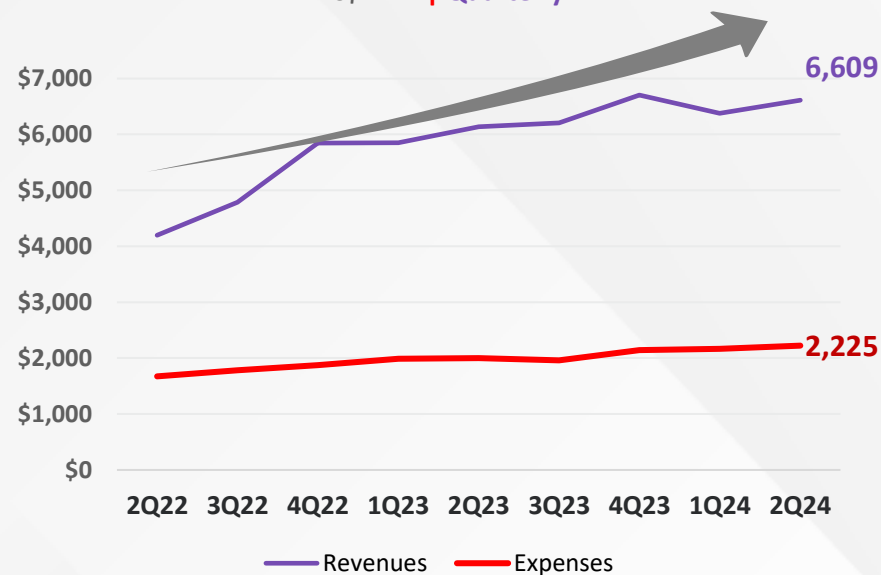
## ▼ Efficiency Ratio Evolution vs. System

Operating Expenses/Total Revenues <sup>(1)</sup> | %



## ▼ Total Revenues and Expenses

Pes\$ MM | Quarterly



Source: Company information

**Notes:**

<sup>(1)</sup> Total Revenues (excluding Loan Loss Provisions), as reported.

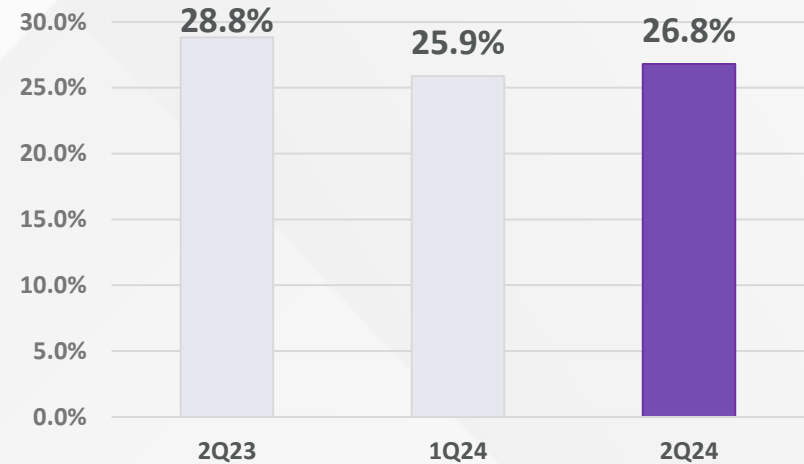
<sup>(2)</sup> System last available information April 2024.

# ▶ Strong Results boosted Returns and EPS

- **2Q24** annualized **ROAE** and **ROAA** were **26.8%** and **3.3%** respectively.
- **2Q24** **EPS** stood at **Ps. 2.39**, **2.3%** higher than 2Q23, the **Earnings Yield** was **16.0%**.

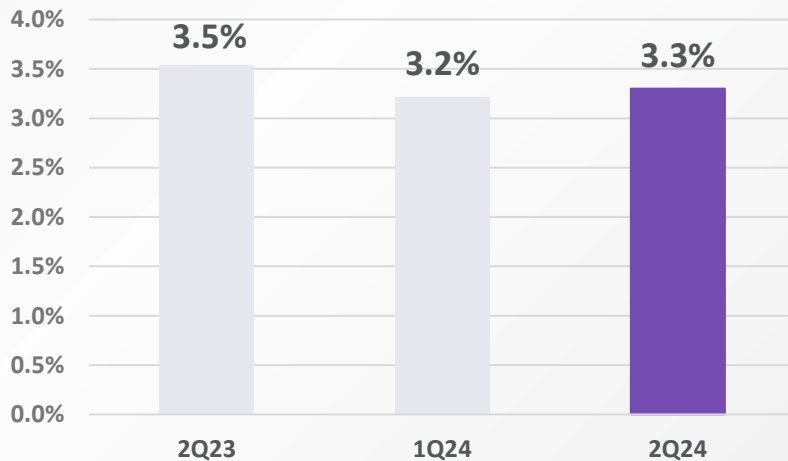
## ▼ ROAE

• Annualized quarter



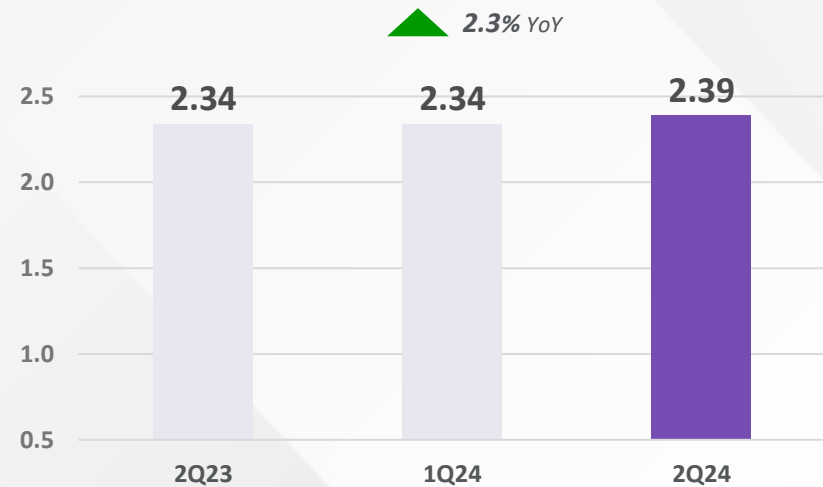
## ▼ ROAA

• Annualized quarter

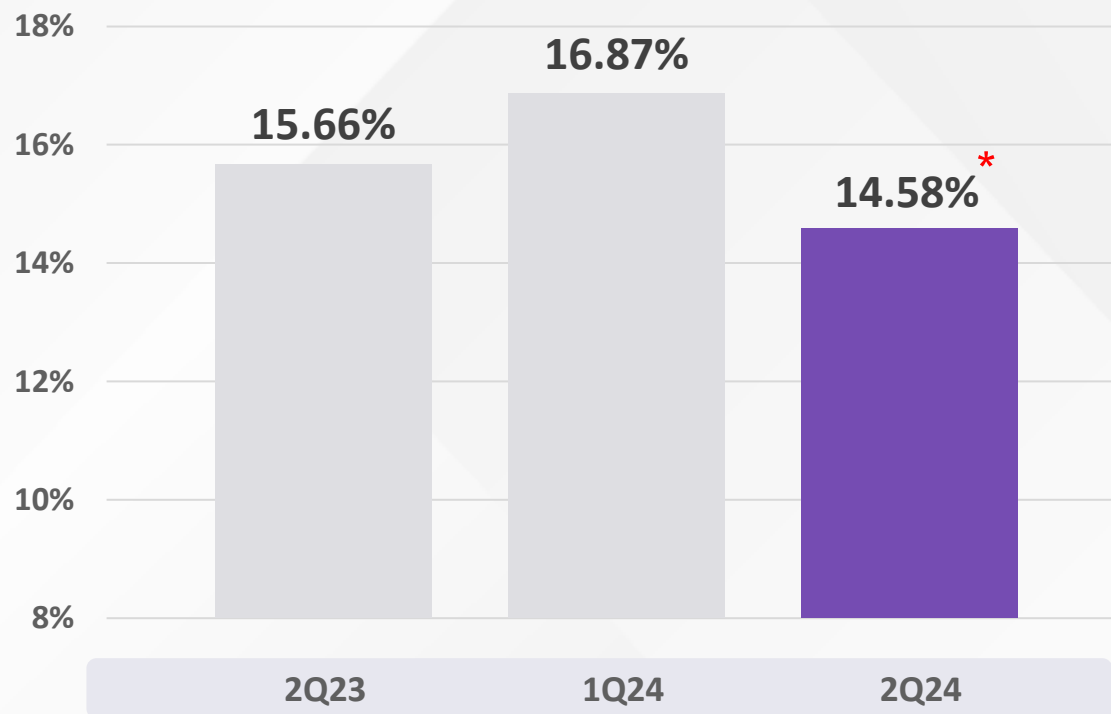


## ▼ EPS

• Pesos



- **Solid capitalization** ratio with **97.3% CET 1**.



\* ICAP June 2024 preliminary.

	2024   Original	2024   Revised
▪ Loan Growth	9% - 12%	9% - 12%
▪ Deposits Growth	11% - 13%	11% - 13%
▪ <b>NIM</b>	<b>6.5% - 6.7%</b>	<b>6.7% - 6.8%</b>
▪ <b>Fees + Trading Income</b>	<b>18% - 20%</b>	<b>22% - 24%</b>
▪ Expenses Growth	15% - 17%	15% - 17%
▪ Efficiency Ratio	Below 39%	Below 39%
▪ <b>Cost of Risk</b>	<b>0.6% - 0.8%</b>	<b>0.7% - 0.9%</b>
▪ <b>Effective Tax Rate</b>	<b>27%</b>	<b>28%</b>
▪ <b>Net Income (Million Pesos)</b>	<b>\$10,500 - \$10,800</b>	<b>\$10,600 - \$10,900</b>
▪ ROAE	24% - 25%	24% - 25%
▪ <b>NPL Ratio</b>	<b>Below 1.5%</b>	<b>Below 1.6%</b>
▪ <b>Coverage Ratio</b>	<b>Above 150%</b>	<b>Above 140%</b>
▪ Capitalization Ratio	Above 15%	Above 15%

\* *Macro estimates for 2024: Average Banxico rate 10.91%, GDP growth 2.0% - 2.5% and inflations 4.5%.*

Ps\$ MM				Var.	
	2Q23	1Q24	2Q24	Y o Y	Q o Q
▪ Interest Income	\$9,698	\$10,822	\$10,572	9.0%	-2.3%
▪ Interest Expense	(4,287)	(5,152)	(4,904)	14.4%	-4.8%
<b>Net Interest Income</b>	<b>\$5,411</b>	<b>\$5,670</b>	<b>\$5,668</b>	<b>4.7%</b>	<b>-0.0%</b>
▪ Net Fees & Commissions	600	618	639	6.5%	3.4%
▪ Trading Income	283	269	551	94.7%	104.8%
▪ Other Operating Income / (Expense)	(155)	(179)	(249)	60.6%	39.1%
<b>Non Interest Income</b>	<b>\$728</b>	<b>\$708</b>	<b>\$941</b>	<b>29.3%</b>	<b>32.9%</b>
<b>Total Revenues</b>	<b>\$6,139</b>	<b>\$6,378</b>	<b>\$6,609</b>	<b>7.7%</b>	<b>3.6%</b>
▪ Allowance for Loan Losses	(330)	(391)	(420)	27.3%	7.4%
▪ Operating Expenses	(2,001)	(2,166)	(2,225)	11.2%	2.7%
▪ Equity in income of unconsolidated subsidiaries	1	7	1	-	-85.7%
<b>Income Before Taxes</b>	<b>\$3,809</b>	<b>\$3,828</b>	<b>\$3,965</b>	<b>4.1%</b>	<b>3.6%</b>
▪ Taxes	(1,027)	(1,049)	(1,118)	8.9%	6.6%
<b>Net Income</b>	<b>\$2,782</b>	<b>\$2,779</b>	<b>\$2,847</b>	<b>2.3%</b>	<b>2.4%</b>
▪ Effective Tax Rate	27.0%	27.4%	28.2%		



Ps\$ MM			Var.
	6M23	6M24	Y o Y
▪Interest Income	\$18,892	\$21,394	13.2%
▪Interest Expense	(8,135)	(10,056)	23.6%
<b>Net Interest Income</b>	<b>\$10,757</b>	<b>\$11,338</b>	<b>5.4%</b>
▪Net Fees & Commissions	\$1,151	\$1,257	9.2%
▪Trading Income	491	820	67.0%
▪Other Operating Income / (Expense)	(411)	(428)	4.1%
<b>Non Interest Income</b>	<b>\$1,231</b>	<b>\$1,649</b>	<b>34.0%</b>
<b>Total Revenues</b>	<b>\$11,988</b>	<b>\$12,987</b>	<b>8.3%</b>
▪Allowance for Loan Losses	(538)	(811)	50.7%
▪Operating Expenses	(3,987)	(4,391)	10.1%
▪Equity in income of unconsolidated subsidiaries	1	8	700.0%
<b>Income Before Taxes</b>	<b>\$7,464</b>	<b>\$7,793</b>	<b>4.4%</b>
▪Taxes	(1,991)	(2,167)	8.8%
<b>Net Income</b>	<b>\$5,473</b>	<b>\$5,626</b>	<b>2.8%</b>
▪Effective Tax Rate	26.7%	27.8%	

# ► Balance Sheet

Ps\$ MM				Var.	
	2Q23	1Q24	2Q24	Y o Y	Q o Q
▪Cash & Cash Equivalents	24,787	20,174	17,227	-30.5%	-14.6%
▪Investment in Securities	10,859	13,576	24,748	127.9%	82.3%
<b>▪Cash &amp; Investments</b>	<b>\$35,646</b>	<b>\$33,750</b>	<b>\$41,975</b>	<b>17.8%</b>	<b>24.4%</b>
▪Performing Loan Portfolio Stage 1	219,760	235,759	242,261	10.2%	2.8%
▪Performing Loan Portfolio Stage 2	2,431	2,796	2,671	9.9%	-4.5%
▪Non-performing Loan Portfolio (Stage 3)	2,981	3,246	3,681	23.5%	13.4%
<b>▪Gross Loan Portfolio</b>	<b>\$225,172</b>	<b>\$241,801</b>	<b>\$248,613</b>	<b>10.4%</b>	<b>2.8%</b>
▪Loan Loss Provisions	(5,405)	(5,699)	(5,588)	3.4%	-1.9%
▪Deferred Accounts	(1,060)	(815)	(895)	-15.6%	9.8%
<b>Net Loan Portfolio</b>	<b>\$218,707</b>	<b>\$235,287</b>	<b>\$242,130</b>	<b>10.7%</b>	<b>2.9%</b>
▪Repos	47,715	52,023	47,779	0.1%	-8.2%
▪Other Assets	18,676	25,412	21,350	14.3%	-16.0%
<b>Total Assets</b>	<b>\$320,744</b>	<b>\$346,472</b>	<b>\$353,234</b>	<b>10.1%</b>	<b>2.0%</b>
▪Demand Deposits	110,266	113,644	123,592	12.1%	8.8%
▪Time Deposits	110,514	121,963	122,210	10.6%	0.2%
<b>Total Deposits</b>	<b>\$220,780</b>	<b>\$235,607</b>	<b>\$245,802</b>	<b>11.3%</b>	<b>4.3%</b>
▪Repos	7,861	8,128	7,827	-0.4%	-3.7%
<b>Funding Including Repos</b>	<b>\$228,641</b>	<b>\$243,735</b>	<b>\$253,629</b>	<b>10.9%</b>	<b>4.1%</b>
▪Interbank Loans *	41,943	40,114	43,496	3.7%	8.4%
▪Other Liabilities	12,562	18,303	15,586	24.1%	-14.8%
<b>Total Liabilities</b>	<b>\$283,146</b>	<b>\$302,152</b>	<b>\$312,711</b>	<b>10.4%</b>	<b>3.5%</b>
<b>Shareholder's Equity</b>	<b>\$37,598</b>	<b>\$44,320</b>	<b>\$40,523</b>	<b>7.8%</b>	<b>-8.6%</b>

\* Mostly development banks.