

BBVA Mexico

4Q22 Results

Fixed Income

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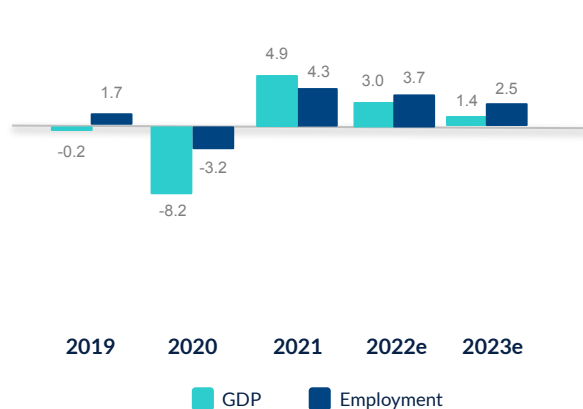
03 BBVA Mexico's Strategy

01

Macroeconomic Environment

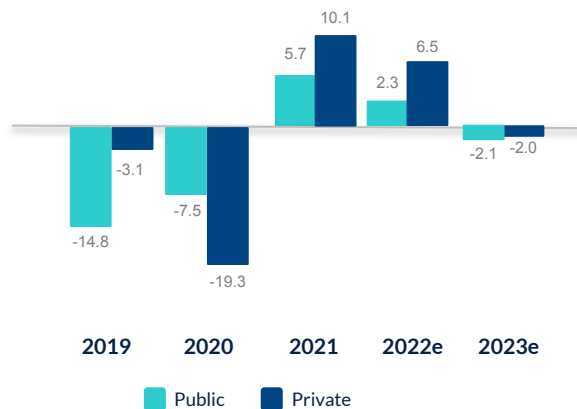
GDP & FORMAL EMPLOYMENT

(YoY %)



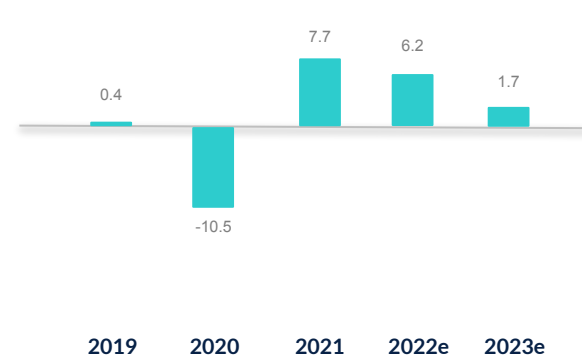
TOTAL INVESTMENT

(YoY %)



PRIVATE CONSUMPTION

(YoY %)



Better than expected year-end economic growth in Mexico, but weaker expected for 2023 give a possible recession in US (short and shallow).

Private investment keep increasing the challenge is to promote higher investment in the country.

Strength in the peso (higher spread) as well as higher remittances and tourism income.

Slowdown in consumption in an environment of high prices and higher rates.

02

BBVA Mexico Financial Performance

BBVA Mexico competitive strengths and key results

Footprint

December 2022

Branches

1,733 #2
*Main Peer 1,993

ATMs

14,019 #1
*Main Peer 9,899

Total Clients

28.0 M

Leader in Loan Performance & Strong funding structure

Lending

+15.8%
YoY

Deposits

+10.0%
YoY

Resilient P&L December 2022

Revenues

24.2 %
vs 12M21

Expenses

2.5 %
vs 12M21

NAP

27.0%
vs 12M21



Market Share

Performing Loans

Nov. 22

BBVA 24.4%

Next Peer 14.5%

Deposits

Nov. 22

BBVA 24.0%

Next Peer 13.4%

Sounds asset quality and profitability

December 2022

NPL

1.58%

Coverage Ratio

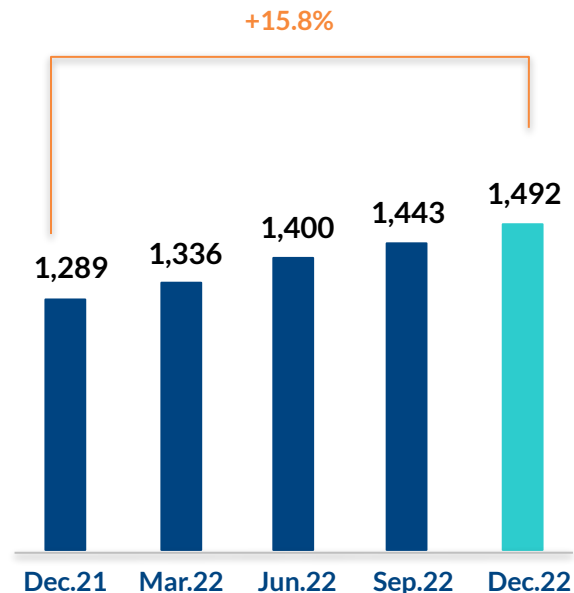
207.9%

ROE

26.3%

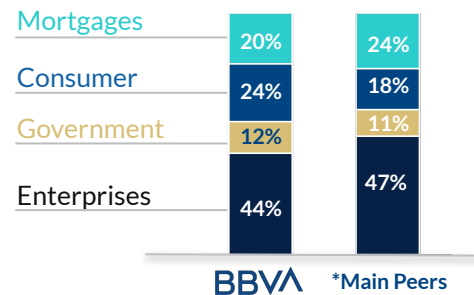
Performing Loans

(Billion Pesos)



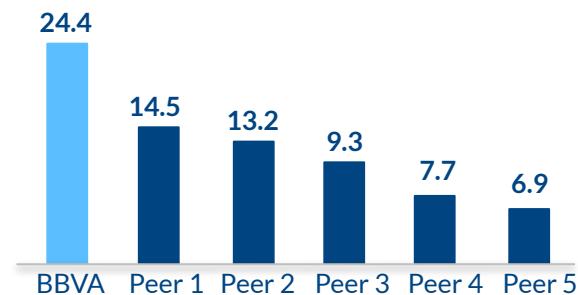
Lending Mix

(Dec 22, %)



Performing Loans Market Share

(Stage 1, 2, Nov-22, %)



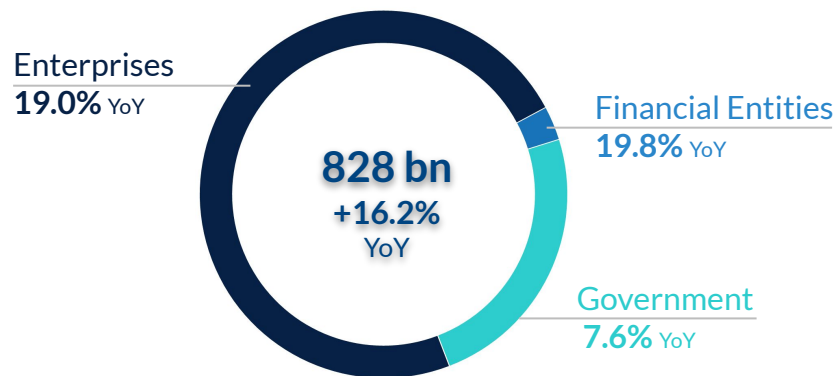
Figures under local accounting standards with BBVA Mexico data.

Note: Performing Loans as of December 22 are under the new criteria is the sum of stage 1, stage 2 and valued at fair value.

Figures under local accounting standards with BBVA Mexico data. Businesses include large, medium & small companies

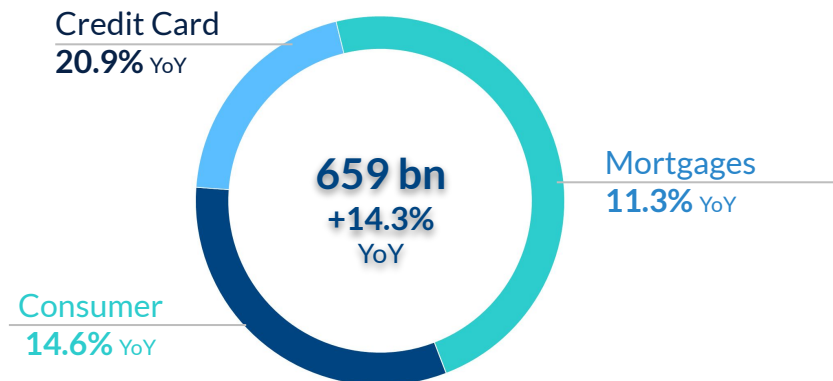
*Main Peers: Banorte, HSBC, Citibanamex, Scotiabank, Inbursa and Santander (CNBV Data as of November)

Wholesale



Good performance due to economic recovery

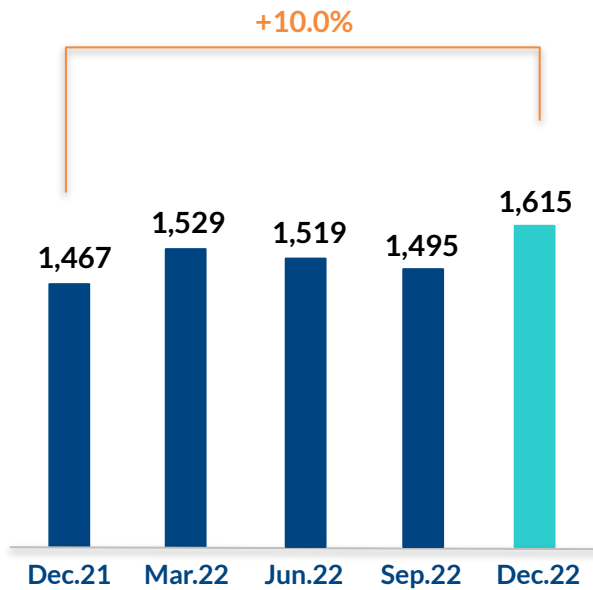
Retail



Increase in profitable segments

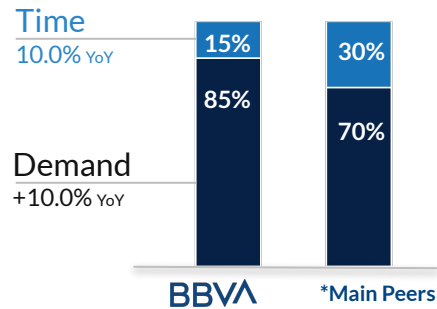
Deposits

(Demand + Time Deposits, billion pesos)



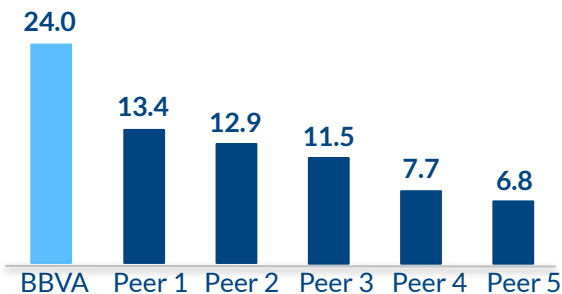
Deposit Mix

(%)



Deposits Market Share

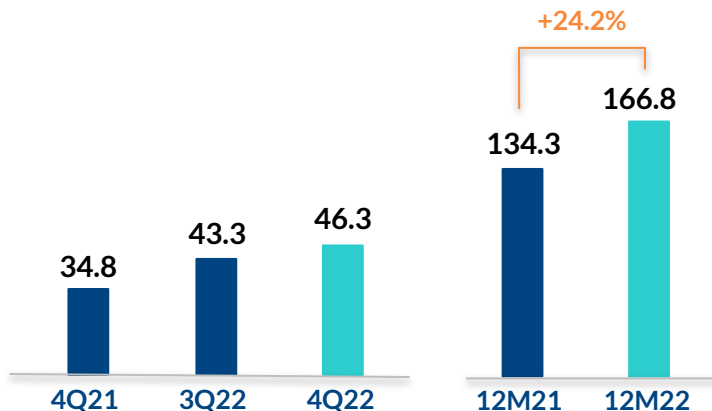
(Demand + Time deposits, Nov-22, %)



Source: CNBV (banks with subsidiaries with sofomes)

Net Interest Income

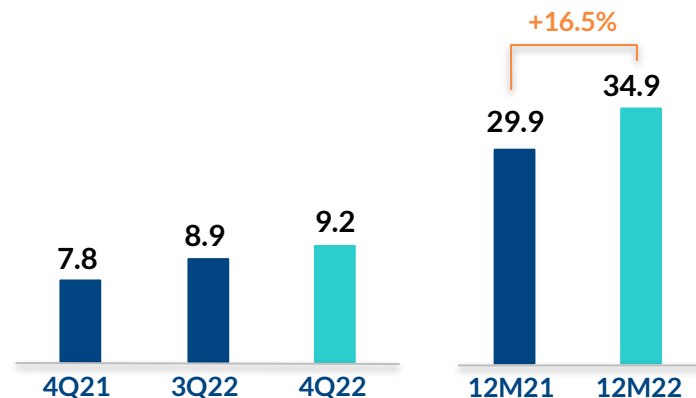
(billion pesos)



Constant growth in commercial activity, rate hikes and profitable funding mix

Net Fees & Commissions

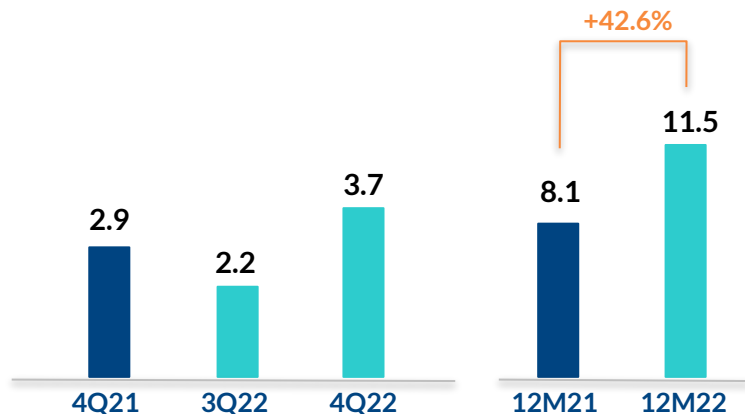
(billion pesos)



Higher transaction volumes
(Credit Cards and Mutual Funds)

Trading Income

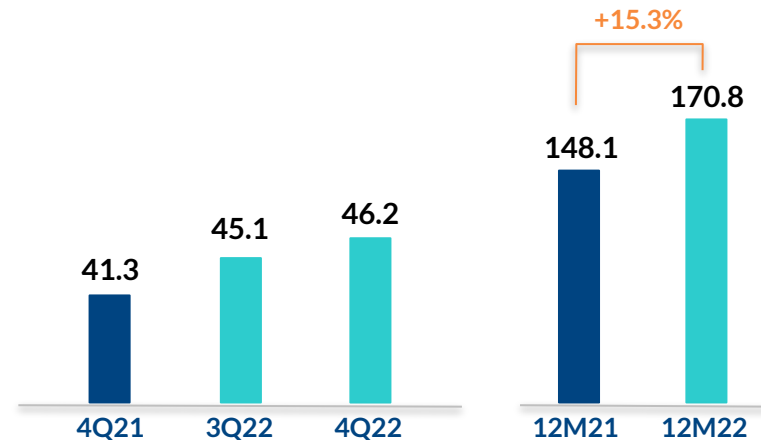
(billion pesos)



Positive results on Global Markets
as well as in FX

Gross Income

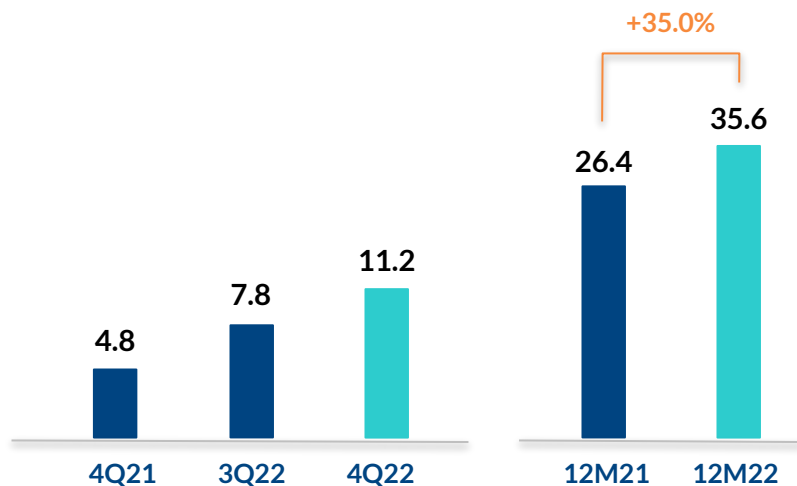
(billion pesos)



Good performance in total
operating income

Provisions for Loan Losses

(billion pesos)



Strict risk control

NPL

(%)

1.58%

December 2022

COVERAGE RATIO

(%)

207.9%

December 2022

CoR

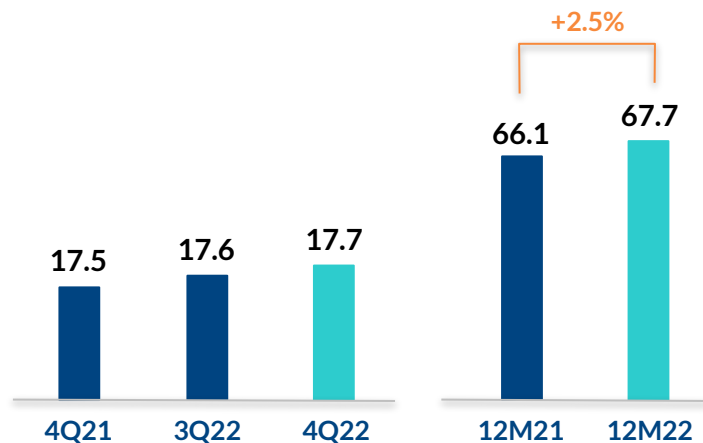
(%)

2.52%

December 2022

Non-Interest Expenses

(billion pesos)



Positive evolution of expenses in part supported by new accounting criteria

EFFICIENCY RATIO

(%)

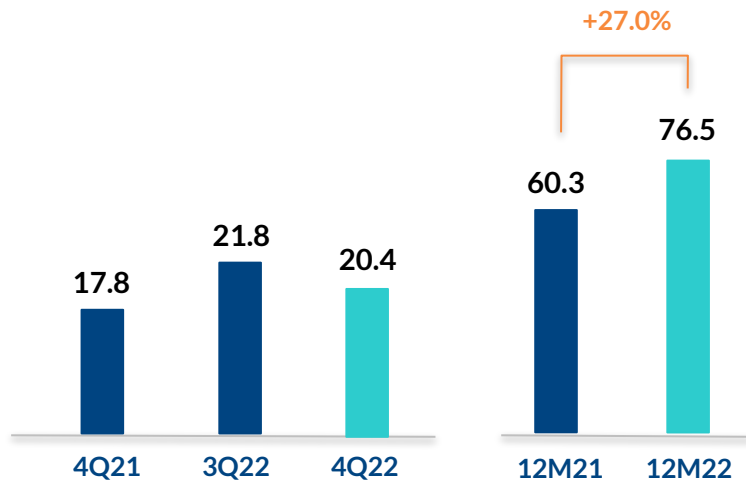
32.8%

December 2022

50.3%
System*

Net Income

(billion pesos)



ROE

(Accumulated, %)

26.3%

December 2022

17.2%
System*

High profitability levels

BBVA MEXICO

(million pesos)

	12M21	12M22	Y-o-Y(%)
Net Interest Income	134,307	166,793	+24.2
Provisions for loan losses	(26,382)	(35,619)	+35.0
Net Interest Income after provisions	107,925	131,174	+21.5
Fees & Commissions	29,948	34,900	+16.5
Trading Income	8,100	11,553	+42.6
Other Income	2,153	(6,830)	n.a.
Gross Income	148,126	170,797	15.3
Non-Interest Expenses	(66,035)	(67,683)	+2.5
Net Operating Income	82,091	103,114	+25.6
Income Before Tax	82,179	103,382	+25.8
Net Attributable Profit	60,260	76,530	27.0

- **Net interest income** with positive evolution explained by the constant portfolio growth, positive management of the funding cost and higher interest rates.
- **Provisions** increase in line with lending growth.
- **Higher commissions** driven by a constant increase in transactions, mainly of customers with credit cards and mutual funds.
- **Expenses** driven by a strict control, our optimization strategy and a reclassification to others of the Guarantee fund (IPAB).

Capital Ratio

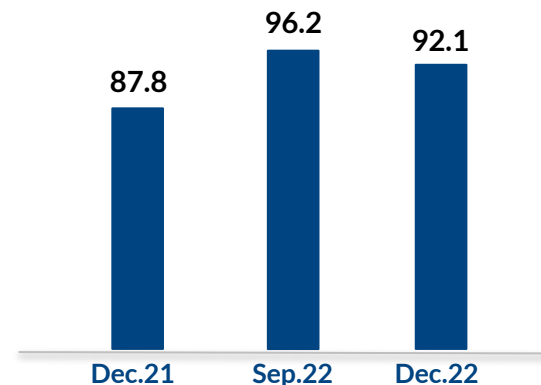
(%)



Proven capacity to generate organic capital

Loans to Deposits

(%)



CCL (Local LCR)

(%)

197.68 %
Minimum required of 100%

CFEN (Local NSFR)

(%)

134.65 %
Minimum required of 100%

03

BBVA Mexico's Strategy



BBVA Mexico remains in constant transformation, innovating and promoting sustainable growth

Commercial Activity



Creation of **BBVA Spark**, specialized bank unit to **cater and promote** high-growth and tech-innovation companies to access to financial services.

Product innovation: **"Muda tu hipoteca + Tu casa te presta"**, refinance the debt (mortgage credits) with a **monthly reduction**.



Digital Innovation & Business Model



Digital advisor: +3,800 bankers **boosting** sales (App and digital accounts).

Remote banker: double consumer activity with **70% insurance premiums** granted in the year.

Banca de Barrio: promoting SME with +165k new customers | +389k new accounts | +140k new POS terminals | Insurance premiums for 2 bn pesos.

Sustainable Finance



Promote the transition towards a **sustainable future**

Climate Change
117,405
mp

Social
44,020
mp

Sustainable bonds
book runner
65,708 mp

*Mobilization of retail and wholesale financing (December 22).
The bonds are included in the sum of climate change and social.



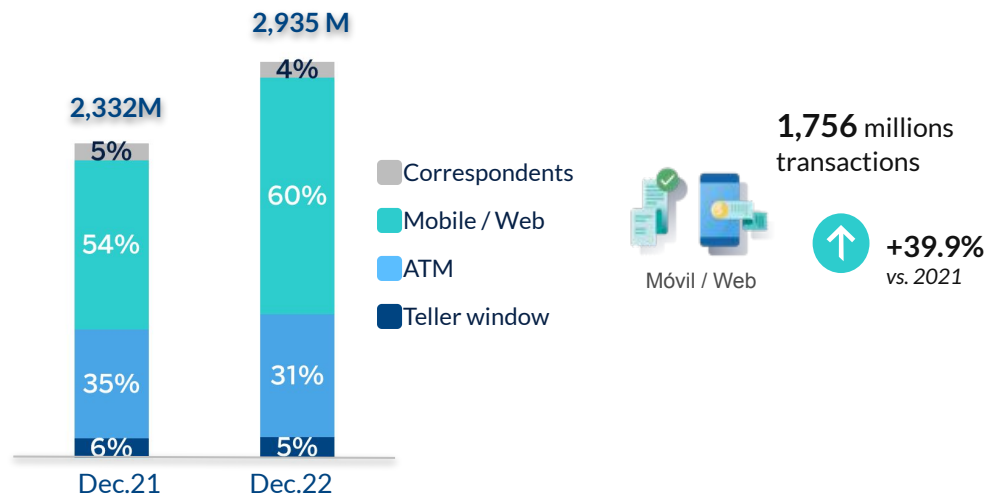
Society

Scholarship program:
10 years benefiting **50k students**
and supported by **5,600 mentors**.

Financial Education, workshops to promote the use of financial services and take care of personal finances, **benefiting more +91k participants**.

Total financial transactions, 12M22 (excludes POS)

% financial transactions



Mobile Clients

millions



Digital Sales

74.8%

+5.0pp
vs. Dic-21



Digital
Accounts

1.6M

+8%
vs. 2021



Consumer
Credit

841k

+40%
vs. 2021

FCR:
75%
claims cleared

Concluding Remarks

Solid Institution

- ▶ **Solid customer service** to offer the best experience (innovation)
- ▶ **Solid strategy** with main focus in sustainability as a growth lever
- ▶ **Solid results** reflected in the financial performance

BBVA Mexico

4Q22 Results

Fixed Income

ANNEX

BBVA

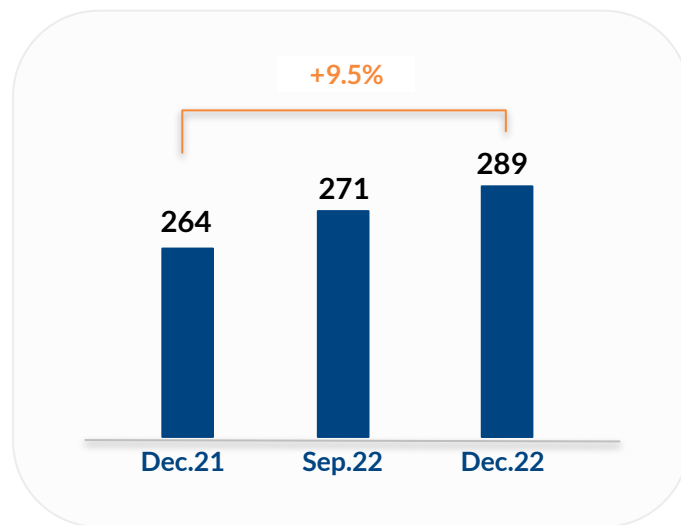
Creating Opportunities

Macroeconomic Expectations

	2019	2020	2021	2022	2023
GDP (% y/y)	-0.2	-8.2	4.9	3.0	0.6
Inflation (% eop)	2.8	3.2	7.4	7.8	4.0
Interest rate Bank funding (eop)	7.25	4.25	5.50	10.50	9.75
FX MXN / USD (eop)	19.1	19.9	20.9	19.6	20.1
Unemployment rate (% of labor force)	3.5	4.4	4.1	3.3	3.2
Private consumption (% y/y)	0.4	-10.5	7.7	6.8	0.6

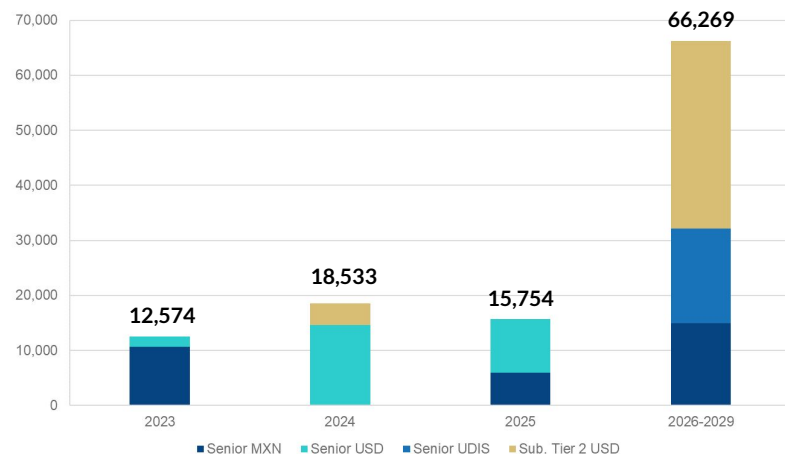
ALCO Portfolio

(billion pesos)

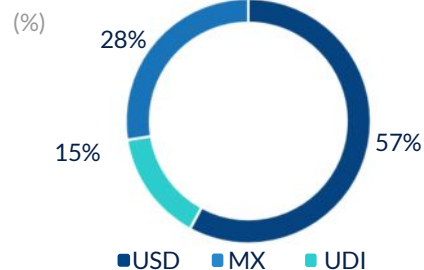


Annual Maturity Profile

(Amounts in MXN)



Distribution by Currency



Liquidity Balance Sheet

(As of December 2022)

Fixed Assets

Financial Assets

Net Loan Portfolio

Investments in Securities

Cash and Central Banks



Equity & others

Senior Debt

Repos

Subordinated Debt

Bank Deposits



BBVA México

Emisiones

Instrumentos Emitidos	Monto	Divisa Original	Fecha de Emisión	Fecha de Vencimiento	Fecha de Call	Plazo (años)	Tasa	Calificaciones		
Deuda Senior								S&P	Moody's	Fitch
BACOMER 07U	2,240	UDIS	30-ene-07	09-jul-26		19.4	4.36%		Baa1/Aaa.mx	AAA(mex)
Notas senior Dólares 2024	750	USD	3-abr-14	10-abr-24		10.0	4.375%		Baa1	BBB
BACOMER 18	3,500	MXN	27-sep-18	21-sep-23		5.0	TIE28 + 19		Baa1/Aaa.mx	AAA(mex)
BACOMER 19-2	5,000	MXN	21-jun-19	11-jun-27		8.0	8.49%		Baa1/Aaa.mx	AAA(mex)
BACOMER 20	7,123	MXN	10-feb-20	08-feb-23		3.0	TIE28 + 5		Baa1/Aaa.mx	AAA(mex)
BACOMER 20-2	6,000	MXN	10-feb-20	05-feb-25		5.0	TIE28 + 15		Baa1/Aaa.mx	AAA(mex)
BACOMER 20D	100	USD	10-feb-20	27-ene-23		3.0	Libor3M + 49		Baa1/Aaa.mx	AAA(mex)
Notas senior Dólares 2025	500	USD	15-sep-20	18-sep-25		5.0	1.875%		Baa1	BBB
BBVAMX 22X	10,000	MXN	23-jun-22	18-jun-26		4.0	TIE Fondeo + 28	mxAAA	Baa1/Aaa.mx	AAA(mex)
BBVAMX 23V	8,689	MXN	20-feb-23	15-feb-27		4.0	TIE Fondeo ON + 32	mxAAA		AAA(mex)
BBVAMX 23	6,131	MXN	20-feb-23	11-feb-30		7.0	9.540%	mxAAA		AAA(mex)

Deuda Subordinada

Obligaciones Subordinadas Tier 2 15NC10 2029	200	USD	06-nov-14	12-nov-29	12-nov-24	15NC10	5.35%	BB	Baa3	BB
Obligaciones Subordinadas Tier 2 15NC10 2033	1,000	USD	17-ene-18	18-ene-33	18-ene-28	15NC10	5.125%	BB		BB
Obligaciones Subordinadas Tier 2 15NC10 2034	750	USD	05-sep-19	13-sep-34	19-sept-29	15NC10	5.875%		Baa3	BB

BBVA Mexico Long-term Senior Ratings

Long-term Global Foreign Currency Ratings

(updated as of November 1, 2021)

Investment Grade

Non Investment Grade

S&P

AAA
AA+
AA
AA-
A+
A
A-
BBB+
BBB BBVA Mx
BBB-
BB+
BB
BB-
B+
B
B-
(...)

Fitch

AAA
AA+
AA
AA-
A+
A
A-
BBB+
BBB BBVA Mx
BBB-
BB+
BB
BB-
B+
B
B-
(...)

Moody's

Aaa
Aa1
Aa2
Aa3
A1
A2
A3
Baa1 BBVA Mx
Baa2 BBVA Mx
Baa3
Ba1
Ba2
Ba3
B1
B2
B3
(...)

S&P

Stable outlook
(Jul 06th, 2022)

BBB

Fitch

Stable outlook
(Jun 26th, 2020)

BBB

Moody's

Stable outlook
(Jul 12th, 2022)

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