



**monex**

# 3rd Quarter Financial Report 2019

October 2019

This presentation contains certain statements and information related to MONEX, S.A.B. de C.V. and its subsidiaries (collectively, "MONEX"). These statements and information are based on the opinion of Monex's Management as well as estimations and current Monex information. Actual results are subject to uncertain and future events, which can have a material impact on the real behavior of the company. Investors who have access to this document should be aware that this document does not constitute an offer or recommendation to buy or sell MONEX stocks or to perform specific operations, also does not imply certification for any reason of the value goodness or issuer solvency.

# Agenda



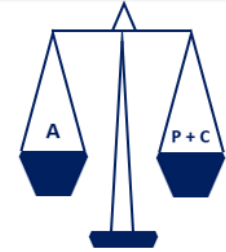
1. Relevant  
Figures



2. Income  
Statement



3. Lines of  
Business



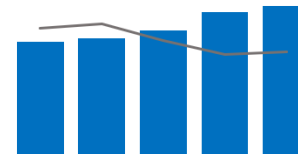
4. Balance Sheet



MONEX  
5. Monex  
Share



6. Outstanding  
Events



7. Additional  
Information



8. Appendix

# 1. Relevant Figures



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## Income Statement

Operating  
Revenue\*

\$ 5,898  
Jan-Sep 19

Net Income\*

\$ 1,026  
Jan-Sep 19

## Balance Sheet

Assets\*

\$ 110,347  
Sep 19

Liabilities\*

\$ 100,761  
Sep 19

Equity\*

\$ 9,586  
Sep 19

## Relevant Information

Loan portfolio (net)\*

\$ 24,336  
Sep 19

Deposits\*

\$ 45,672  
Sep 19

NPL ratio<sup>1</sup>

2.17  
%  
Sep 19

Efficiency ratio<sup>2</sup>

75.81  
%  
Sep 19

ICAP<sup>3</sup>

15.99  
%  
Jul 19

ROE<sup>4</sup>

14.78  
%  
Sep 19

Market Cap.\*

\$ 6,427  
Sep 19

Notes:

1. Non-performing loan portfolio ratio | Non-performing loan portfolio / Total loan portfolio
2. Administrative and promotional expenses TTM / Operating Revenue TTM
3. Means "Índice de Capitalización", which is the net equity to risk-weighted assets of Banco Monex. July 2019 ratio is published by Banco de México

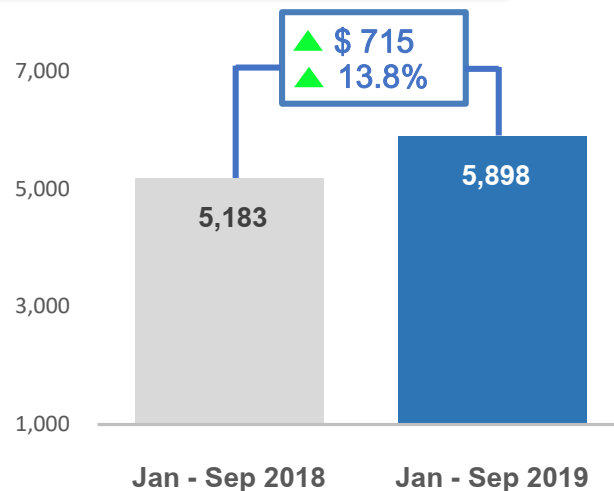
4. Annualized Net Income / Average Stockholders' Equity
- \* Figures in million pesos

## 2. Income Statement

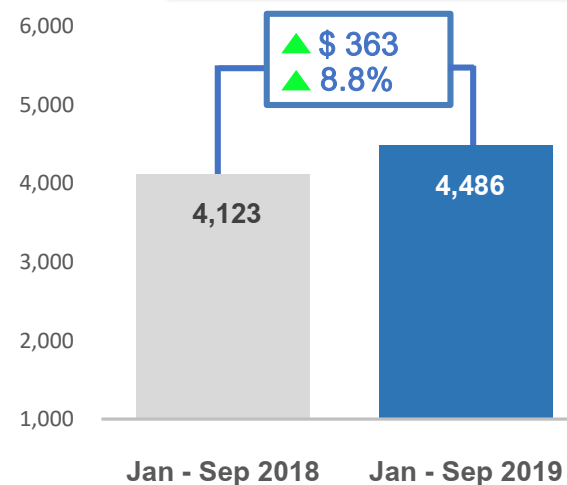


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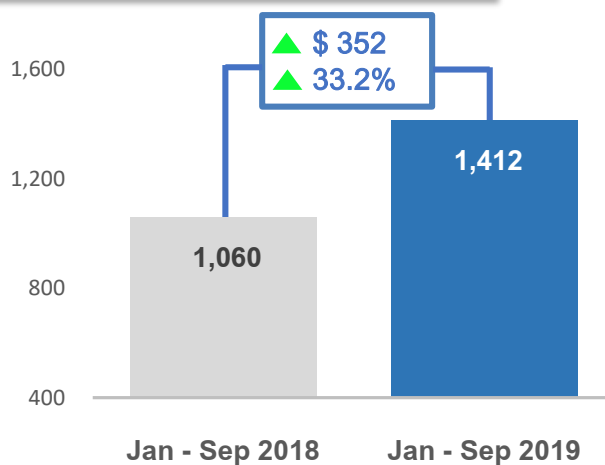
### Operating Revenues



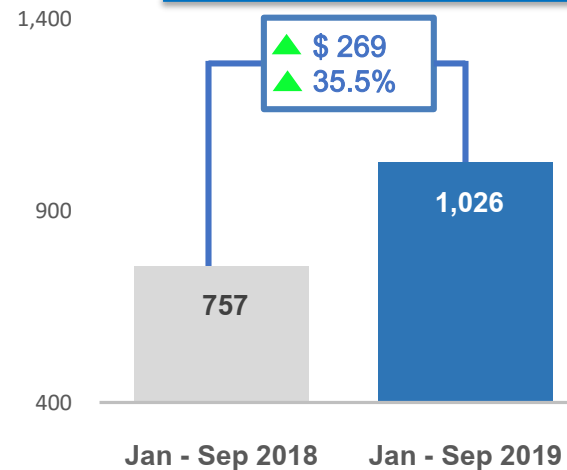
### Administrative and Promotional Expenses



### Earnings Before Taxes



### Net Income

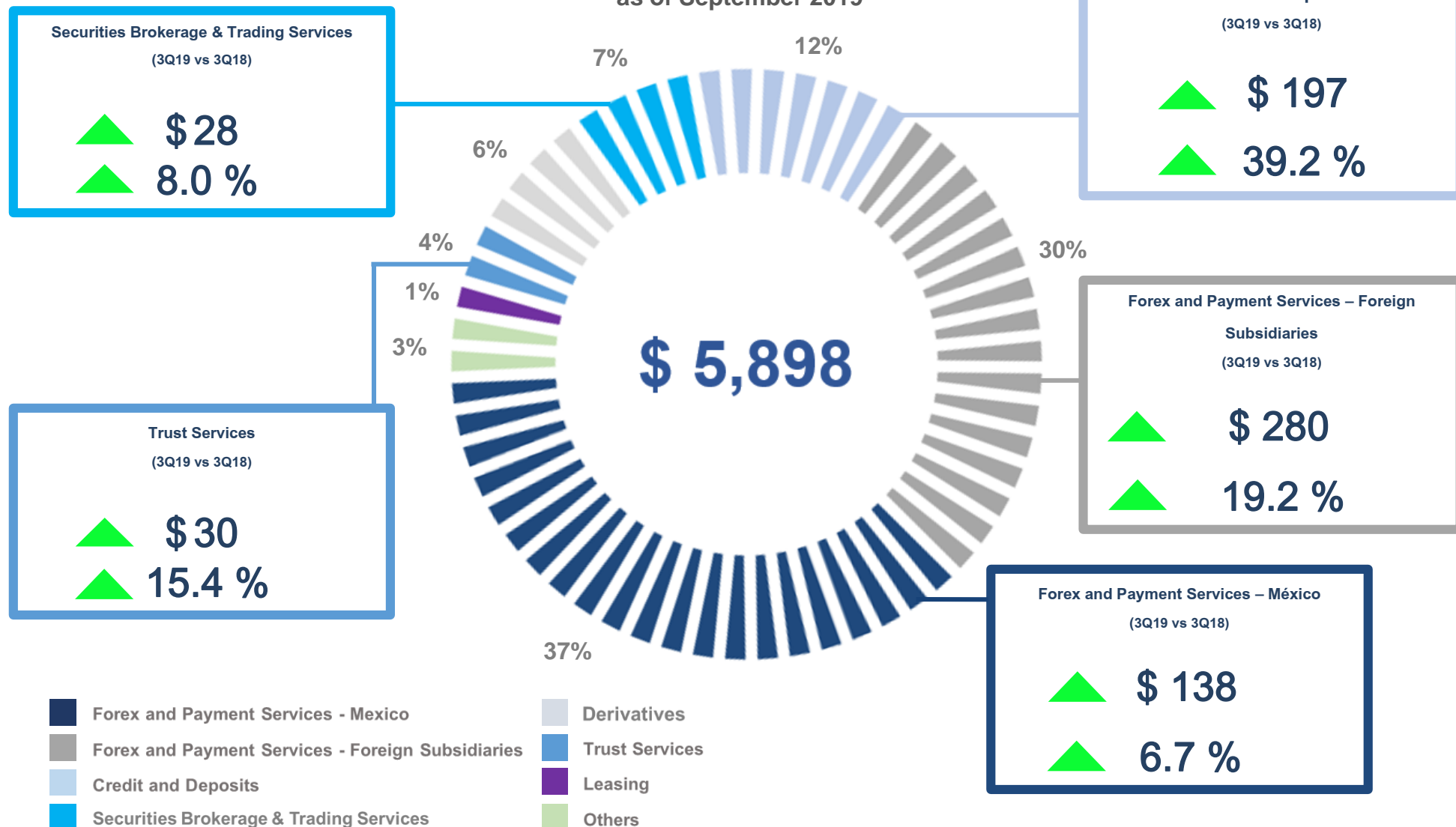


# 3. Lines of Business



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Operating Revenue per Line of Business  
as of September 2019

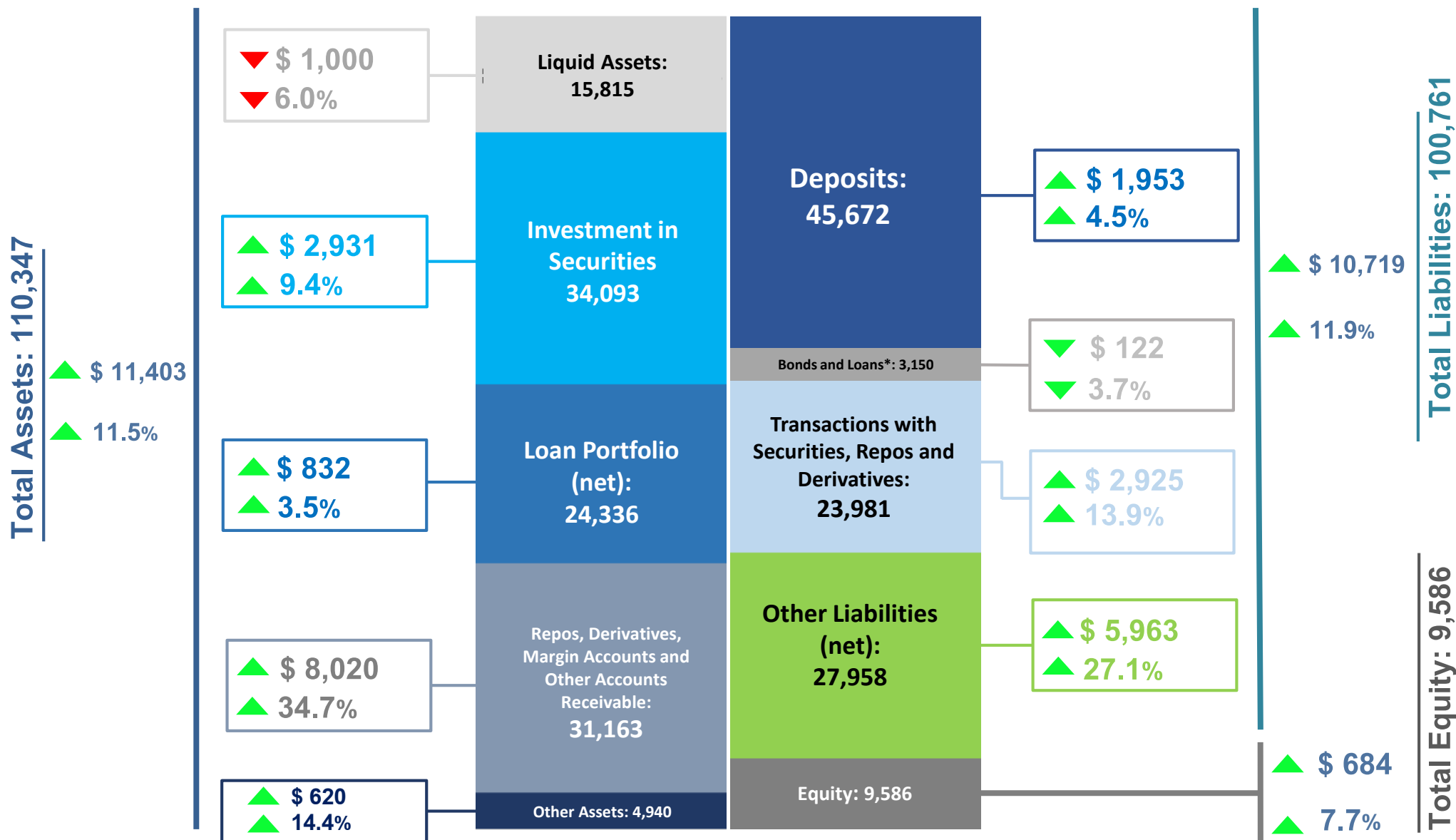


# 4. Balance Sheet



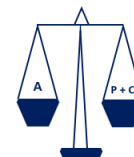
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3Q19 vs 4Q18



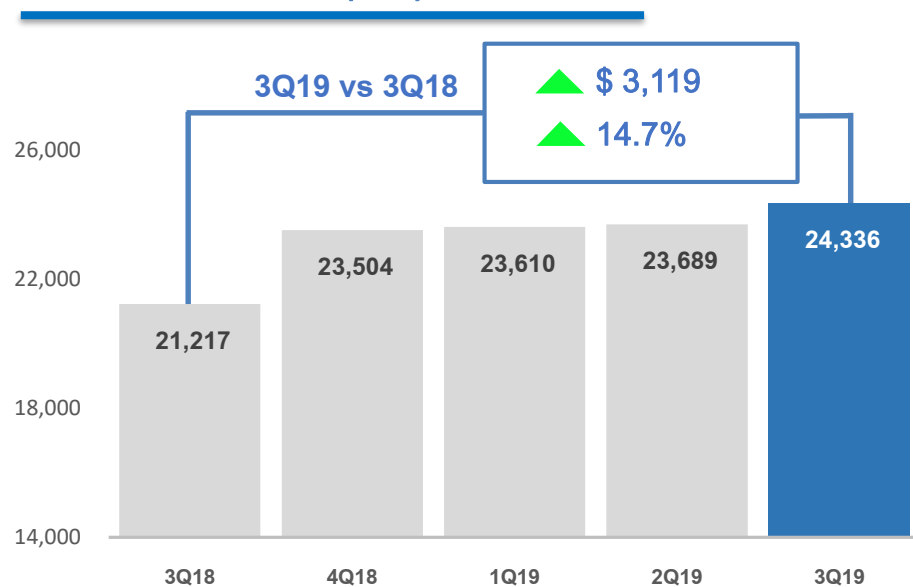
\* Bonds and Loans includes Issuance of Bonds and Loans from Banks and Other Institutions | Figures in million pesos

## 4. Balance Sheet

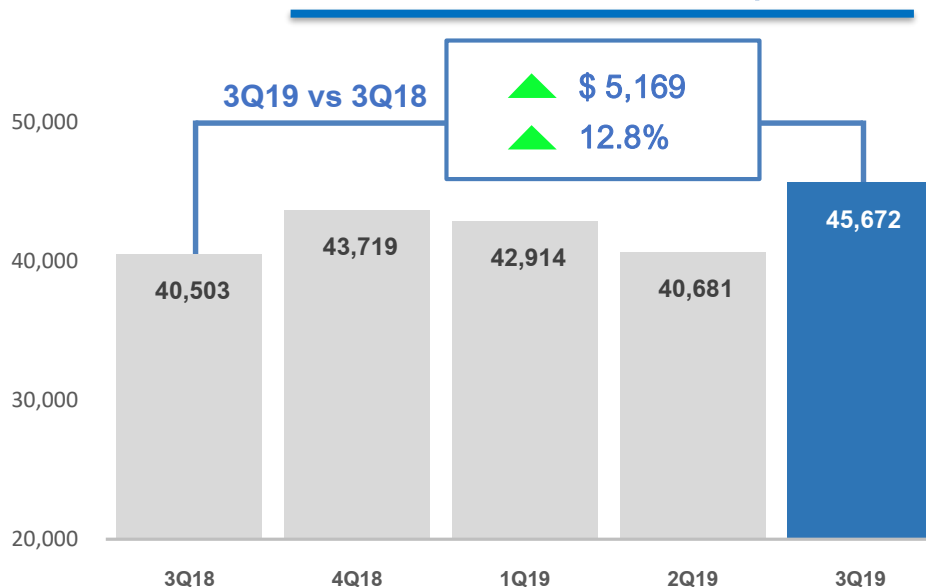


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### Loan Portfolio (net)



### Deposits



Figures in million pesos

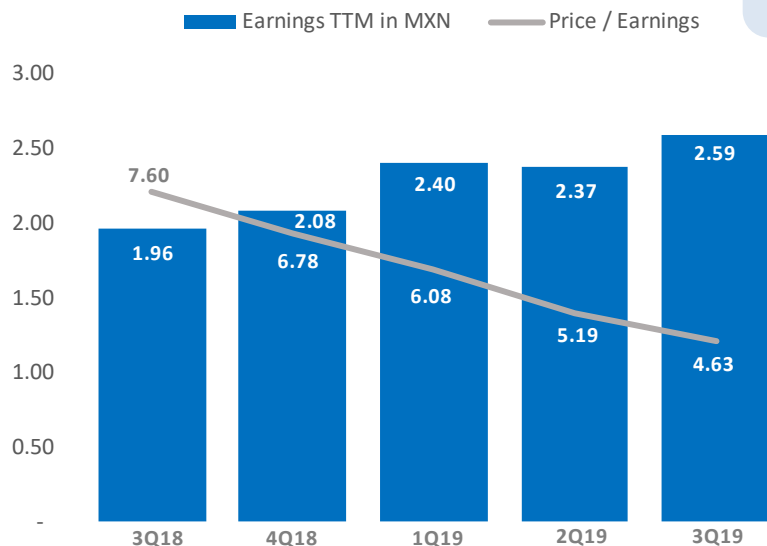
## 5. Monex Share



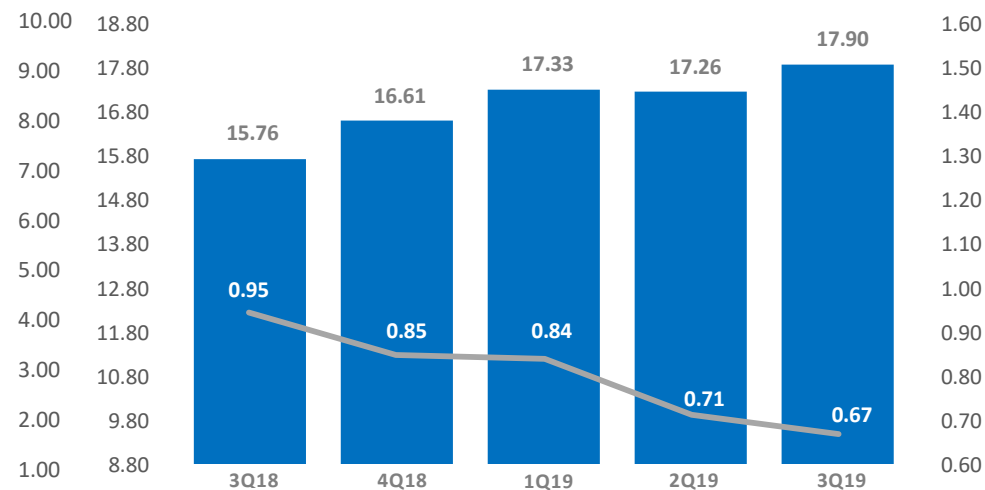
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### EPS<sup>1</sup> vs Price/EPS

**\$ 26.90**  
Theoretical Value  
MONEXB\*



### BV<sup>2</sup> vs Price/BV



### MONEXB: Bolsa Mexicana de Valores

Per Share Data	3Q18	4Q18	1Q19	2Q19	3Q19
Minimum	10.50	13.00	13.94	12.30	11.89
Maximum	15.00	14.60	14.80	14.20	12.30
Closing Price	14.90	14.10	14.60	12.30	12.00
Shares Outstanding <sup>3</sup>	536.0	536.0	536.0	536.0	535.6
Market Cap <sup>4</sup>	7,986	7,558	7,826	6,593	6,427

#### Notas:

1. EPS = Earnings per Share TTM
2. BV = Book Value per Share
3. Figures in million shares
4. Figures in million pesos | Market Cap = Shares Outstanding x Closing Price of the Quarter

\* Source: Prognosis Independent Analyst. Liquidity discount: 40%



## 6. Outstanding Events



### **Fitch Ratings upgrades Monex, S.A.B. and subsidiaries' IDR**

On October 3rd, Fitch Ratings upgraded Monex, S.A.B.'s Long-Term National Issuer Default Rating (IDR) to A+(mex) from A(mex), while our short-term IDR was affirmed in F1(mex). The rating of our bonds with the ticker symbol MONEX 19 was upgraded to A+(mex) from A(mex). The Outlook on the Long-Term IDR is Stable. Likewise, Fitch Ratings upgraded Banco Monex and Monex Casa de Bolsa's Long-Term and Short-Term IDRs to AA-(mex) and F1+(mex) from A+(mex) and F1(mex), respectively. The Outlook on the Long-Term IDRs is Stable.

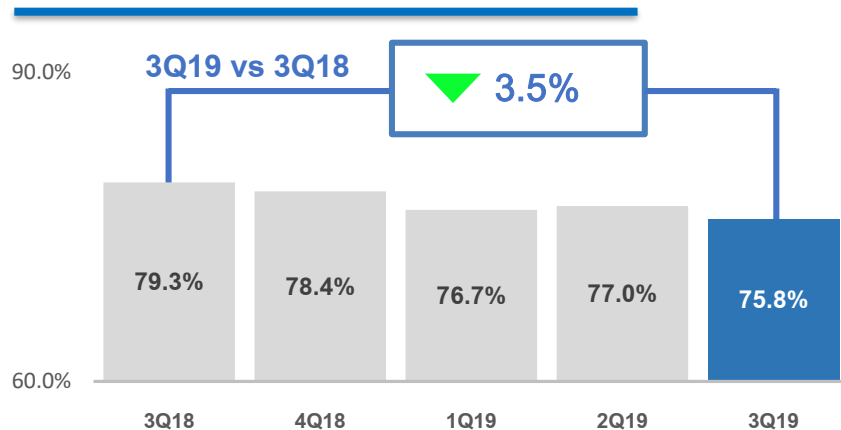
### **Early Amortization of MONEX 17-2**

On October 21st, 2019, the bonds with the ticker symbol MONEX 17-2, issued on October 19th, 2017, for an amount of \$500 million pesos were fully paid in their terms for principal and interests.

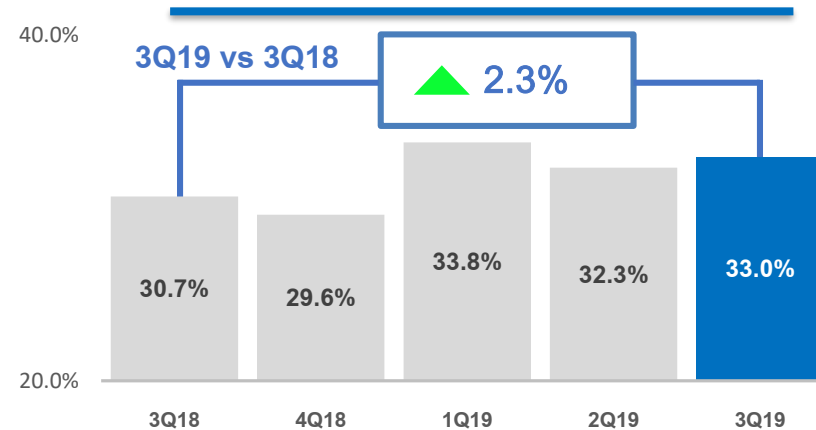
## 7. Additional Information



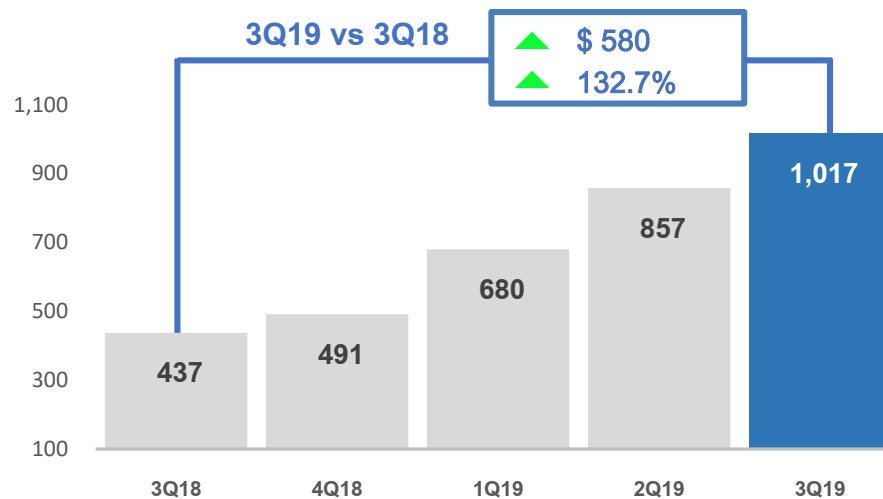
### Efficiency Ratio<sup>1</sup>



### Revenue Diversification<sup>2</sup>



### Arrendadora Monex Total Loan Portfolio<sup>3</sup>



Notas:

1. Administrative and Promotional Expenses TTM / Operating Revenue TTM
2. Ratio of operating revenues different than Forex and Payment Services
3. It represents the operational information of the Total Loan Portfolio of Monex's Leasing Segment | Figures are in million pesos

## 8. Appendix



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### Income Statement

	3Q19		3Q18		Jan - Sep 19		Jan - Sep 18		2019 vs 2018
Operating Revenue Per Line of Business	Amount	(%) <sup>1</sup>	Amount	(%) <sup>1</sup>	Amount	(%) <sup>1</sup>	Amount	(%) <sup>1</sup>	%
Forex and Payment Services	1,346	67.1	1,200	69.3	3,952	67.0	3,534	68.2	11.8
• Mexico	743	37.0	722	41.7	2,213	37.5	2,075	40.0	6.7
• Foreign Subsidiaries	603	30.1	478	27.6	1,739	29.5	1,459	28.2	19.2
Credit and Deposits	182	9.1	231	13.3	700	11.9	503	9.7	39.2
Securities Brokerage & Trading Services	106	5.3	117	6.8	380	6.5	352	6.8	8.0
Derivatives products	120	6.0	108	6.2	379	6.4	416	8.0	(8.9)
Trust Services	79	3.9	69	4.0	225	3.8	195	3.8	15.4
Leasing	13	0.7	30	1.7	37	0.6	30	0.6	23.3
Others	160	8.0	-22	-1.3	225	3.8	153	2.9	47.1
<b>Total Operating Revenues</b>	<b>2,006</b>	<b>100.0</b>	<b>1,733</b>	<b>100.0</b>	<b>5,898</b>	<b>100.0</b>	<b>5,183</b>	<b>100.0</b>	<b>13.8</b>
Condensed Financial Information	Amount	(%) <sup>2</sup>	Amount	(%) <sup>2</sup>	Amount	(%) <sup>2</sup>	Amount	(%) <sup>2</sup>	vs. 2018
Total Operating Revenues <sup>3</sup>	2,006	100.0	1,733	100.0	5,898	100.0	5,183	100.0	13.8
Administrative and Promotional Expenses	1,553	77.4	1,435	82.8	4,486	76.1	4,123	79.5	8.8
Operating Income	453	22.6	298	17.2	1,412	23.9	1,060	20.5	33.2
Taxes	131	6.5	86	5.0	384	6.5	296	5.7	29.7
Equity in income of affiliates	0	0.0	7	0.4	2	0.0	7	0.1	(71.4)
<b>Net Income</b>	<b>322</b>	<b>16.1</b>	<b>205</b>	<b>11.8</b>	<b>1,026</b>	<b>17.4</b>	<b>757</b>	<b>14.6</b>	<b>35.5</b>

Notas:

1. It represents the ratio of participation of that line of business within the Operating Revenues
2. It indicates the ratio of participation of each concept within the Operating Revenues
3. This concept includes Other operating income (net)  
Figures in "Amount" are in million pesos

## 8. Appendix



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### Balance Sheet

Selected Balance Information	Sep 19 vs Dec 18				Sep 19 vs. Sep 18		
	Sep 19	Dec 18	Variation %	Variation \$	Sep 18	Variation %	Variation \$
Liquid assets	15,815	16,815	-6.0	(1,000)	15,264	3.6	551
Investment in securities, repos, derivatives and margin accounts	44,030	37,319	18.0	6,711	40,696	8.2	3,334
Loan Portfolio (net)	24,336	23,504	3.5	832	21,217	14.7	3,119
Other accounts receivable (net)	21,226	16,986	25.0	4,240	35,981	-41.0	(14,755)
Properties, furniture and equipment (net)	94	95	-1.0	(1)	99	-5.0	(5)
Properties, furniture and equipment Leasing	664	342	94.2	322	272	144.1	392
Investments	131	119	10.1	12	113	15.9	18
Other assets	4,051	3,764	7.6	287	3,736	8.4	315
<b>Total Assets</b>	<b>110,347</b>	<b>98,944</b>	<b>11.5</b>	<b>11,403</b>	<b>117,378</b>	<b>-6.0</b>	<b>(7,031)</b>
Deposits	45,672	43,719	4.5	1,953	40,503	12.8	5,169
Bonds	2,017	1,509	33.6	508	1,506	33.9	511
Loans from Banks and other institutions	1,133	1,763	-35.7	(630)	1,470	-22.9	(337)
Transactions with securities, repos and derivatives	23,981	21,056	13.9	2,925	30,555	-21.5	(6,574)
Other liabilities (net)	27,958	21,995	27.1	5,963	34,898	-19.9	(6,940)
<b>Total Liabilities</b>	<b>100,761</b>	<b>90,042</b>	<b>11.9</b>	<b>10,719</b>	<b>108,932</b>	<b>-7.5</b>	<b>(8,171)</b>
Initial Equity	2,818	2,818	0.0	-	2,818	0.0	-
Earned Equity	6,736	6,054	11.3	682	5,605	20.2	1,131
Non-controlling interest	32	30	6.7	2	23	39.1	9
<b>Total Equity</b>	<b>9,586</b>	<b>8,902</b>	<b>7.7</b>	<b>684</b>	<b>8,446</b>	<b>13.5</b>	<b>1,140</b>
<b>Total Liabilities and Equity</b>	<b>110,347</b>	<b>98,944</b>	<b>11.5</b>	<b>11,403</b>	<b>117,378</b>	<b>-6.0</b>	<b>(7,031)</b>

Figures in million pesos

## 8. Appendix



### Loan Portfolio

Loan Portfolio	2012	2013	2014	2015	2016	2017	2018	3Q 2019
Total Loan Portfolio	4,577	4,365	8,071	12,481	18,294	20,585	23,931	24,781
Loan Portfolio (net)	4,493	4,301	7,959	12,299	17,987	20,228	23,504	24,336
Performing Loan Portfolio	4,539	4,310	8,031	12,363	18,212	20,384	23,410	24,244
Non-Performing Loan Portfolio	38	55	40	118	82	201	521	537
Allowance for Loan Losses	84	64	112	182	307	357	427	445
NPL Ratio*	0.83	1.26	0.50	0.95	0.45	0.98	2.18	2.17
Coverage Ratio **	221	116	280	154	374	178	82	83
AFL/Total Loan Portfolio %	1.84	1.47	1.39	1.46	1.68	1.73	1.79	1.80

Notes:

\* Non-Performing Loan Portfolio / Total Loan Portfolio

\*\* Allowance for Loan Losses / Non-Performing Loan Portfolio

AFL = Allowance for Loan Losses

Total Loan Portfolio and AFL amounts are in million pesos

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