



First Quarter 2018

Conference Call Presentation

April | 2018

Relevant Results | 1Q18 vs. 1Q17

- **Net Income** grew **43.4% above** 1Q17
- **Twelve months ROAE** was **19.3%**, **1Q18 ROAE** was **18.7%**
- **Revenues** rose **22.8%**
- **Financial Margin** increased **26.0%**
- **NIM** was **5.5%** from **4.8%**
- **Efficiency Ratio** rose **44.7%** from **49.3%**
- **SME's Portfolio** grew **25.3%** and **Corporates 10.7%**; **Total Loan Portfolio** grew **12.2%**
- **Customer Deposits** increased **17.3%**
- **NPL Ratio** was down to **0.93%** from **1.00%**
- **Coverage Ratio** was **209.5%** from **169.0%**

▶ Dividend Payment 2018

- Today, our **Annual Shareholders' Meeting** approved a cash dividend payment **equivalent to 20.00% of 2017 Net Income**.
- **The amount** to distribute is **Ps. 769,563,069.41**, which is **73.0% higher** than the **Ps. 444,794,834.00** paid in April of 2017 **equivalent to 19.89% of 2016 Net Income**.

(MXN)	TO PAY 2018	PAID 2017
▪ Previous year Net Income	3,847,815,366.92	2,236,657,608.51
▪ % to distribute	20.00%	19.89%
▪ Amount to distribute	769,563,069.41	444,794,834.00
▪ Outstanding shares	1,188,936,797*	1,071,271,920
▪ Dividend per share	0.647269957	0.415202551**

* Net of repurchase program shares

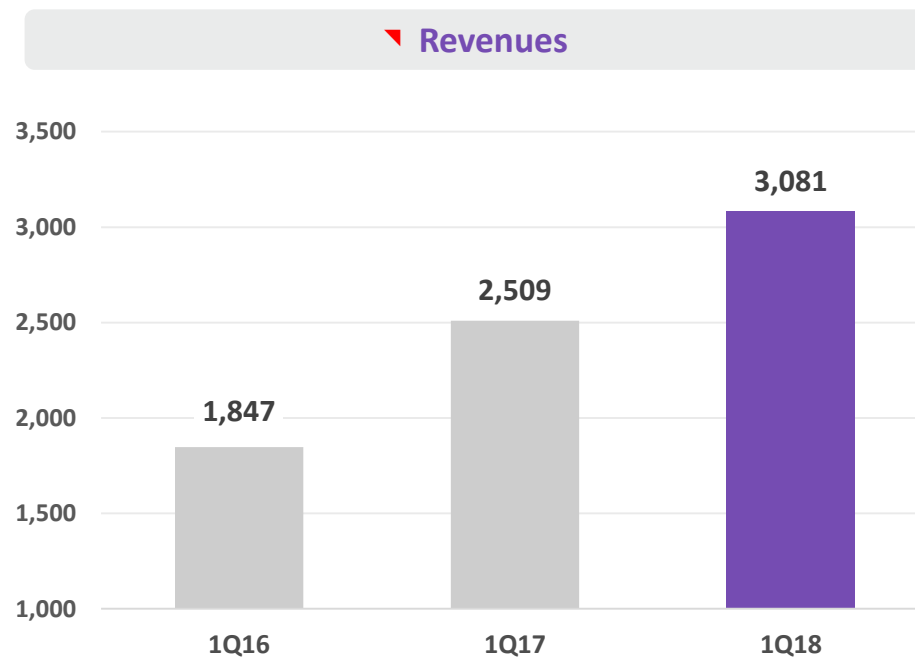
** Considering split of 5 shares per 1

- **Payment** will take place during **April of 2018**.

▶ Continuous upward trend in Revenues

• Million Pesos

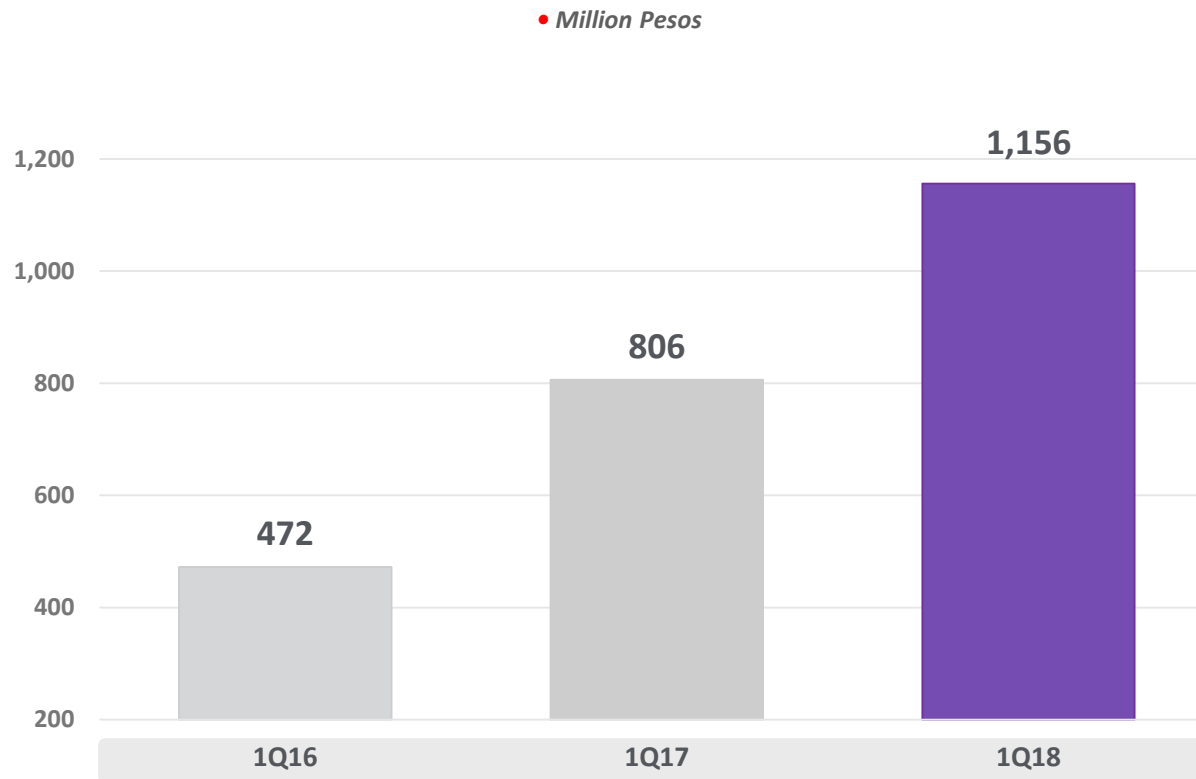
- **Revenues** increasing **22.8%** in 1Q18 YoY.
- **Positive performance in the Net Interest Income** as a result of an increase in volume and interest rates.
- **Yearly growth in Non Interest Income** in commissions and Trading income.



	1Q18	YoY
▪ Net Interest Income	2,609	26.0 %
▪ Non Interest Income	472	7.5 %
▪ <i>Net Fees & Commissions</i>	374	7.2 %
▪ <i>Trading Income</i>	67	42.6 %
▪ <i>Other Operating Income</i>	31	-27.9 %
Total Revenues	3,081	22.8 %

▶ Historical Net Income Performance

- **Net Income was Ps. 1,156 million in 1Q18, 43.4% higher than 1Q17, as a result of an increase in volume and interest rates.**

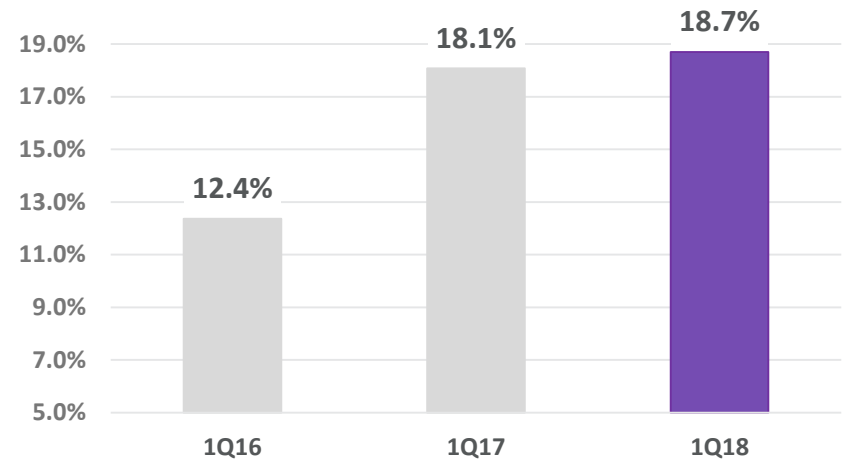


▶ Strong Results boosted Returns and EPS

- **Twelve months ROAE** was **19.3%**.
- **We continue to post an 18% level of ROAE** since the IPO.
- **Continuous** growth in Earnings, resulted in a **40.5%** increase in EPS since the IPO.

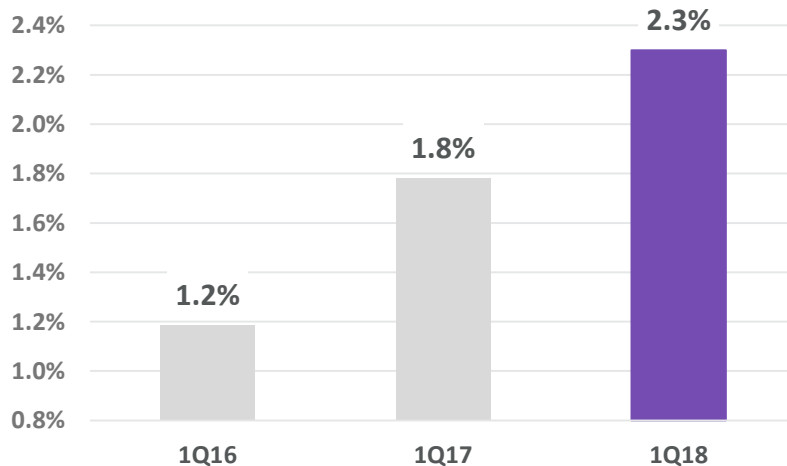
▼ ROAE

• Annualized quarter



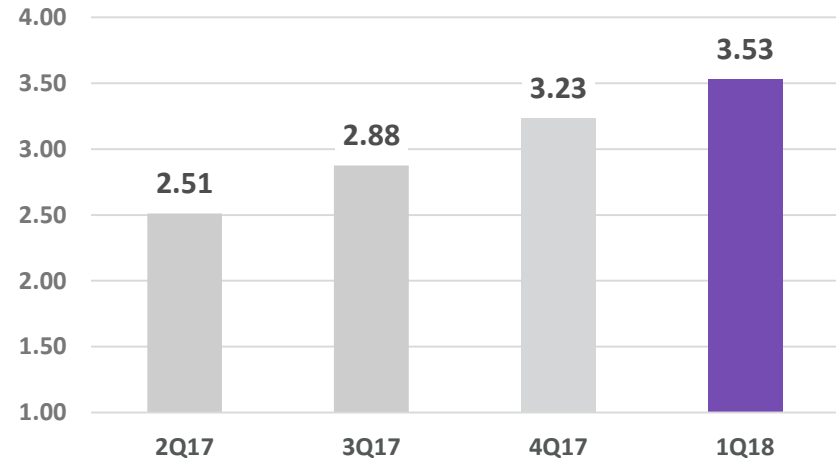
▼ ROAA

• Annualized quarter



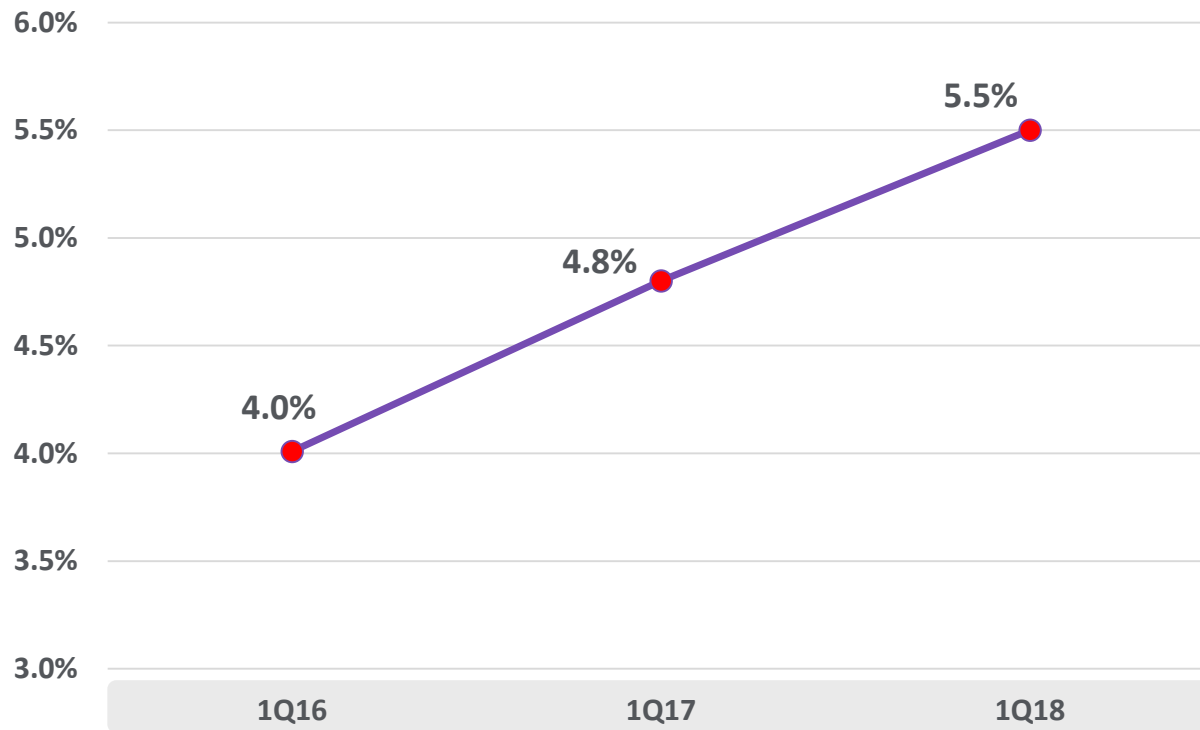
▼ EPS

• Pesos



▶ Net Interest Margin

- **NIM expanded 74 bp in 1Q18 YoY**, as a result of an increase in volume and interest rates.

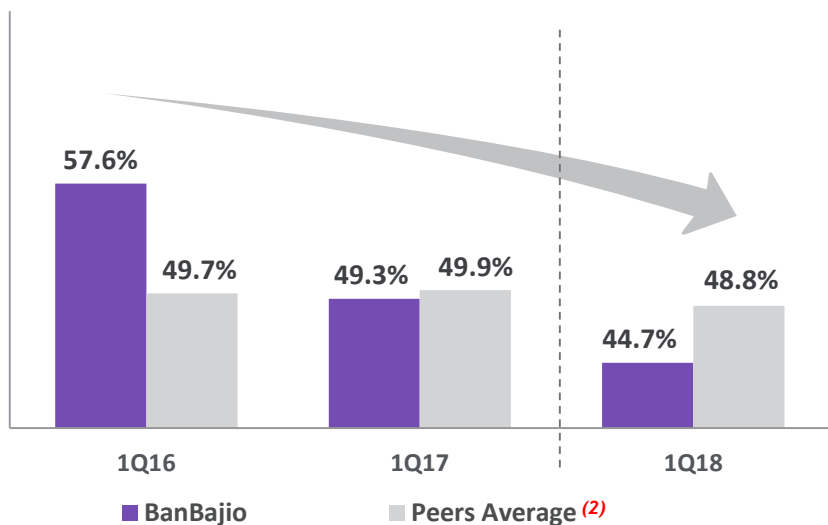


▶ Efficiency Ratio

- A higher growth in revenues compared to expenses allowed us to improve the **Efficiency Ratio in 1Q18 vs 1Q17**.

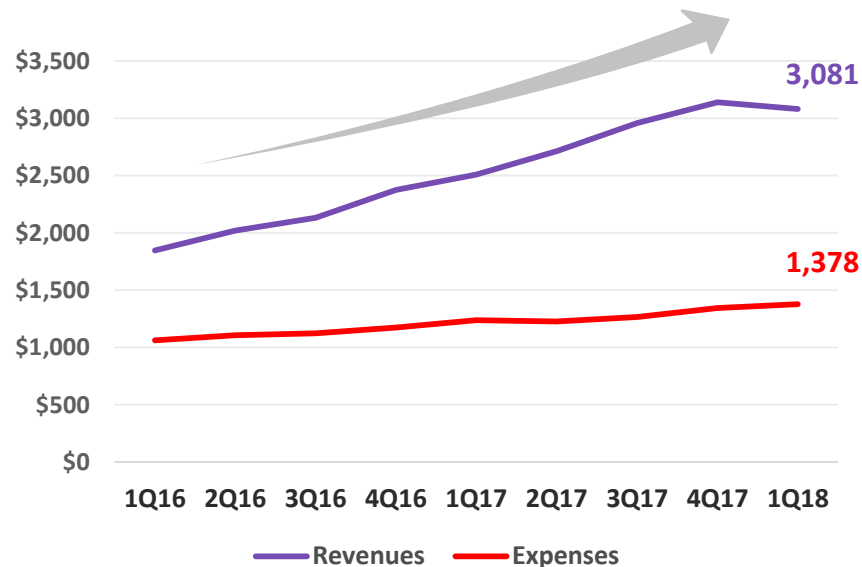
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Quarterly



Source Company information

Notes:

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

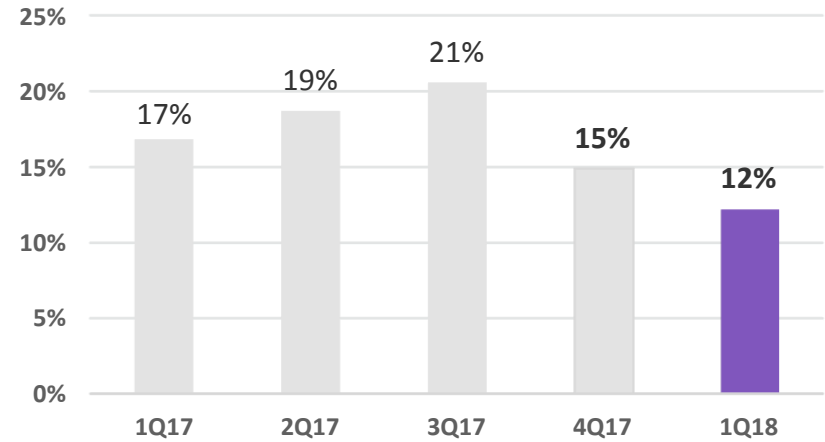
⁽²⁾ Peers Include: Banorte, Banregio, BBVA Bancomer, Citibanamex, HSBC, Santander and Scotiabank consolidated figures; last available information as of 4Q17.

▶ Loan Portfolio Growth YoY

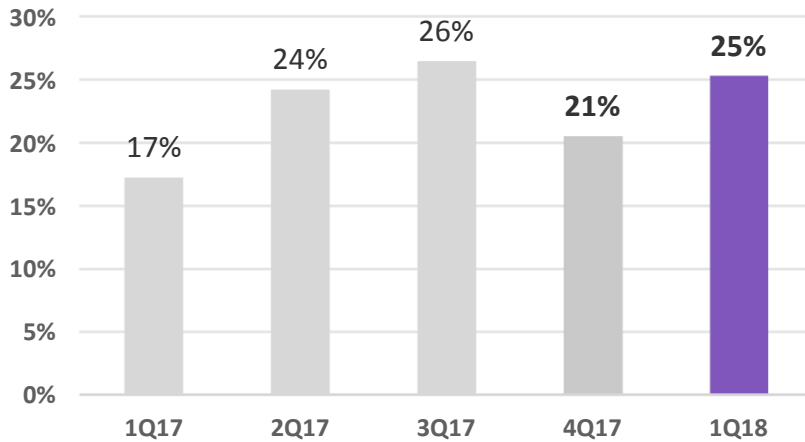
- **Total Portfolio Loan Growth was 12%** in line with our Guidance.
- **Company Loans, which represents our core business, increased 15%:**

▼ SME's	25 %	▲
▼ Corporate	11 %	▲

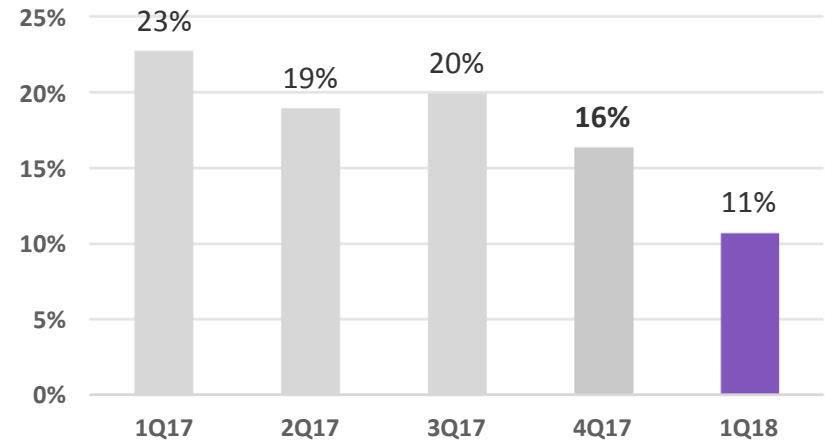
▼ Total Loan Portfolio



▼ SME's



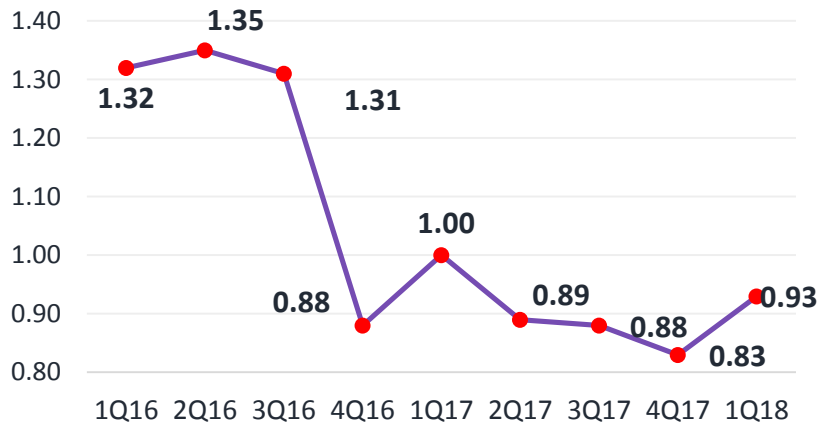
▼ Corporates



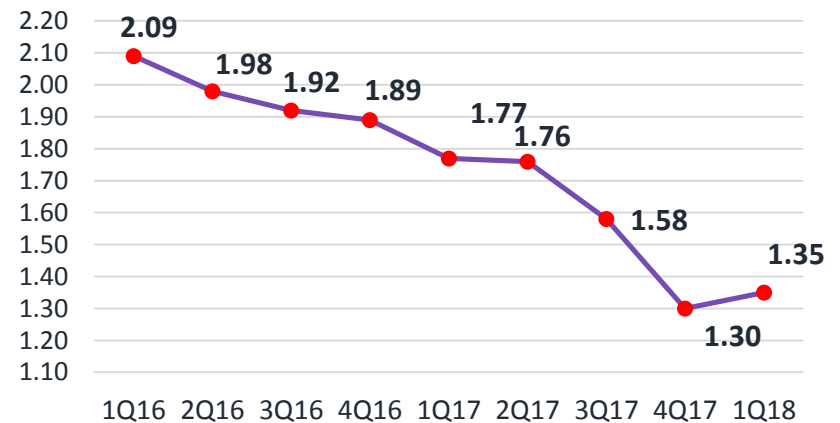
▶ Asset Quality

▪ High asset quality and outstanding risk profile

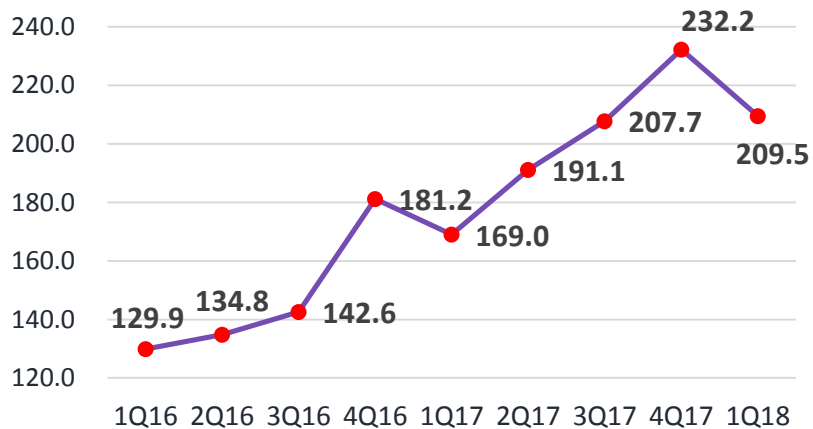
▼ NPL Ratio | %



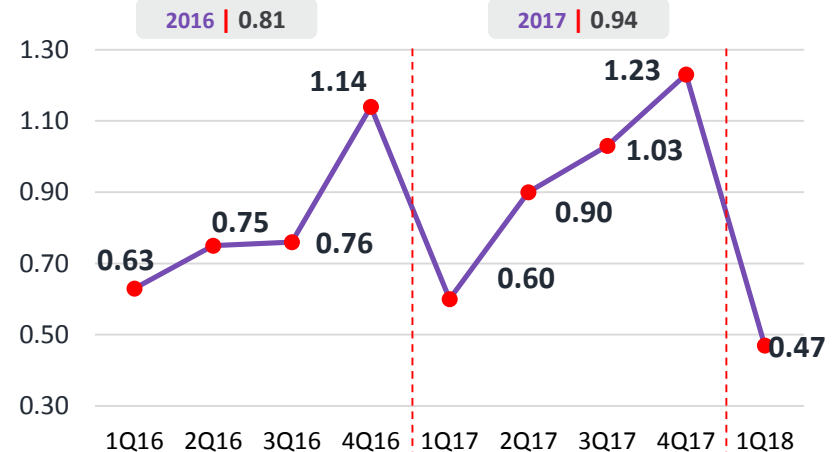
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



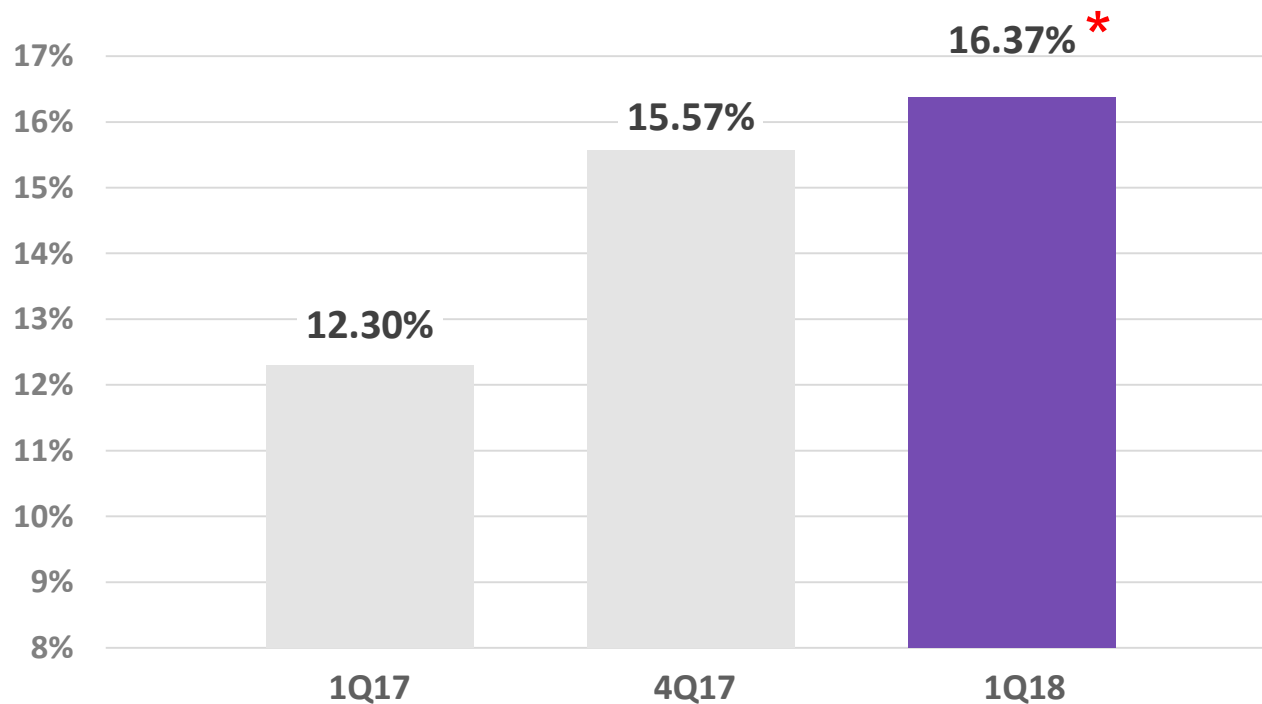
▼ Cost of Risk¹ | %



¹ Annualized quarter

▶ Capital Adequacy Ratio

- Our capitalization ratio increased 407 basis points as a result of:
 - ▾ **Twelve months** Net income totaled **Ps. 4,199 million**
 - ▾ IPO in June 2017 by **Ps. 3,395 million** net of expenses
 - ▾ Dividend payment of **Ps. 445 million** in May 2017 was 20% of the net income
 - ▾ Lower capital requirements related to **Operative Risk in 1Q18**



* ICAP March 2018 is preliminary

► Income Statement

Ps\$ MM				Var.	
	1Q17	4Q17	1Q18	Y o Y	Q o Q
▪ Interest Income	\$3,530	\$4,364	\$4,486	27 %	3 %
▪ Interest Expense	(1,460)	(1,871)	(1,877)	29 %	0 %
Net Interest Income	\$2,070	\$2,493	\$2,609	26 %	5 %
▪ Net Fees & Commissions	349	409	374	7 %	-9 %
▪ Trading Income	47	159	67	43 %	-58 %
▪ Other Operating Income / (Expense)	43	78	31	-28 %	-60 %
Non Interest Income	439	646	472	8 %	-27 %
Total Revenues	\$2,509	\$3,139	\$3,081	23 %	-2 %
▪ Allowance for Loan Losses	(194)	(440)	(172)	-11 %	-61 %
▪ Administrative and Advertising Expenses	(1,238)	(1,344)	(1,378)	11 %	3 %
▪ Equity in income of unconsolidated subsidiaries	-	4	1	-	-75 %
Income Before Tax	\$1,077	\$1,359	\$1,532	42 %	13 %
▪ Tax	(271)	(296)	(376)	39 %	27 %
Net Income	\$806	\$1,063	\$1,156	43 %	9 %
▪ Effective Tax Rate	25.2%	21.8%	24.5%	(62) b.p.	276 b.p.

▶ Balance Sheet

Ps\$ MM				Var.	
	1Q17	4Q17	1Q18	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$16,989	\$18,012	\$20,656	22 %	15 %
▪ Investment in Securities	19,291	16,108	18,757	-3 %	16 %
▪ Cash & Investments	\$36,280	\$34,120	\$39,413	9 %	16 %
▪ Performing Loan Portfolio	128,763	144,955	144,565	12 %	0 %
▪ Non-performing Loan Portfolio	1,296	1,213	1,353	4 %	12 %
▪ Gross Loan Portfolio	\$130,059	\$146,168	\$145,918	12 %	0 %
▪ Loan Loss Provisions	(2,190)	(2,817)	(2,835)	29 %	1 %
Net Loan Portfolio	\$127,869	\$143,351	\$143,083	12 %	0 %
▪ Repos	5,501	7,087	8,276	50 %	17 %
▪ Other Assets	10,205	9,201	10,884	7 %	18 %
Total Assets	\$179,855	\$193,759	\$201,656	12 %	4 %
▪ Demand Deposits	50,799	54,892	53,561	5 %	-2 %
▪ Time Deposits	49,515	58,513	64,072	29 %	10 %
Customer Deposits	\$100,314	\$113,405	\$117,633	17 %	4 %
▪ Repos	15,775	12,088	14,687	-7 %	22 %
▪ Notes	1,270	-	-	-100%	-
Funding Including Repos	\$117,359	\$125,493	\$132,320	13 %	5 %
▪ Interbank Loans *	37,156	38,166	33,922	-9 %	-11 %
▪ Other Liabilities	7,121	5,921	10,122	42 %	71 %
Total Liabilities	\$161,636	\$169,580	\$176,364	9 %	4 %
Shareholders' Equity	\$18,219	\$24,179	\$25,292	39 %	5 %

* Mostly development banks funding.