



Fourth Quarter 2017

Conference Call Presentation

January | 2018

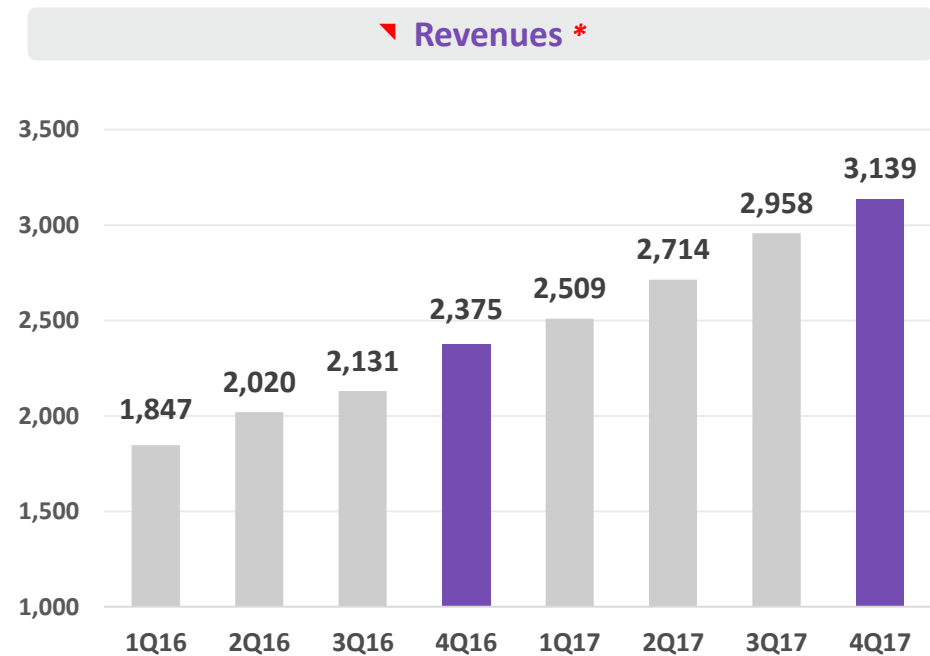
Relevant Results | 4Q17 vs. 4Q16

- **Net Income** was **75.0% higher than** 4Q16, the highest ever recorded
- **Revenues** grew **32.2%**
- **Financial Margin** grew **31.3%**
- **NIM** was **5.4%**
- **Efficiency Ratio** was down to **42.3%**
- **ROAE** was **18.8%**, the highest recorded in a quarter
- **Total Loan Portfolio** grew **14.9%**, **SME's Portfolio** grew **20.5%** and **Corporates** **16.4%**
- **Customer Deposits** increased **12.7%**
- **NPL Ratio** was down to **0.83%**
- **Coverage Ratio** increased to **232.2%**

► Solid Growth in Revenues

• Million Pesos

- **Solid Growth in Revenues** in all business lines increasing **35.2%** in 2017 YoY.
- **Positive performance in the Net Interest Income** as a result of an increase in volume and interest rates.
- **Quarterly and yearly growth in Non Interest Income** in commissions and Trading income.

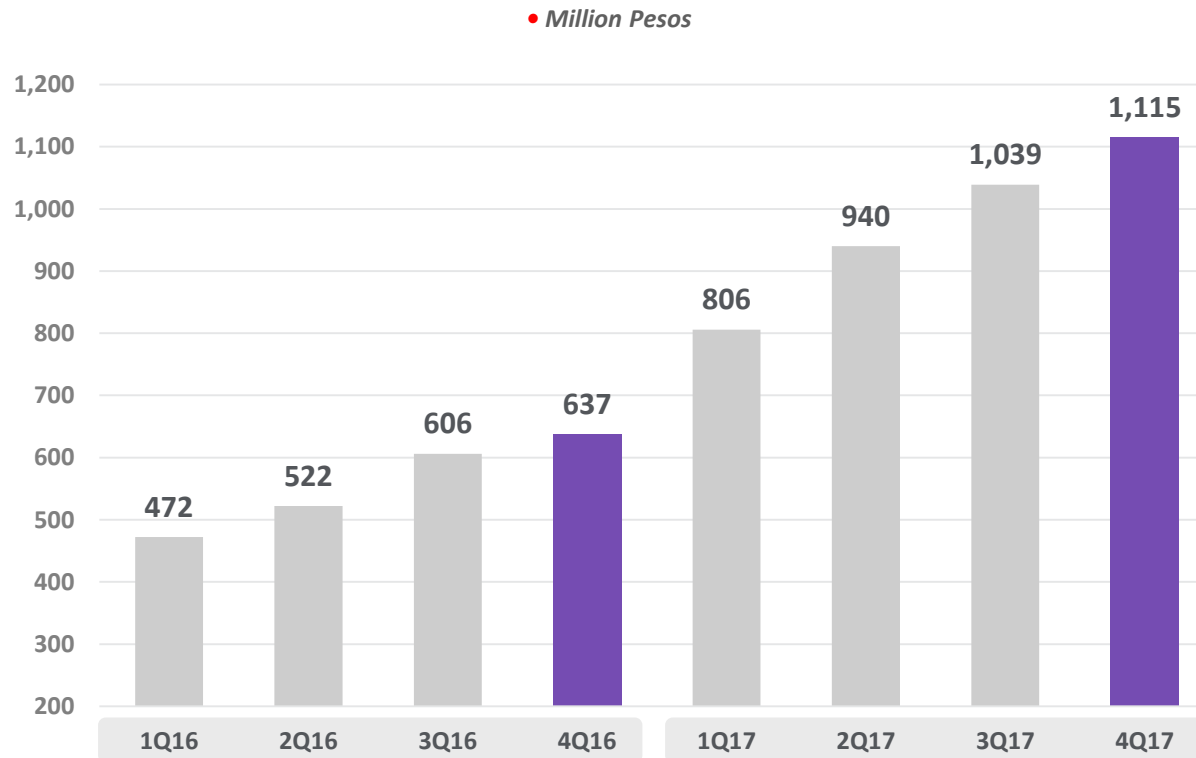


	4Q17	QoQ	YoY	12M17	YoY
Net Interest Income	2,493	2.6 %	31.3 %	9,214	39.2 %
Non Interest Income	646	22.3 %	35.4 %	2,106	20.0 %
Net Fees & Commissions	409	7.6 %	12.4 %	1,505	12.6 %
Trading Income	159	76.7 %	18.7 %	373	30.0 %
Other Operating Income	78	34.5 %	-471.4 %	228	72.7 %
Total Revenues *	3,139	6.1 %	32.2 %	11,320	35.2 %

• Includes Net Interest Income plus Non Interest Income

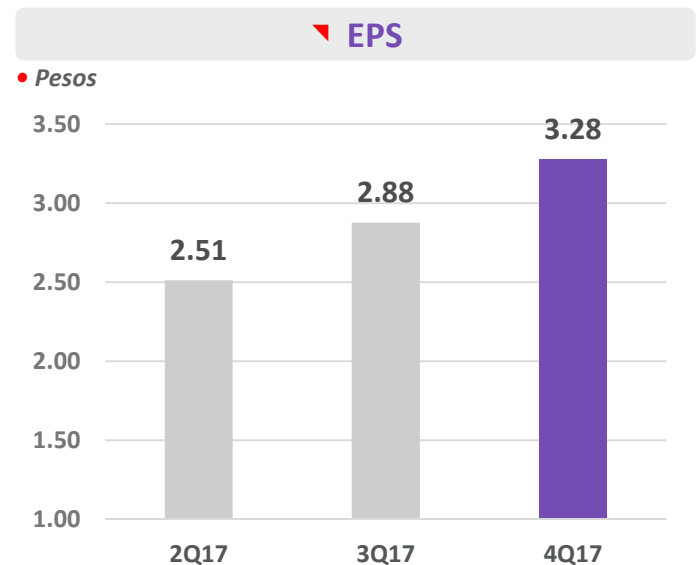
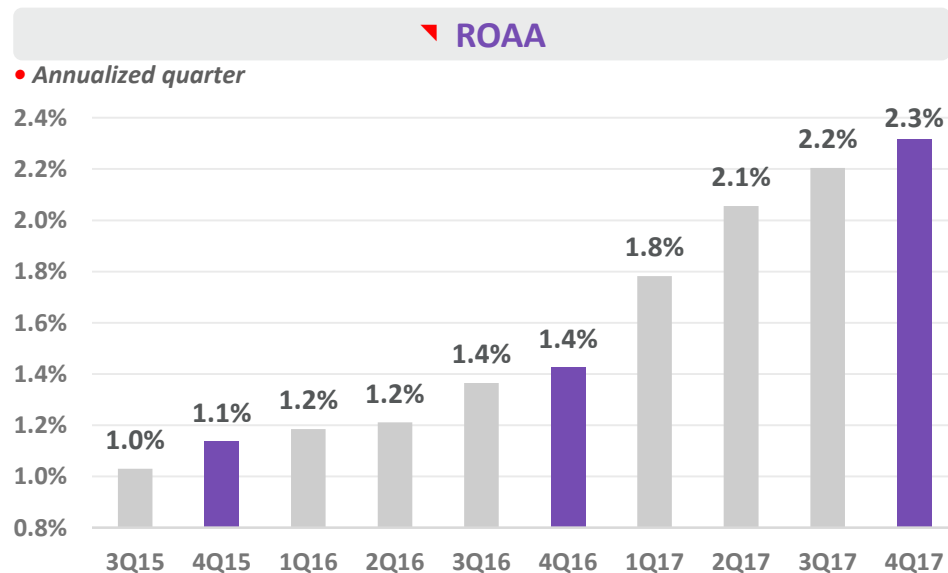
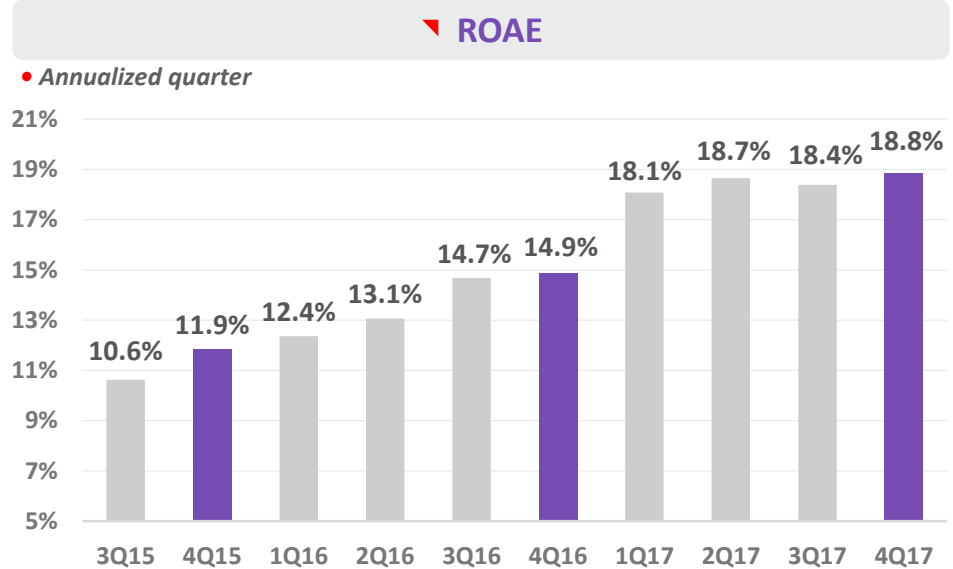
▶ Historical Net Income Performance

- **Net Income was Ps. 1,115 million, 75.0% higher than 4Q16**, as a result of an increase in volume and interest rates. Full year 2017 **Net Income** was Ps. **3,900 million, 74.3% higher than 2016**.



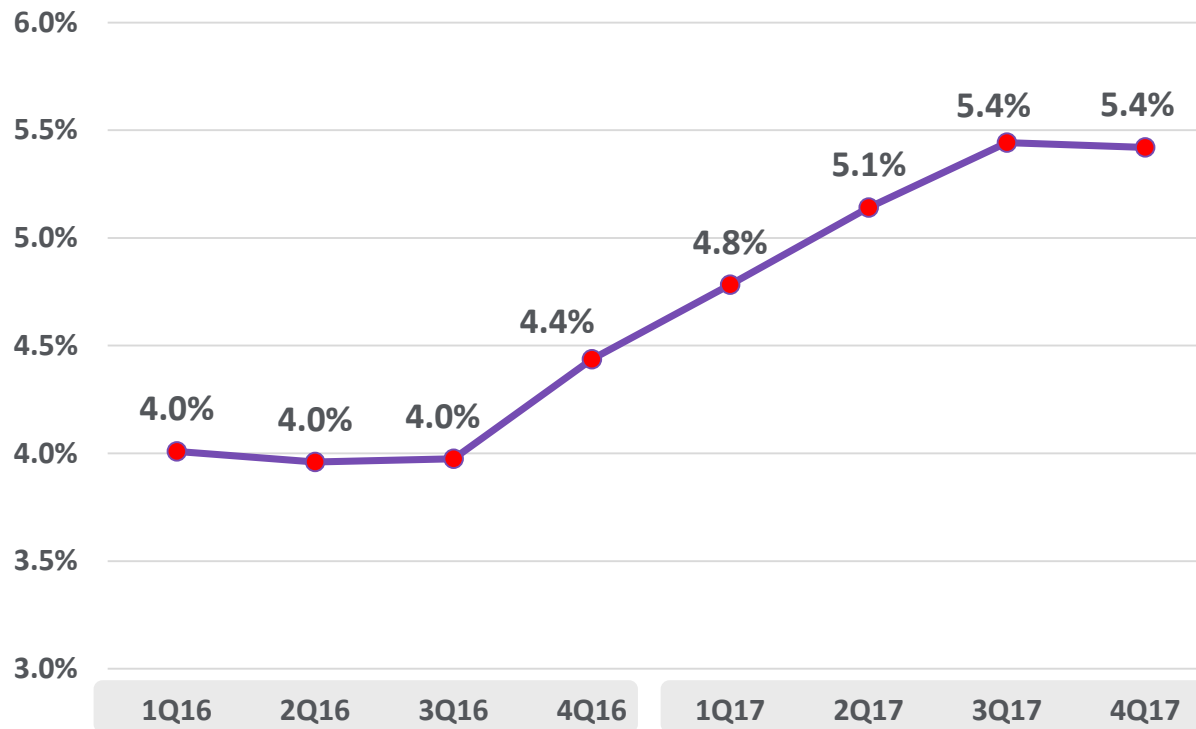
▶ Strong Results boosted Returns and EPS

- **10 quarters of increased profitability on ROAE**, despite the recent capital increase of Ps. 3,395 million net of expenses; ROAE is still above 18%, reaching **18.8%** as of **4Q17**.
- Twelve months **ROAE** was **18.7%**.
- **Continuous** growth in Earnings, resulted in a 30.5% increase in EPS since the IPO.



▶ Net Interest Margin

- **NIM expanded 98 bp in 4Q17 YoY**, as a result of an increase in volume and interest rates.

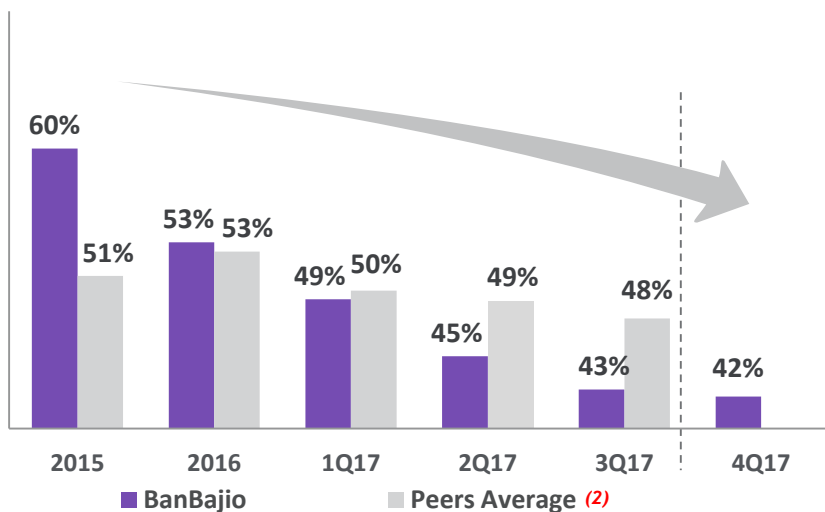


▶ Efficiency Ratio

- A **permanent** cost control program together with the increase in revenues, resulted in an improvement in the **Efficiency Ratio**.

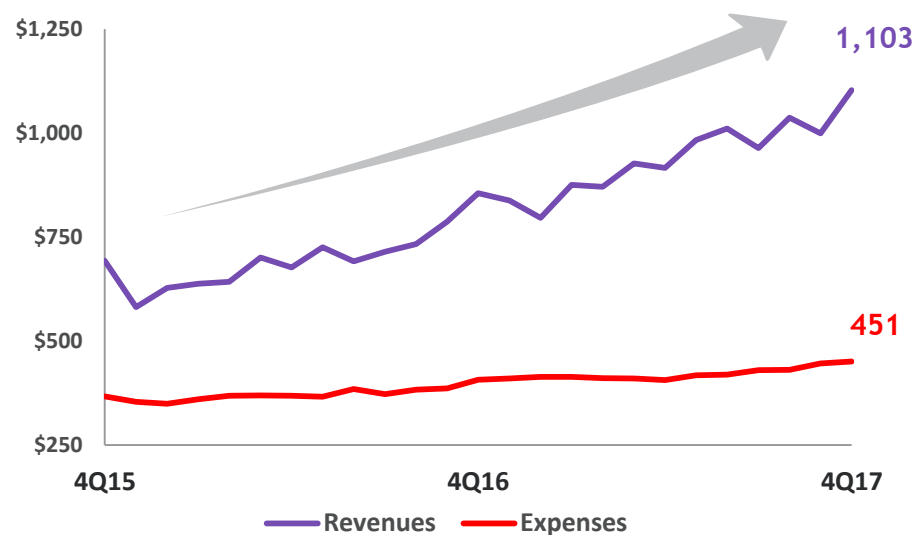
▼ Efficiency Ratio Evolution vs. Peers

Operating Expenses/Total Revenues ⁽¹⁾ | %



▼ Total Revenues and Expenses ⁽¹⁾

Ps\$ MM | Monthly



Source Company information

Notes:

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

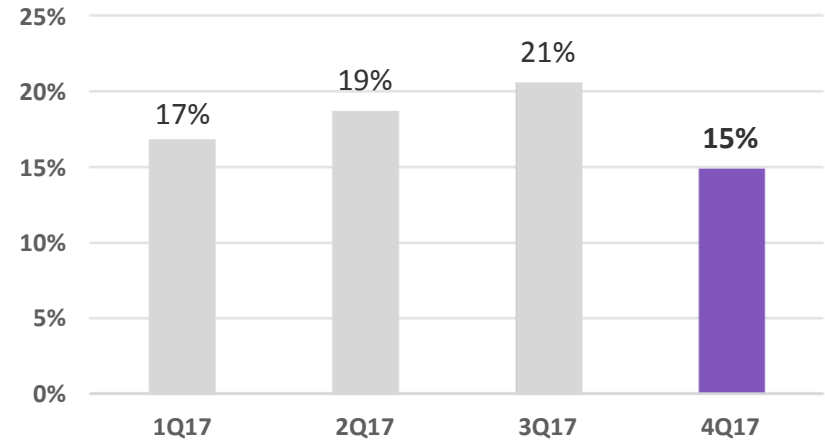
⁽²⁾ Peers Include: Banorte, Banregio, BBVA Bancomer, Citibanamex, HSBC, Santander and Scotiabank consolidated figures; last available information as of 3Q17.

▶ Loan Portfolio Growth YoY

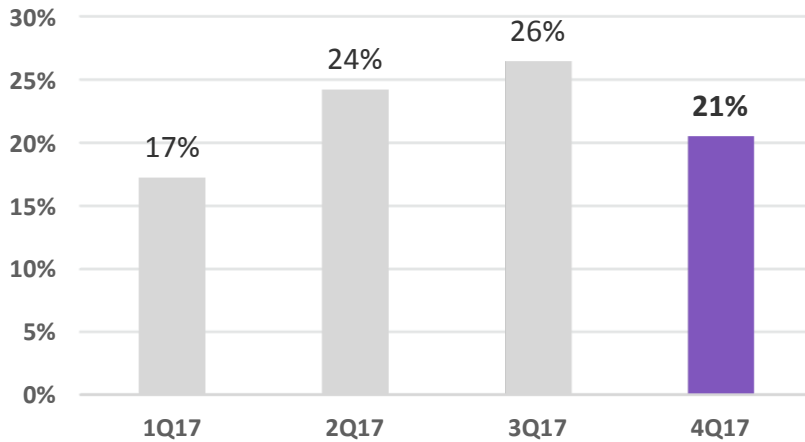
- **Total Portfolio Loan Growth was 15%** in line with our Guidance.
- **Company Loans, which represents our core business, increased 18%:**

▼ SME's	21%	▲
▼ Corporate	16%	▲

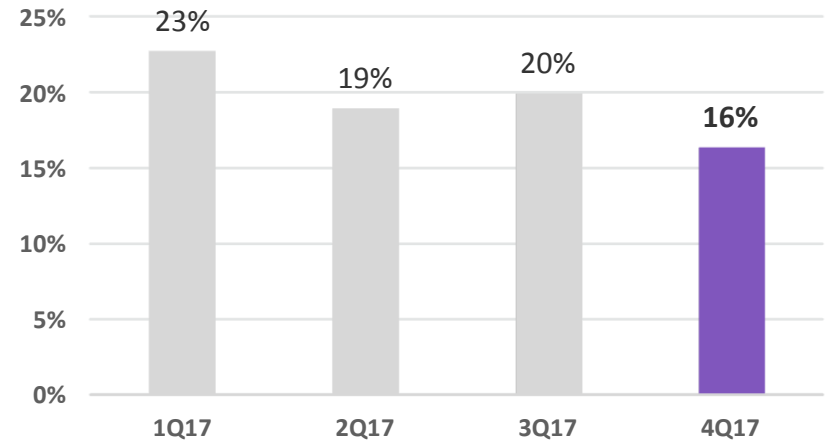
▼ Total Loan Portfolio



▼ SME's



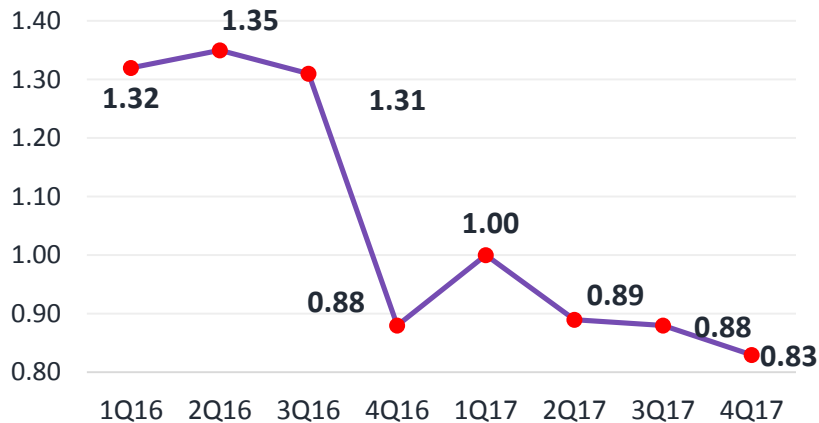
▼ Corporates



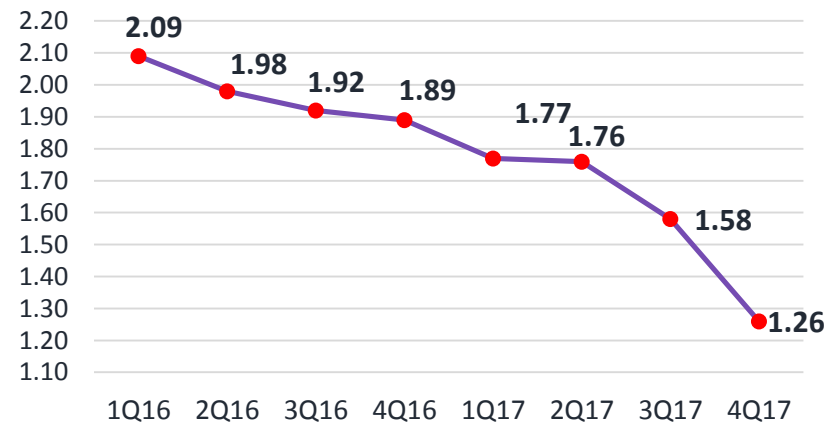
▶ Asset Quality

- Best in class of asset quality and risk profile.

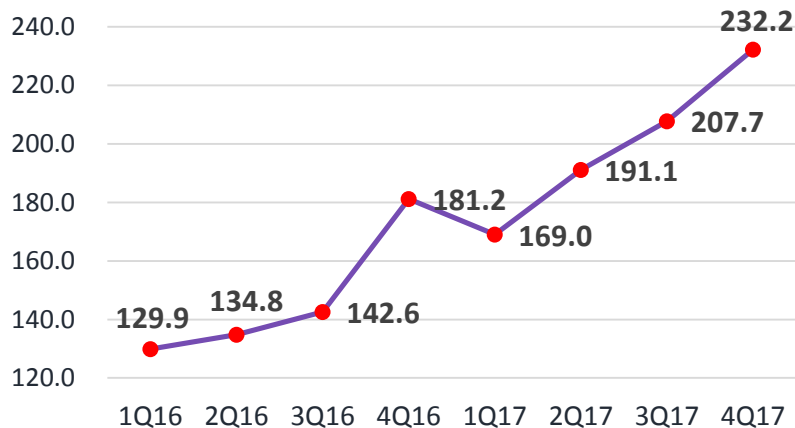
▼ NPL Ratio | %



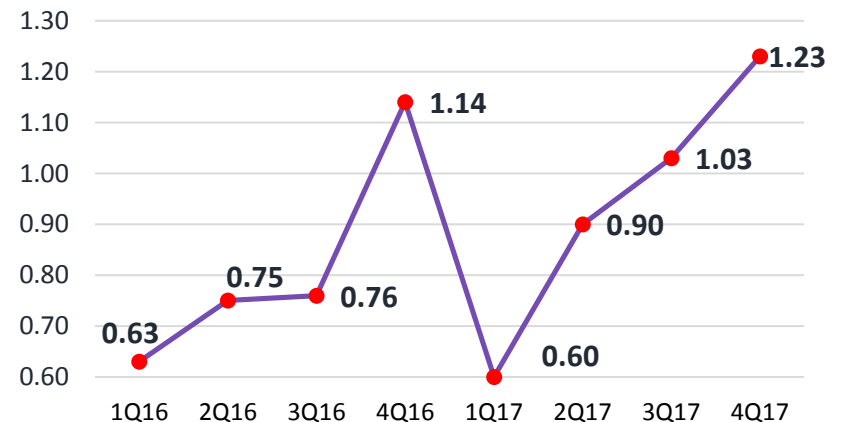
▼ NPL Ratio adjusted | %



▼ Coverage Ratio | %



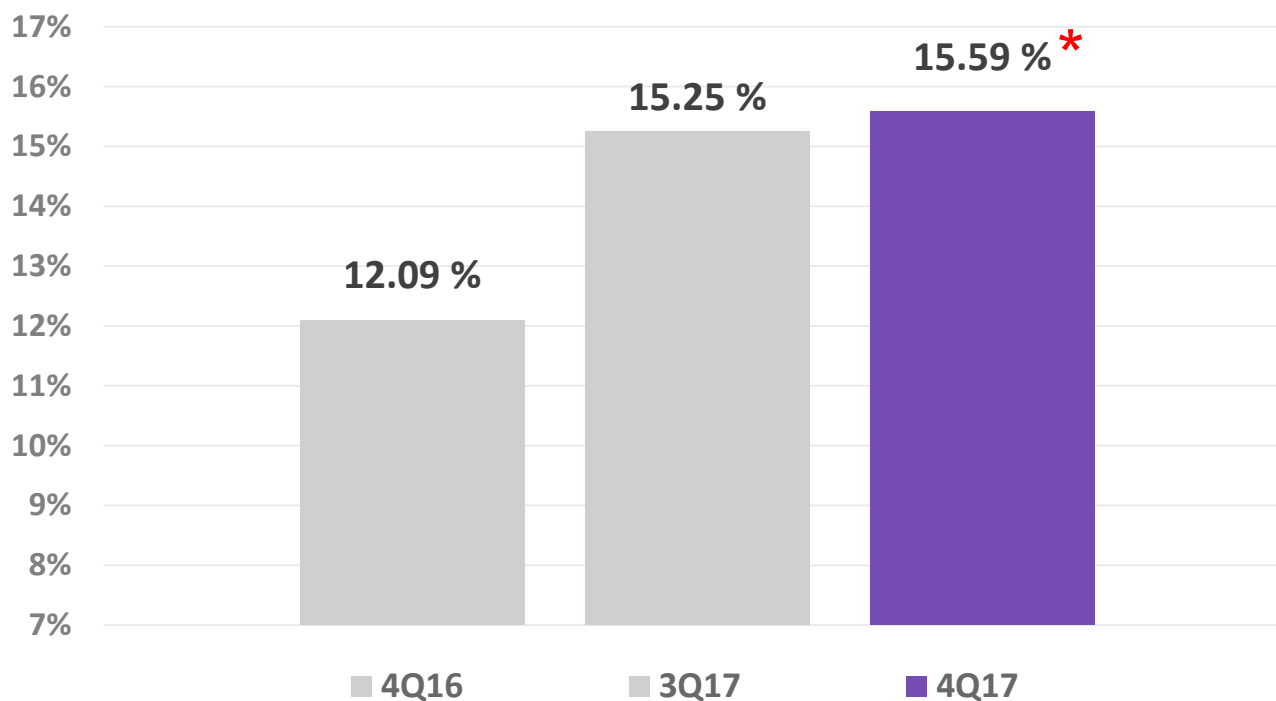
▼ Cost of Risk¹ | %



¹ Annualized quarter

▶ Capital Adequacy Ratio

- Our capitalization ratio increased 350 basis points as a result of:
 - ▾ **2017** Net income totaled **Ps. 3,900 million**
 - ▾ IPO in June by **Ps. 3,395 million** net of expenses
 - ▾ Dividend payment of **Ps. 445 million** in May 2017 was 20% of the net income.



* ICAP 4Q17 is preliminary

▶ Income Statement

Ps\$ MM				Var.				Var.
	4Q16	3Q17	4Q17	Y o Y	Q o Q	2016	2017	Y o Y
▪ Interest Income	\$3,160	\$4,179	\$4,364	38 %	4 %	\$11,002	\$15,948	45 %
▪ Interest Expense	(1,262)	(1,749)	(1,871)	48 %	7 %	(4,384)	(6,734)	54 %
Net Interest Income	\$1,898	\$2,430	\$2,493	31 %	3 %	\$6,618	\$9,214	39 %
▪ Net Fees & Commissions	364	380	409	12 %	8 %	1,336	1,505	13 %
▪ Trading Income	134	90	159	19 %	77 %	287	373	30 %
▪ Other Operating Income / (Expense)	(21)	58	78	(471.4)	34 %	132	228	73 %
Non Interest Income	477	528	646	35 %	22 %	1,755	2,106	20 %
Total Revenues	\$2,375	\$2,958	\$3,139	32 %	6 %	\$8,373	\$11,320	35 %
▪ Allowance for Loan Losses	(349)	(357)	(440)	26 %	23 %	(953)	(1,288)	35 %
▪ Administrative and Advertising Expenses	(1,174)	(1,267)	(1,328)	13 %	5 %	(4,467)	(5,060)	13 %
▪ Equity in income of unconsolidated subsidiaries	-	2	4	-	100%	4	8	100 %
Income Before Tax	\$852	\$1,336	\$1,375	61 %	3 %	\$2,957	\$4,980	68 %
▪ Tax	(215)	(297)	(260)	21 %	-12 %	(720)	(1,080)	50 %
Net Income	\$637	\$1,039	\$1,115	75 %	7 %	\$2,237	\$3,900	74 %
▪ Effective Tax Rate	25.2%	22.2%	18.9%	(633) b.p.	(333) b.p.	24.3%	21.7%	(266) b.p.

► Balance Sheet

Ps\$ MM				Var.	
	4Q16	3Q17	4Q17	Y o Y	Q o Q
▪ Cash & Cash Equivalents	\$18,465	\$17,405	\$18,012	-2 %	3 %
▪ Investment in Securities	21,681	16,681	16,108	-26 %	-3 %
▪ Cash & Investments	\$40,146	\$34,086	\$34,120	-15 %	0 %
▪ Performing Loan Portfolio	126,096	140,274	144,955	15 %	3 %
▪ Non-performing Loan Portfolio	1,122	1,240	1,213	8 %	-2 %
▪ Gross Loan Portfolio	\$127,218	\$141,514	\$146,168	15 %	3 %
▪ Loan Loss Provisions	(2,033)	(2,576)	(2,817)	39 %	9 %
Net Loan Portfolio	\$125,185	\$138,938	\$143,351	15 %	3 %
▪ Repos	9,401	7,501	7,087	-25 %	-6 %
▪ Other Assets	7,319	10,646	9,214	26 %	-13 %
Total Assets	\$182,051	\$191,171	\$193,772	6 %	1 %
▪ Demand Deposits	52,309	54,409	54,892	5 %	1 %
▪ Time Deposits	48,314	61,154	58,513	21 %	-4 %
Customer Deposits	\$100,623	\$115,563	\$113,405	13 %	-2 %
▪ Repos	16,630	11,780	12,088	-27 %	3 %
▪ Notes	1,246	1,322	-	-100%	-100%
Funding Including Repos	\$118,499	\$128,665	\$125,493	6 %	-2 %
▪ Interbank Loans *	39,813	32,500	38,166	-4 %	17 %
▪ Other Liabilities	6,289	6,890	5,892	-6 %	-14 %
Total Liabilities	\$164,601	\$168,055	\$169,551	3 %	1 %
Shareholders' Equity	\$17,450	\$23,116	\$24,221	39 %	5 %

* Mostly development banks funding.

	2018
▪ Loan Growth	12 % - 14 %
▪ Deposits Growth	12 % - 17 %
▪ NIM	5.5 % - 5.6 %
▪ Revenues	20 % - 21 %
▪ Expenses Growth	15 % - 16 %
▪ Efficiency	Below 45 %
▪ Cost of Risk	Below 1.0%
▪ Tax Rate	24.0 % - 25.0 %
▪ Net Income	\$4,650 - \$4,750
▪ ROAE	Above 18.0 %
▪ NPL Ratio	Below 1.3 %
▪ Coverage Ratio	Above 1.6 %
▪ Capitalization Ratio	15.5 % - 16.0 %