



# **GFNORTE**

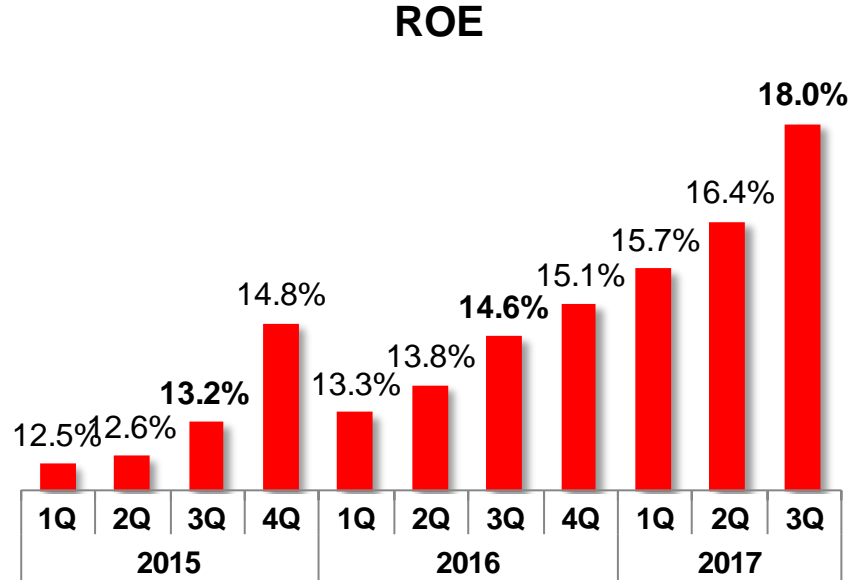
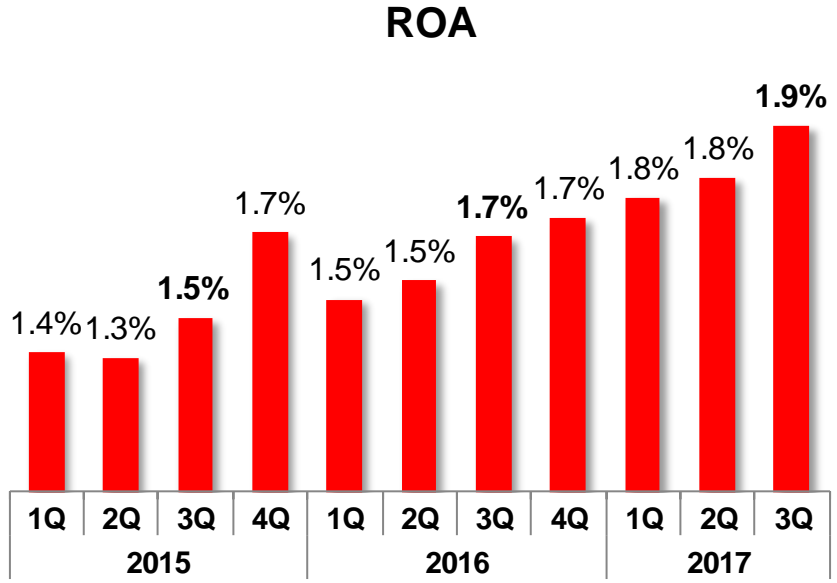
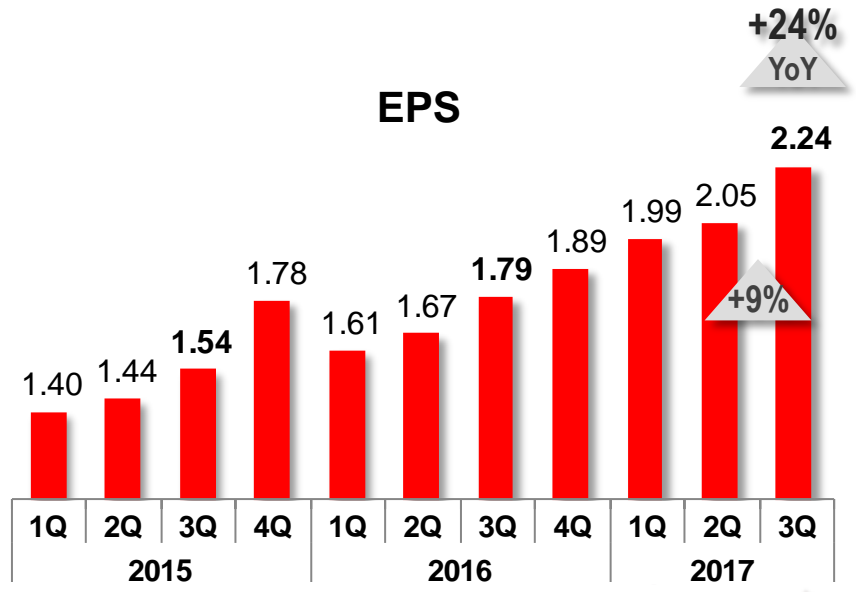
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## **Conference Call: 3Q17 Results**

October 20, 2017

# Earnings and Returns acceleration

- NII and Fees are key elements
- Discipline in cost management

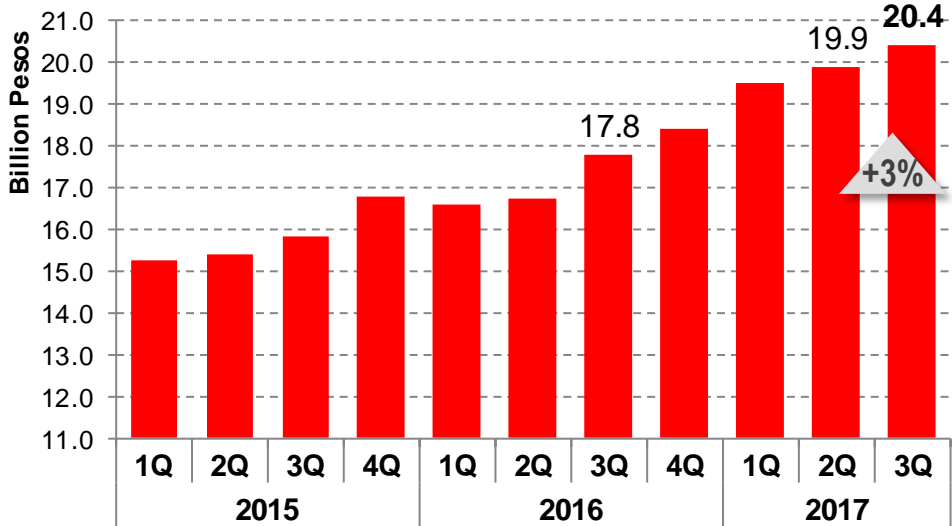


# Historical Record in Revenues

- Quarterly NII positively impacted by better contribution from the investment book and loan portfolio.
- Net fees showed good quarterly and yearly growth in all business lines.
- Trading income below estimate of 700 m per quarter.
- Other income improved from income from foreclosed assets.

## Total Revenues

+15%  
YoY

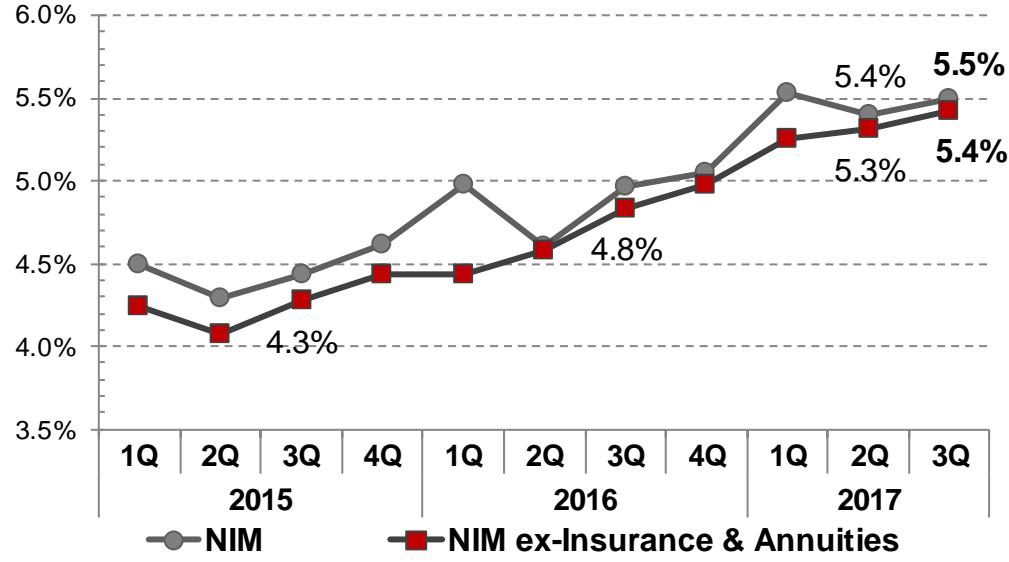


Million pesos	3Q17	q/q	9M17	y/y
NII Loans	12,800	3%	37,152	19%
NII Repos	1,491	5%	4,787	50%
NII Valorization Adjust*	15	NA	-295	-454%
NII Insurance & Pensions	1,568	2%	5,073	7%
<b>NII</b>	<b>15,874</b>	<b>4%</b>	<b>46,717</b>	<b>19%</b>
Net Service Fees	3,083	3%	8,640	14%
Trading Income	628	-35%	2,326	21%
Other Income	820	26%	2,092	-15%
<b>Total Revenues</b>	<b>20,414</b>	<b>3%</b>	<b>59,784</b>	<b>17%</b>

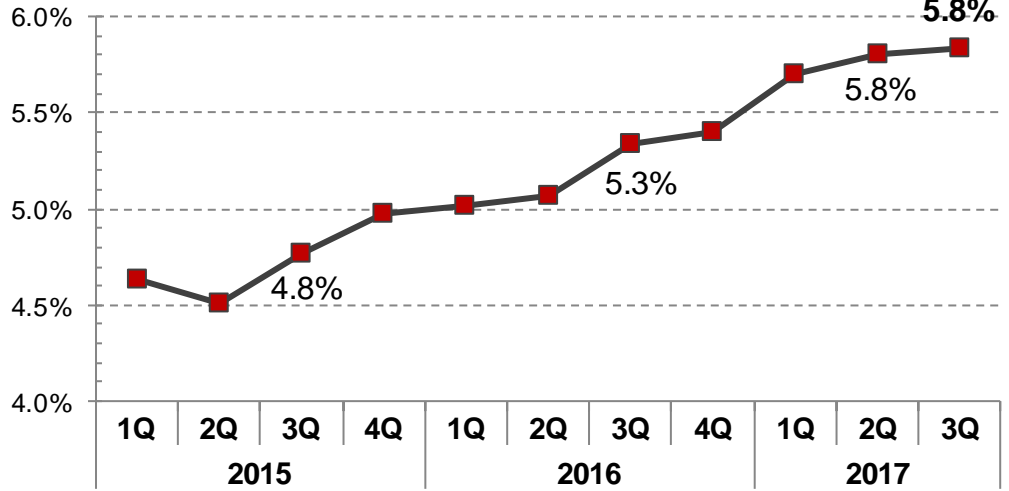
# Net Interest Margin

- Total NIM expansion of +9pb.
- NIM ex insurance and annuities +11pb
- NIM of Bank up +3bps, but temporary affected by faster re-pricing of deposits to rate increase of June.

### NIM of Consolidated Group



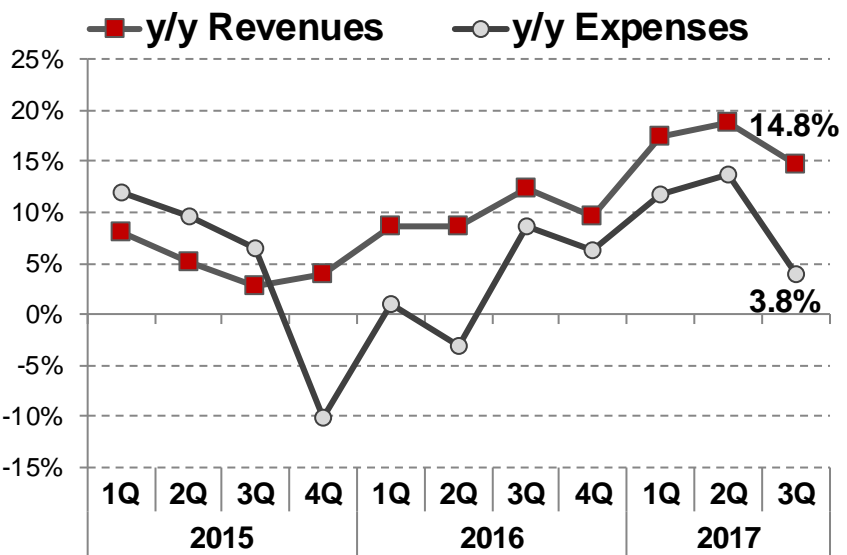
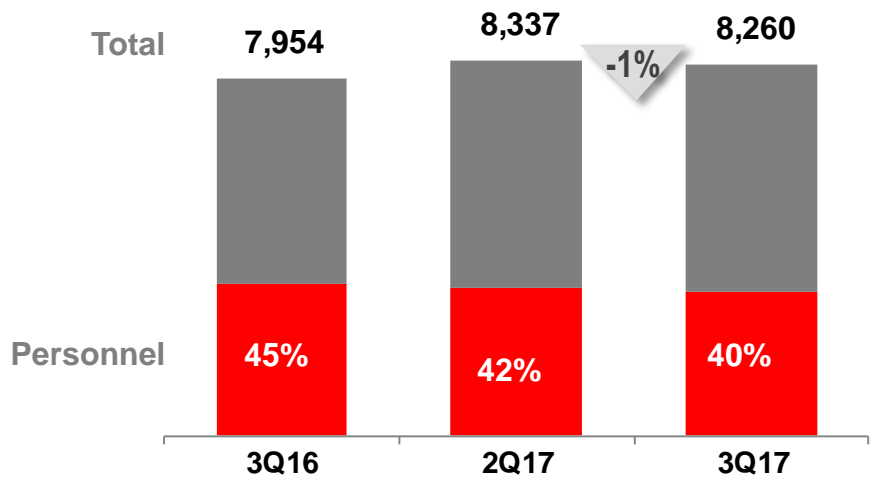
### NIM of Bank



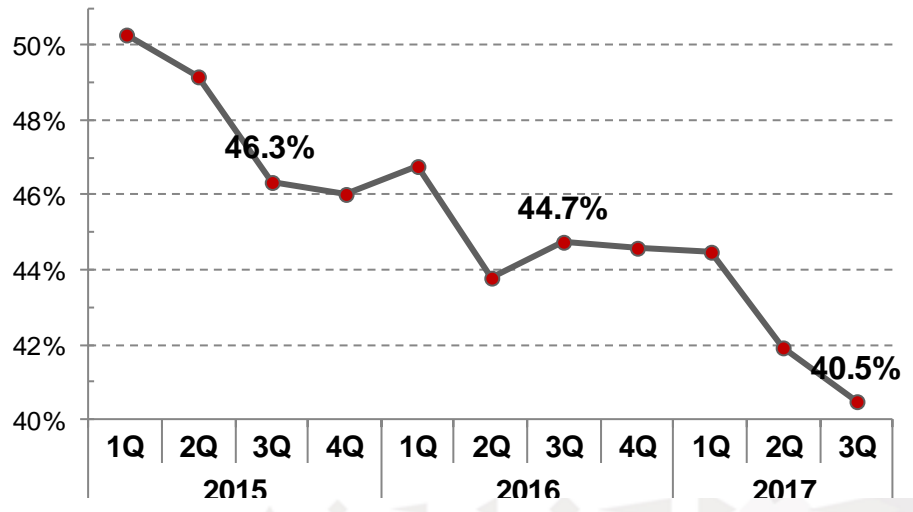
# Improving Efficiency

- Expenses down -1% in the quarter.
- Improved efficiency supported by ongoing positive operating leverage.

## Non-Interest Expense



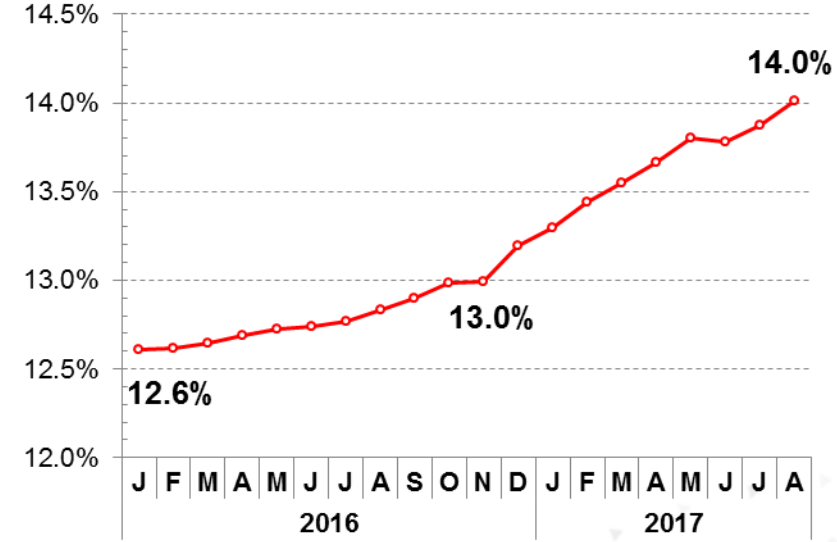
## Cost to Income Ratio



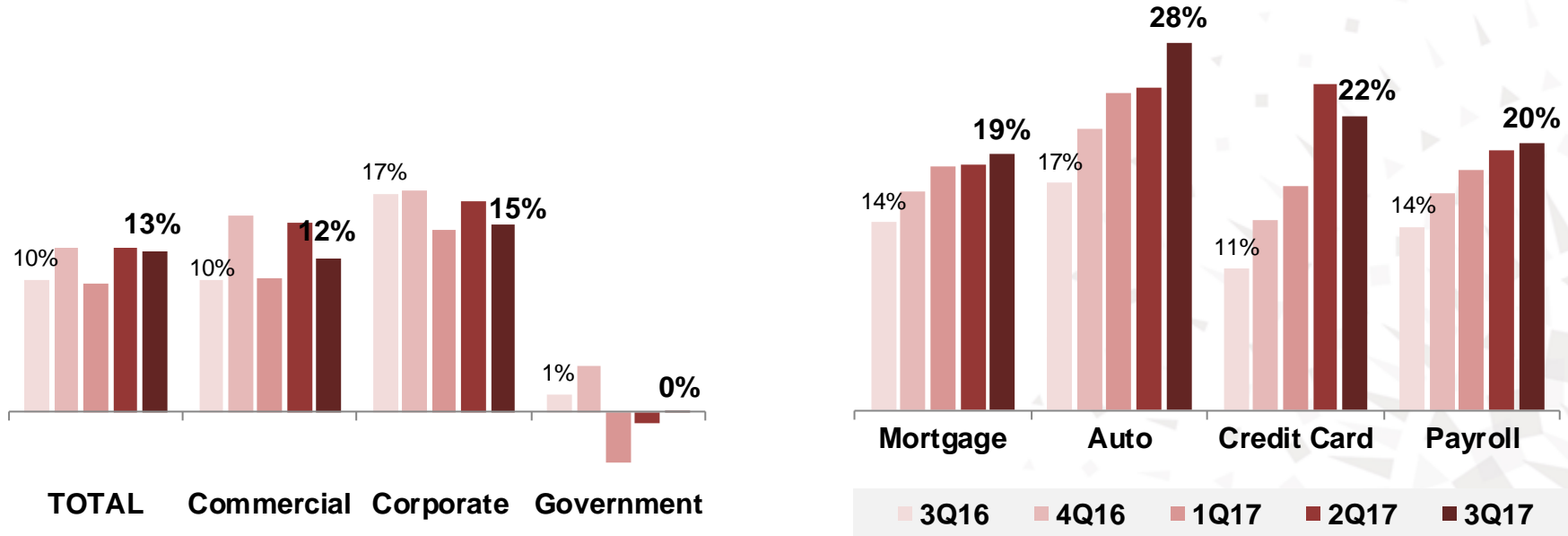
# Loan Growth

- Commercial growth on target.
- Corporate loans continue with good growth rates.
- Consumer loan book leading growth and outperforming the market in each segment, producing market share gains.

## Consumer Market Share



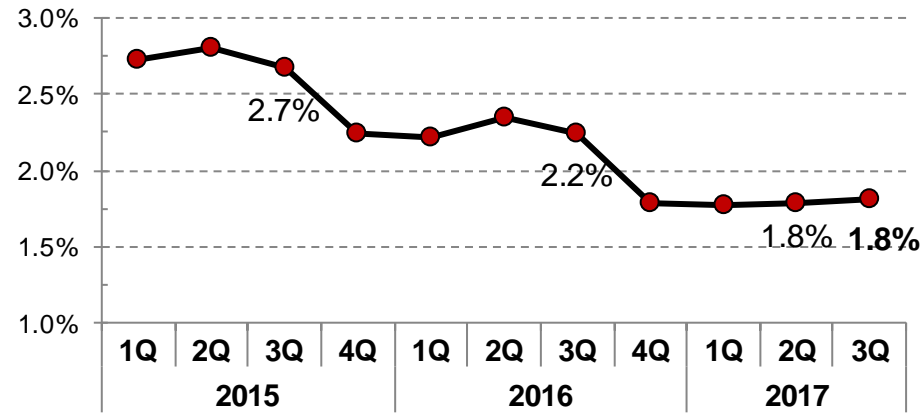
## Loan Portfolio y/y Growth



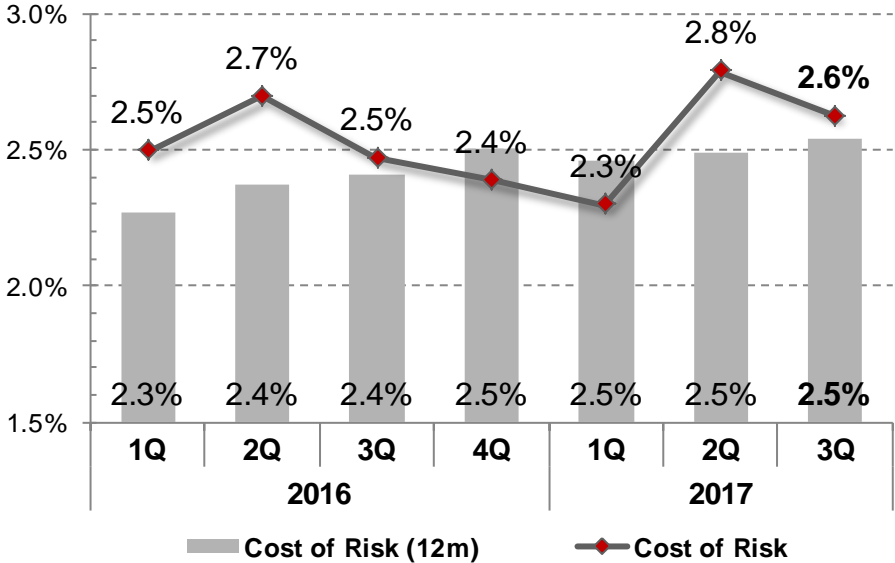
# Asset Quality

- Overall stable NPL ratio.
- As expected seasonal decrease in the cost of risk.
- Charge-offs increase but on historical average.

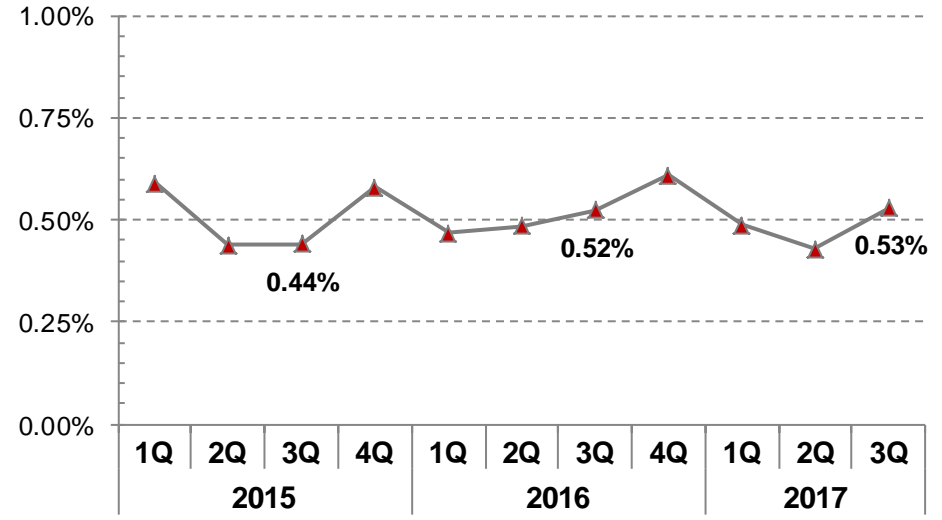
### NPL Ratio



### Cost of Risk



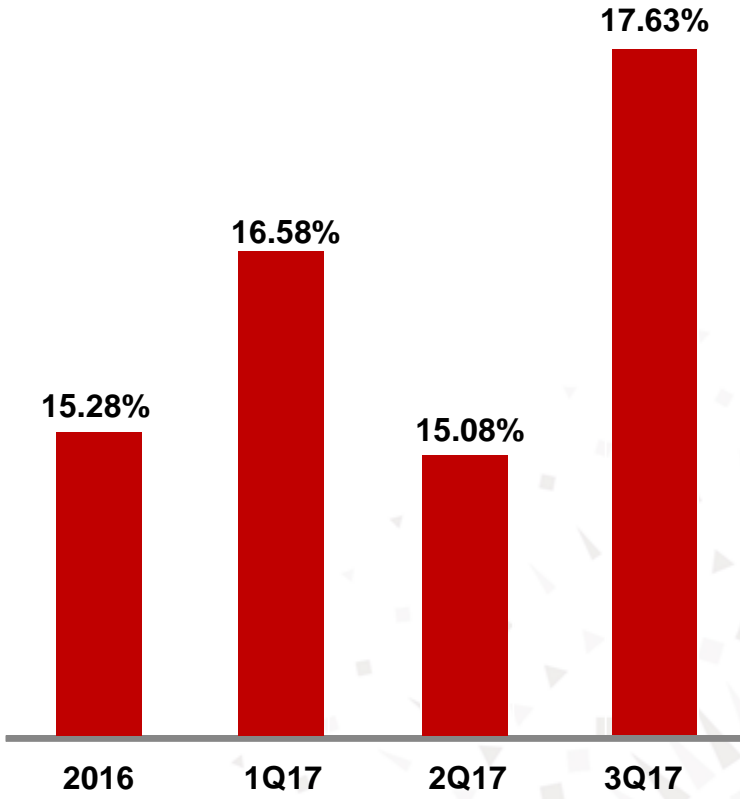
### Charge-Off Rate



# Strong Capital Position

- Quarterly recovery in CAR explained by AT1 Capital Note.

### Capital Adequacy Ratio







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