

BBVA Mexico

Financial Report and Achievements

January-March 2023





Results 3M23

Continued growth in total operating income

Total operating income

50,549 mp

NII after provisions + total fees + trading income + other income

Operational excellence

Efficiency ratio

31.8%

Calculated as operating expenses / Income



Adequate asset quality

Coverage Ratio

213.0%

NPL ratio

1.49%

Capitalization ratio

18.4%

LCR (local)

185.60%

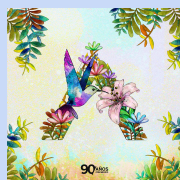
LCR = Liquidity Coverage Ratio (short-term ratio with local standards)



TRANSFORMATION

Continuous innovation

Celebrating 90 years of BBVA Mexico and through the use of blockchain, the institution created the NFT collection **"90 years in Mexico"**, being the first bank in the country to produce a digital collection applying new technologies.



BBVA Mexico and Discovery signed an agreement for the exclusive broadcast of the program **"Let's learn together Kids"**.



SUSTAINABILITY

Sustainable transition



BBVA Mexico announced an alliance with SEV, a leading company in the development of solar energy, with the main goal to offer **differentiated financing** for the acquisition of **electric cars**.

Grupo Financiero BBVA Mexico, through its subsidiaries, participated as placement intermediary in the **first blue bond issued in the country, for an amount of 1.4 billion pesos**.



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Relevant information

BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, hereinafter referred to as BBVA Mexico or the Bank or the Institution.

Dividend payment

During the first quarter of 2023, BBVA Mexico, realized the dividend payment approved at the Ordinary General Shareholders' Meeting corresponding to fiscal year 2022, at a rate of \$1.07114068085361 pesos per share.

Bonds in local market

During the first quarter of 2023, BBVA Mexico issued a bond in two tranches in the local market: one tranche was a green bond (ticker: BBVAMX 23V) placed for an approximate term of 4 years, for an amount of 8,689 million pesos, with a variable rate TIIE overnight funding (*fondeo 1 día*) plus 32 bps; the second tranche (ticker: BBVAMX 23) for an amount of 6,131 million pesos, was placed for a term of approximately 7 years, with a fixed rate of 9.54%.

Local bonds maturity

During the first quarter of 2023, the maturity of two long-term local bonds (local certificates) was recorded. On January 27, 2023, the issue identified with the ticker symbol BACOMER 20D matured, for an amount of 100 million dollars. Subsequently, on February 8, 2023, the BACOMER 20 issuance expired, for an amount of 7,123 million pesos.

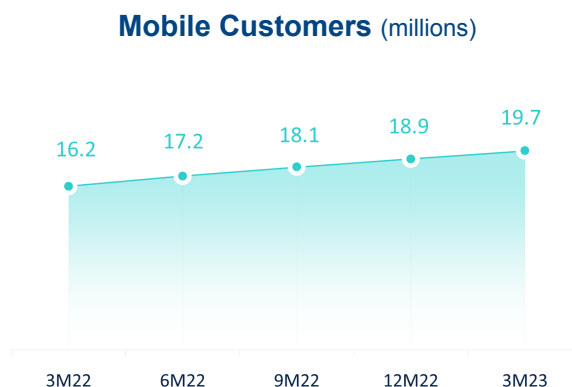
Digital Strategy

BBVA Mexico is a **leader in innovation and technology**, which is why it continues to **develop new services and products** that allow customers to carry out their daily financial operations in an **agile and simple** way through **mobile applications**.

As a result, **the number of customers using digital channels** as of March 2023 stood at **19.7 million mobile customers**, an annual growth of 21.6%, with this, BBVA Mexico reached **69% of the total customer base as a digital user**.

The impact of digital channels is reflected in the **increased customer transactionality** level. During the first quarter of 2023, **816 million financial transactions** were carried out in the institution, equivalent to an annual increase of 23.9%. As a result, transactions made through the **mobile app and the website reached 63% of the total** (vs. 57% in March 2022).

The innovation and digital transformation strategy also reflects BBVA Mexico's commitment to continuous development, as well as its ability to adapt to the changing needs of the users of financial services, providing innovative financial solutions through secure and efficient digital channels.



Innovation

BBVA Mexico 90th Anniversary in NFT format

In 2022, BBVA Mexico celebrated its 90 years of commitment to the customer experience and the evolution in the continuous adoption of ideas, innovation and modernity, positioning the entity as a reference and leader in the Mexican market as well as a relevant player in digital transformation. Framed in these celebrations and through the use of new technologies, the institution created the NTF (*Non Fungible Token*) collection “90 years in Mexico” being the first bank in the country to produce a digital collection applying one of the many use cases offered by blockchain technologies.

The collection consists of unique NFT inspired by the rich culture, history and customs of the country, showing in its design a mix of colors and textures that reflect the vibrant Mexican culture and its creativity. BBVA Mexico selected the “Avalanche” blockchain for this initiative of scalability and speed. Part of this digital exhibition can be seen within the framework of the “Meta World Congress 2023.”

BBVA Mexico and Discovery sign agreement for the exclusive transmission of the program "Let's learn together Kids"

BBVA Mexico and Discovery Mexico, a leading media and entertainment company, announced an important alliance to exclusively broadcast a new program to the Mexican public that is part of the BBVA Group’s global initiative: “*Aprendamos Juntos Kids*”(Let’s learn together Kids).

The program consists of 20 episodes in which themes related to the Sustainable Development Goals were addressed, which will be launched in six Spanish-speaking countries including Mexico. The aim of the programs will be for children to learn about their role in the future of humanity by creating a sustainable and more inclusive world.

Responsible Banking

SUSTAINABLE STRATEGY

BBVA Group consolidated its commitment to the transition to a more sustainable future and aligned with one of its main strategic priorities, "helping the customers towards the transition to a sustainable future". The following progress has been recorded:

- At the Group level, the institution became one of the 43 founding members of the Net-Zero Banking Alliance (NZBA).
- As part of its commitment to sustainable finance, BBVA Mexico is a signatory to the Principles of Responsible Investment (PRI) and the Principles for Responsible Banking (PRB). The Group also adheres to the Equator Principles, to assess and manage social and environmental risks for financing large projects.
- With the aim of helping clients move toward sustainability, we work on the specialization of executives and collaborators, so that together they can promote sustainable finance.
- The bank announced the goal of decarbonization of our credit portfolio in 2030 for industries intensive in carbon dioxide (CO₂) emissions. These are intermediate goals with a view to being carbon neutral by 2050.

BBVA Mexico, as a relevant subsidiary of the BBVA Group, is a participant and protagonist of this commitment to sustainable development. In 2023, BBVA Mexico will continue to work to help its customers in their transition to sustainability. It highlights that during the first quarter of the year, BBVA Mexico was included in Merco's Ranking of the Most Responsible Companies in Mexico, ranking first in the financial sector. The institution's thirteenth integrated annual report, which mentions environmental, social and corporate governance (ESG) performance, was also published. In addition, the first edition of the ESG Mexico 2023 Summit was held, a joint effort between BBVA, the United Nations Environment Program (UNEP) and other relevant stakeholders committed to sustainability.

SUSTAINABLE FINANCING

Credit products

BBVA Mexico's range of credit sustainable products has significant benefits for the customers, such as preferential rates. The above, aimed at making these products more attractive in the market.

Individuals:

Financing for the acquisition of hybrid and electric cars, financing of solar panels and mortgages, among others.

January to March 2023*

3,392 mp



Entities:

Green financing for companies, letters of credit, leasing and green bonds, among others

January to March 2023*

17,675 mp



Insurance:

Initiating green insurance starting with hybrid and electric cars.



**Information on sustainable financing for individuals, companies, as well as preliminary green and social bonds updated at the end of 1Q23.*

BBVA Mexico signs an agreement with SEV, a leading company in the development of solar energy, for the acquisition of electric cars.

BBVA Mexico announced a partnership with SEV, a subsidiary of SOLAREVER, the number one solar panel manufacturer in Canada, United States and Latin America. With this agreement, the institution seeks to offer differentiated financing for the acquisition of the most competitive electric cars on the market.

SEV will offer a warranty of up to five years and 120,000 kilometers on the car battery and up to three years and 60,000 kilometers on the vehicle in general. In addition to the launch of the E-WAN, which is the most competitive electric compact car on the market, during 2023 new models will arrive thinking of the needs of the Mexican population and all of them will be 100% electric.

In 2022, BBVA Mexico's Automotive Banking financed 15% of the country's total hybrid or electric cars and expects to increase its financing by 10% with this alliance, attracting more than 3,000 electric car financing this year.

BBVA Mexico continues to be at the forefront offering products based on the needs of its customers, reaffirms its commitment to the sector that will promote through the service and attention to provide the best experience for customers.

BBVA Mexico accompanied *Desarrollos Hidráulicas de Cancún (DHC)* in the issuance of the first blue bond in Mexico.

It is the first transaction of its kind within the BBVA Group globally and was carried out in the state of Quintana Roo. Blue bonds are securities issued with the purpose of carrying out projects that help solve challenges related to the sustainability of the oceans.

BBVA Mexico accompanied DHC in the successful issuance of its first blue bond with the ticker name “DHIC 22”. BBVA acted as book runner and also hedged the total amount of the transaction in a single tranche at a variable rate, with a term of three and a half years, for a total amount of 1.4 billion pesos.

The destination of the resources will be financing or refinancing projects that contribute to the Sustainable Development Goals (SDGs) 6: Clean Water and Sanitation, and to the 9: Industry, Innovation and Infrastructure.

BBVA Mexico issues a bond for close to 15 billion pesos.

BBVA Mexico reaffirms its commitment to the environment and climate change by issuing its third labeled bond in the local market, this being the first issue under the BBVA Group's Sustainable Debt Financing Framework updated in November 2022.

BBVA Mexico announced the successful issuance of a bond in two tranches on the Mexican Stock Exchange (BMV) for an amount of close to 15 billion pesos. The first tranche has a green label with the ticker symbol BBVAMX 23V and the second with the ticker symbol BBVAMX 23. This bond had the highest national scale credit rating from the agencies Fitch Ratings and Standard & Poor's, AAA (mex) and mxAAA, respectively.

The resources of this issuance will be aimed at financing sustainable transportation, investing in public transportation projects that will use electric vehicles and other low-carbon ones. They will also be allocated to renewable energies through the repowering of nine hydroelectric plants and to projects related to energy efficiency, through financing the production of hybrid or electric vehicles.

Analysis and Discussion of Results

Executive Summary

- BBVA Mexico continues to grow its customer base, reaching 28.5 million customers as of March 2023, of which **69% are users of digital channels** that take advantage of the wide shelf and digital innovation.
- BBVA Mexico registered a **total portfolio of over 1.5 trillion pesos**, with a balanced growth in the wholesale portfolio as well as in the credit to individuals and families, managing to consolidate its leadership position in the market, with a total loans share of 24.5% (according to the figures of the National Banking and Securities Commission, CNBV, at the end of February 2023).
- Commercial portfolio closed the first quarter of 2023 with an amount of 841 billion pesos, being 13.6% higher than the previous year. The consolidation of the economic recovery and the **continuous boost to the productive sector of the country**, are reflected in the positive evolution of business activity, which registered a balance **15.3% higher than the previous year**.
- Continued support for families and individuals is also seen in the dynamism of consumer credit, **which registers an annual growth of 18.7%**. During the first quarter of 2022, BBVA Mexico granted 17.7% more new consumer loans (payroll, personal) than in the first quarter of the previous year. For its part, during the first quarter of the year, BBVA Mexico granted 44.4% more new cards than the previous year. **Housing financing maintains a positive path with a balance 10.6% higher than the first quarter of the previous year**.
- One of BBVA Mexico's strategic levers is **to continue supporting the economic recovery through boosting the country's small businesses**. In the first quarter of 2023, the credit portfolio to this segment¹ exceeded 100 billion pesos, equivalent to a solid growth of 21.2% year-on-year.
- The continued promotion of customer savings is reflected in the bank deposits' evolution, which **shows an annual growth of 2.7%**. Registering a market share of 23.9%, according to public information of the CNBV at the end of February 2023.
- Net income in the first quarter of 2023 stood at 22,884 million pesos, driven by the positive evolution of recurring income (financial margin and fees).
- The strength of the risk models is reflected in the robust asset quality indicators with an **NPL ratio of 1.49%**.
- **BBVA Mexico maintains solvency and liquidity ratios above minimum required**. The total capital ratio stood at 18.4% and the liquidity coverage ratio stood at 185.60%.

¹ Segmentation of SMEs under internal management criteria in BBVA Mexico.

Main Magnitudes

Information as of March 2023

BBVA Mexico Main Magnitudes Million Pesos	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Financial Statement					
Assets	2,599,513	2,767,305	2,791,676	2,753,601	2,808,249
Credit Portfolio Stage 1	1,293,111	1,358,144	1,401,002	1,449,354	1,480,398
Credit Portfolio Stage 2	37,569	36,927	37,038	37,875	38,746
Portfolio Valued at Reasonable Value	5,021	5,024	5,082	5,100	4,945
Credit Portfolio Stage 1, Stage 2 and Portfolio at Fair Value	1,335,701	1,400,095	1,443,122	1,492,329	1,524,089
Liabilities	2,307,827	2,481,224	2,494,280	2,453,568	2,500,434
Bank Deposits*	1,528,981	1,518,625	1,494,568	1,614,676	1,570,309
Equity	291,686	286,081	297,396	300,033	307,815
Results					
Net Interest Income	38,241	38,974	43,327	46,251	49,336
Total Operating Income	38,422	41,096	45,065	46,214	50,549
Expenses	(16,188)	(16,176)	(17,630)	(17,689)	(18,979)
Income Before Tax	22,269	24,967	27,456	28,690	31,594
Net Income	16,244	18,084	21,841	20,361	22,884
Indicators in %	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Profitability					
ROE	22.6	25.0	29.9	27.3	30.1
Efficiency	34.5	32.9	33.4	30.8	31.8
Asset Quality					
Credit Portfolio Coverage Ratio Stage 3	163.2	166.5	193.1	207.9	213.0
Non-Performing Loans Ratio	2.0	2.0	1.7	1.6	1.5
Solvency and Liquidity					
Total Capital Ratio	19.6	19.0	19.3	19.2	18.4
Core Equity Ratio	17.1	16.5	16.8	16.8	16.4
CCL	234.30	216.06	205.96	197.68	185.60
Leverage Ratio	10.9	10.0	10.3	10.4	10.5
Figures in Units (#)	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Infrastructure					
Employees	38,896	38,968	40,209	41,247	41,835
Branches	1,722	1,726	1,727	1,733	1,735
ATMs	13,558	13,672	13,783	14,019	14,160

* Bank deposits include demand deposits and time deposits.

Commercial Activity

Loan portfolio at stage 1 and stage 2

During the first quarter of 2023, we saw the country's economic recovery consolidated. This, together with BBVA Mexico's strong commitment to promote economic development, can be reflected in the continued growth of lending, which has a balance of 1.5 trillion pesos, equivalent to an increase of 14.1% in annual terms. BBVA Mexico consolidates its leadership with a market share of 24.5%, according to the most recent figures published by the CNBV at the end of February 2023.

Commercial loans amount to 841,164 million pesos, of which 74% of the portfolio consists of the business segment (including corporate and medium-sized companies), which recorded a balance 13.6% higher than the previous year. This, mainly driven by the growing opportunities in the country, derived from the attraction of investment (nearshoring).

An important strategic line of business for BBVA Mexico is the support of small and medium-sized enterprises (SMEs)² that have registered a balance of over 100 billion pesos, equivalent to an annual growth of 21.2% and managing to place 47.5% more loans to this segment. Part of the initiatives to promote this segment has been the installation of the well-known business model called *Banca de Barrio* (Neighborhood Banking), which has more than 3,900 specialized executives, they cater to this segment in a personalized way and through which it has been possible to increase the customer base by 226 thousand with the installation of more than 160 thousand POS terminals to enhance the businesses.

On the other hand, loans to individuals presented a positive evolution at the beginning of the year, both in balances and in the credit originations. In the first quarter of 2023, credit card dynamism stood out, which reached balances of 147,145 million pesos (22.1% y-o-y), placing more than 578 thousand new credit cards in the quarter, which is 44.4% more than the same quarter of the previous year. Payroll and personal loans closed with a balance of 173,803 million pesos, equivalent to an annual growth of 20.3%, these supported by the impulse in the innovation strategy and by the good performance of domestic consumption in the country.

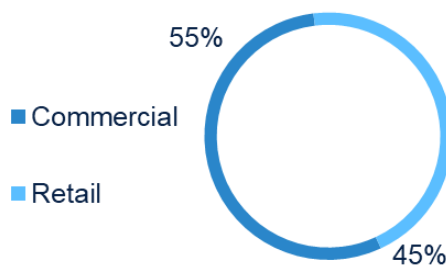
Mortgage lending maintains a trend of constant growth over the last two years. This allows BBVA Mexico to remain the leader by granting one in four new mortgages in private banks, according to information from the CNBV at the end of February 2023.

² Segmentation of SMEs under internal management criteria in BBVA Mexico.

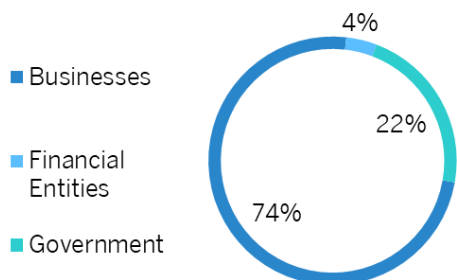
Detail of credit stage 1 & stage 2

BBVA Mexico				Variation (%)	
Credit Portfolio Stage 1 and 2	March	December	March	vs Dec.	vs Mar.
Million Pesos	2022	2022	2023	2022	2022
Credit Portfolio Stage 1	1,293,111	1,449,354	1,480,398	2.1	14.5
Business	518,342	593,756	604,366	1.8	16.6
Financial Entities	23,720	29,571	33,360	12.8	40.6
Government	116,118	126,604	125,389	(1.0)	8.0
State-owned Entities	61,045	59,132	60,290	2.0	(1.2)
Government Entities	177,163	185,736	185,679	(0.0)	4.8
Commercial Loans	719,225	809,063	823,405	1.8	14.5
Consumer	302,733	346,721	357,775	3.2	18.2
Mortgage	271,153	293,570	299,218	1.9	10.4
Credit Portfolio Stage 2	37,569	37,875	38,746	2.3	3.1
Business	21,329	18,831	17,759	(5.7)	(16.7)
Commercial Loans	21,329	18,831	17,759	(5.7)	(16.7)
Consumer	6,902	8,616	9,848	14.3	42.7
Mortgage	9,338	10,428	11,139	6.8	19.3
Credit Portfolio Stage 1 and 2	1,330,680	1,487,229	1,519,144	2.1	14.2
Portfolio Valued at Fair Value	5,021	5,100	4,945	(3.0)	(1.5)
Total Credit Portfolio	1,335,701	1,492,329	1,524,089	2.1	14.1

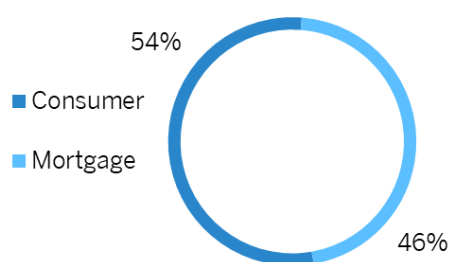
Mix of the portfolio stage 1 y 2 (%)



Commercial Loan Mix (%)



Retail Loan Mix(%)



Asset Quality

Non-performing loans stage 3

The robust and strict risk models are reflected in the non performing loan portfolio balances. The total balance of the Stage 3 loan portfolio stood at 23,042 mp at the first quarter of the year, which is reflected in an NPL ratio of 1.49%.

Coverage ratio of Stage 3 portfolio stood at 213.0% during the 1Q23.

BBVA Mexico				Variation (%)	
Credit Portfolio Stage 3	Mar.	Dec.	Mar.	vs Dec.	vs Mar.
Million Pesos	2022	2022	2023	2022	2022
Business	12,566	7,653	7,614	(0.5)	(39.4)
Financial Entities	0	9	9	0.0	n.a.
Commercial Loans	12,566	7,662	7,623	(0.5)	(39.3)
Consumer	7,649	9,363	9,326	(0.4)	21.9
Mortgage	7,107	6,823	6,093	(10.7)	(14.3)
Credit Portfolio Stage 3	27,322	23,848	23,042	(3.4)	(15.7)

NPL ratio (%)

1.49%

March 2023

Coverage ratio (%)

213.0%

March 2023

Non-Performing Loans Movements Stage 3

NON-PERFORMING LOANS MOVEMENTS STAGE 3 TO MARCH 2023					
BBVA Mexico	Business and Financial Entities	Credit Card	Consumer	Mortgages	Total
Non- performing loans movements stage 3*					
Million Pesos					
Final Balance (December 2022)	7,662	3,289	6,074	6,823	23,848
Inputs:	1,229	4,088	4,781	1,860	11,958
Transfer of current loan (Stage 1 and 2)	1,184	3,900	4,580	1,805	11,469
Restructured	45	188	201	55	489
Outputs:	(1,268)	(3,953)	(4,953)	(2,590)	(12,764)
Transfer of current loan (Stage 1 and 2)	(461)	(454)	(316)	(1,209)	(2,440)
Cash Settlements	(208)	(8)	(77)	(33)	(326)
Restructured	(1)	-	(3)	(3)	(7)
Financial Penalties	(111)	(237)	(353)	(277)	(978)
Write-offs	(487)	(3,254)	(4,204)	(1,068)	(9,013)
Final Balance (March 2023)	7,623	3,424	5,902	6,093	23,042

Loan Portfolio Credit Quality Classification

Around 80% was rated with the minimum risk level, which implies a sound asset quality.

BBVA México										
Performing Loans Rating	Commercial		Mortgage		Consumer		Credit Card		TOTAL	
March 2023	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Millions pesos										
Risk Level										
A1	759,705	1,747	284,002	253	60,172	541	87,796	1,766	1,191,675	4,307
A2	39,941	476	5,169	32	12,723	317	16,749	888	74,582	1,713
B1	7,788	141	3,594	32	69,152	2,316	8,632	615	89,166	3,104
B2	5,951	136	4,117	48	29,600	1,340	6,449	554	46,117	2,078
B3	9,269	362	1,703	30	8,085	447	6,572	676	25,629	1,515
C1	6,959	533	9,326	302	15,652	1,049	9,179	1,223	41,116	3,107
C2	7,835	1,105	2,809	179	16,295	1,705	7,610	1,707	34,549	4,696
D	4,957	1,277	2,266	615	5,994	1,272	4,867	2,622	18,084	5,786
E	6,927	5,074	3,458	1,798	10,147	6,615	2,713	2,364	23,245	15,851
Additional										6,918
Total required	849,332	10,851	316,444	3,289	227,820	15,602	150,567	12,415	1,544,163	49,075

Credit card for businesses and letters of credit are included in commercial.

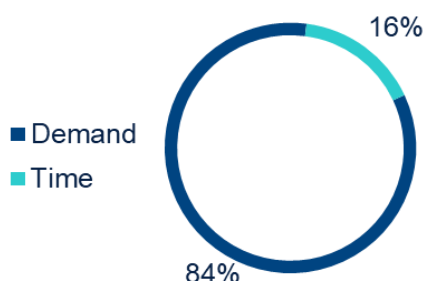
Deposits

BBVA Mexico remains as the leading institution to enhance savings, promoting the constant use of financial instruments that allow customers to manage their resources. With this, bank deposits (demand deposits + time deposits) register a balance 2.7% higher than the previous year. Thus consolidating the leadership position in the Mexican market, by reaching a bank deposits market share of 23.9% (according to CNBV figures at the end of February 2023).

Clients have chosen to maintain liquid resources, a situation that has been reflected in the continuous increase in demand deposits with a balance 1.7% higher than the previous year, a positive growth taking into account the seasonality at the beginning of the year. On the other hand, time deposits close with balances of 247,143 million pesos. With this, the funding mix improves by having a greater relative weight of low-cost deposits, representing 84% of the total.

BBVA Mexico				Variation (%)	
Deposits	Mar.	Dec.	Mar.	vs Dec.	vs Mar.
Million Pesos	2022	2022	2023	2022	2022
Demand deposits	1,301,320	1,367,045	1,323,166	(3.2)	1.7
Time deposits	227,661	247,631	247,143	(0.2)	8.6
Customer Deposits	224,090	243,521	237,306	(2.6)	5.9
Money Market	3,571	4,110	9,837	139.3	175.5
Bonds	89,945	88,819	93,708	5.5	4.2
Deposits global account without movements	5,619	6,716	6,495	(3.3)	15.6
Total deposits	1,624,545	1,710,211	1,670,512	(2.3)	2.8

Bank Deposits Mix (%)



**Bank Deposits include demand and total time deposits*

Results

During the first quarter of 2023, BBVA Mexico recorded solid results with net income of 22,884 million pesos, an increase of 40.9% more than the first quarter of the previous year, earnings have been supported by the growing and constant recurring income.

The result has been benefited by an improvement in net interest income due to higher lending portfolio activity, as well as higher interest rates environment. This, accompanied by a higher level of transactionality that is reflected in a positive result on fees and commissions.

BBVA Mexico Income Statement million pesos	1Q	4Q	1Q	Variation (%)	
				vs 4Q	vs 1Q
	2022	2022	2023	2022	2022
Net Interest Income	38,241	46,251	49,336	6.7	29.0
Provisions for loans losses	(8,535)	(11,162)	(9,197)	-17.6	7.8
Net Interest Income after provisions for loans losses	29,706	35,089	40,139	14.4	35.1
Total Fees & Commissions	8,108	9,223	9,656	4.7	19.1
Trading Income	2,324	3,665	2,519	-31.3	8.4
Other operating income	(1,716)	(1,763)	(1,765)	0.1	2.9
Total operating income	38,422	46,214	50,549	9.4	31.6
Non-interest expense	(16,188)	(17,689)	(18,979)	7.3	17.2
Net operating income	22,234	28,525	31,570	10.7	42.0
Share in net income of unconsolidated subsidiaries and affiliates	35	165	24	-85.5	-31.4
Income before income tax and profit sharing	22,269	28,690	31,594	10.1	41.9
Net Taxes	(6,025)	(8,329)	(8,710)	4.6	44.6
Net Income	16,244	20,361	22,884	12.4	40.9

NIM Total Assets (%)

7.1%

March 2023

ROE (%)

30.1%

March 2023

Net interest income

During the first quarter of the year, net interest income continued to perform positively, as a result of the constant growth of credit activity, specially in those segments of higher profitability, also, due to the increase of the reference rate and, the optimization of the liability with a profitable mix of deposits that allows to maintain an adequate cost funding.

On the other hand, BBVA Mexico maintains an adequate risk management, which is reflected in provisions for loans losses that recorded a balance of 9,197 million pesos, 7.8% higher than the first quarter of the previous year, as a result of an adequate management in the credit quality and the good payment behavior of the customers. Net interest income after provisions stood at 40,139 million pesos, 35.1% higher than the previous year.

BBVA Mexico				Variation (%)	
Net Interest Income	1Q	4Q	1Q	vs 4Q	vs 1Q
Millions pesos	2022	2022	2023	2022	2022
Interest income	49,771	66,120	69,816	5.6	40.3
Interest expenses	-11,938	-20,397	-21,002	3.0	75.9
Margin fees	408	528	522	-1.1	27.9
Net Interest Income	38,241	46,251	49,336	6.7	29.0
Provisions for loans losses	(8,535)	(11,162)	(9,197)	-17.6	7.8
Net Interest Income after provisions	29,706	35,089	40,139	14.4	35.1

Fees and Commissions

In the first quarter of 2023, commissions and fee income stood at 9,656 million pesos, an increase of 19.1% supported by a higher level of credit and debit card transactions of customers that performed favorably at the beginning of 2023, where the billing of these products register a double digit growth rate above 30%. Mutual fund commissions have also performed favorably over the year, also enhanced by a higher level of transactions made by clients in an environment of high interest rates.

BBVA Mexico				Variation (%)	
Fees & Commissions	1Q	4Q	1Q	vs 4Q	vs 1Q
Million pesos	2022	2022	2023	2022	2022
Bank fees	1,896	2,147	2,072	-3.5	9.3
Credit and debit card	4,765	6,205	6,159	-0.7	29.3
Investment funds	1,137	1,213	1,252	3.2	10.1
Others	310	-342	173	-150.6	-44.2
Commissions and fee income	8,108	9,223	9,656	4.7	19.1

Trading income

Trading income reached 2,519 million pesos in the first quarter of 2023, a positive result derived from the results of Global Markets and FX.

BBVA Mexico				Variation (%)	
Trading Income	1Q	4Q	1Q	vs 4Q	vs 1Q
Million pesos	2022	2022	2023	2022	2022
Variable income	6	(34)	18	n.a.	n.a.
Fixed income and repos	(326)	938	891	-5.0	n.a.
Securities	(320)	904	909	0.6	n.a.
FX	(1,076)	853	2,057	141.1	n.a.
Derivatives	3,589	(1,975)	(44)	-97.8	n.a.
Results from valuation	2,193	(218)	2,922	n.a.	33.2
Variable income	7	(6)	13	n.a.	85.7
Fixed income and repos	(236)	(294)	(467)	58.8	97.9
Securities	(229)	(300)	(454)	51.3	98.3
FX	2,164	2,653	1,630	-38.6	-24.7
Derivatives	(1,804)	1,530	(1,579)	n.a.	-12.5
Results from trading	131	3,883	(403)	n.a.	n.a.
Trading Income	2,324	3,665	2,519	-31.3	8.4

Other Income (expenses) of the operation

Other income (expenses) of the operation registered a loss of 1,765 million in the first quarter of 2023, mainly derived from the payment to IPAB (guarantee fund) fees.

BBVA Mexico				Variation (%)	
Other Income (Expenses)	1Q	4Q	1Q	vs 4Q	vs 1Q
Million pesos	2022	2022	2023	2022	2022
Result of operations of foreclosed assets	186	401	189	(52.9)	1.6
Interest of loans to employees	221	241	250	3.7	13.1
Recovery for guarantee payments	20	28	17	(39.3)	(15.0)
Write-offs	(25)	(49)	(64)	30.6	156.0
Legal and labor contingencies	(107)	(333)	(96)	(71.2)	(10.3)
Result of portfolio recovery	(111)	242	(170)	(170.2)	53.2
Donations	(234)	(341)	(222)	(34.9)	(5.1)
Payments of IPAB fees	(1,708)	(1,778)	(1,763)	(0.8)	3.2
Others	42	(36)	94	n.a.	123.8
Other operating income	(1,716)	(1,763)	(1,765)	0.1	2.9

Non-Interest Expenses

Operating expenses was 18,979 million pesos, 17.2% higher than the first quarter of the previous year, this increase is mainly due to the high inflation levels observed recently and to the expenses in technology related to business growth, regarding personnel expenses there is also an increase due to salary adjustment and the incorporation of more employees during the year. However, BBVA Mexico maintained one of the best efficiency ratios (cost to income) of 31.8% during the first quarter of 2023.

BBVA Mexico maintains a solid infrastructure network with 1,735 branches and 14,160 ATMs, and 41,835 employees (2,939 more employees than in the first quarter of the previous year). All of this, with the most powerful range of digital applications and services to attend to the current and future needs of the large customer base, which in the first quarter of the year exceeded 28.5 million.

BBVA Mexico Non-Interest Expenses <i>Million pesos</i>				Variation (%)	
	1Q	4Q	1Q	vs 4Q	vs 1Q
	2022	2022	2023	2022	2022
Administrative and operating expenses	11,799	12,890	13,782	6.9	16.8
Rents	1,410	1,688	1,899	12.5	34.7
Depreciation and amortization	2,005	2,114	2,144	1.4	6.9
Taxes	974	997	1,154	15.7	18.5
Administrative and operating expenses	16,188	17,689	18,979	7.3	17.2

Efficiency ratio (%)

31.8%

as of March 2023

Capital and liquidity

Capital

BBVA Mexico's estimated capitalization ratio stood at 18.4% at the end of the first quarter of 2023, composed of 16.4% of core capital and 2.0% of complementary capital.

BBVA Mexico maintains a robust capital position, fully complying with all capital requirements and above the regulatory minimums. To date, BBVA Mexico remains classified as a local systemic important credit institution Grade IV.

The regulation known as Total Loss Absorption Capacity (TLAC) came into force last June 2021. As a result of the above, the regulator has modified the general provisions applicable to credit institutions to reflect the adoption of these international standards by incorporating a Net Capital Supplement to be applicable to multiple banking institutions of local systemic importance.

The constitution of net capital supplement will have an annual phase-in beginning in December 2022 and until December 2025. Actually the total capital minimum for BBVA Mexico is 13.625%.

As of January 2023, the calculation for operational risk-weighted assets under the new business indicator methodology was applied. The impact under this new methodology was 81 basis points on the total capital ratio.

Estimated capital ratio of BBVA Mexico

BBVA Mexico						
Capitalization	March		June		March	
Million pesos	2022		2022		2023	
Tier 1 capital	279,839		283,355		292,158	
Tier 2 capital	40,850		39,824		36,023	
Net capital	320,689		323,179		328,181	
	Credit	Market	Credit	Market	Credit	Market
	Risk	operational	Risk	operational	Risk	operational
		& Credit Risk		& Credit Risk		& Credit Risk
Risk-weighted assets	1,033,310	1,634,354	1,129,471	1,683,874	1,149,849	1,785,417
Tier 1 as % of risk-weighted assets	27.1%	17.1%	25.1%	16.8%	25.4%	16.4%
Tier 2 as % of risk-weighted assets	4.0%	2.5%	3.5%	2.4%	3.1%	2.0%
Net capital ratio	31.0%	19.6%	28.6%	19.2%	28.5%	18.4%

**Previous information. Figures are under review by the authority*

Liquidity

Despite the complex environment, BBVA Mexico maintains sound liquidity levels for continued growth. The liquidity ratio, defined as loans to deposits, was 96.7% and the short-term indicator, defined as the Liquidity Coverage Coefficient (Local LCR) was 185.60%.

Important to mention that arising from disclosure requirements and looking to enhance a stable funding profile in relation to the composition of the assets and off-balance sheet activities, the Net Stable Funding Coefficient (Local NSFR) is 134.06% for the first quarter of the year.

Loans to deposits ratio (%)

96.7%

March 2023

LCR (%)

185.60%

March 2023

Previous information

Financial Indicators

BBVA Mexico	1Q	2Q	3Q	4Q	1Q
Financial Indicators	2022	2022	2022	2022	2023
Infrastructure Indicators (#)					
Branches	1,722	1,726	1,727	1,733	1,735
ATMs	13,558	13,672	13,783	14,019	14,160
Employees	38,896	38,968	40,209	41,247	41,835
Profitability Indicators (%)					
a) NIM Adjusted (Produced Assets)	5.0	5.0	5.6	5.5	6.4
b) NIM (Total Assets)	6.1	5.8	6.2	6.7	7.1
c) Operating Efficiency	2.6	2.4	2.5	2.6	2.7
d) Efficiency Ratio	34.5	32.9	33.4	30.8	31.8
e) Productivity Ratio	50.1	53.6	50.5	52.1	50.9
f) Return on Equity (ROE)	22.6	25.0	29.9	27.3	30.1
g) Return on Assets (ROA)	2.6	2.7	3.1	2.9	3.3
Asset Quality Indicators (%)					
h) Non - Performing Loans Ratio	2.0	2.0	1.7	1.6	1.5
i) Portfolio Coverage Ratio Stage 3	163.2	166.5	193.1	207.9	213.0
Solvency Indicators (%)					
j) Core Equity Tier 1 Ratio	17.1	16.5	16.8	16.8	16.4
k) Tier Ratio	17.1	16.5	16.8	16.8	16.4
l) Total Capital Ratio	19.6	19.0	19.26	19.2	18.4
m) Leverage Ratio	10.9	10.0	10.33	10.39	10.5
Liquidity Indicators (%)					
n) Liquidity Ratio (CNBV Requirement)	60.8	61.9	60.6	52.1	48.2
o) Liquidity (Performing Loans / Deposits)	87.0	91.9	96.2	92.1	96.7
p) Liquidity Coverage Ratio	234.30	216.06	205.96	197.68	185.6

INFRASTRUCTURE

ATM's: Include those that have activity during the quarter.

PROFITABILITY

- a) Net interest margin adjusted (NIM): Net interest income after provisions for loan losses (annualized) / Average productive assets
Average productive assets: Cash + Investment in financial instruments + Repo debtors + securities lending + derivatives + loans stage 1 and 2 + Receivable benefits from securitization transaction + Valuation adjustments derived from hedges of financial assets.
- b) Net interest Margin (NIM): Net interest income (annualized) / Average total assets
- c) Operating efficiency: Expenses (annualized) / Average total assets.
- d) Efficiency ratio: Administrative and promotional expenses / Net interest income + commissions and fee income + trading income + other operating income (expense).
- e) Productivity ratio: Commissions and fees / Promotions and administrative expenses.

- f) Return on equity (ROE): Net income (annualize) / Average capital.
- g) Return on assets (ROA): Net income (annualize) / Average total assets .

ASSET QUALITY

- h) NPL Ratio: Balances of stage 3 end of period / total loan portfolio.
- i) Coverage ratio: Allowances for loan losses / Balances of stage 3 end of period

SOLVENCY (BBVA México Information)

- j) Core Equity Tier 1 ratio: CET1 Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013)
- k) Tier1 ratio: Tier 1 Capital / Risk weighted assets to credit risk, market and operational (applied in Mexico since January 2013)
- l) Total Capital Ratio: Net Capital / Risk Weighted assets to credit risk, market and operational (applied in Mexico since January 2013).
- m) Leverage ratio: Risk Capital / Exposure.

LIQUIDITY

- n) Liquidity ratio: Liquid assets / Liquid liabilities.

Liquid Assets: Cash and cash equivalents + Unrestricted Tradable Financial Instruments + Financial Instruments to collect or sell without restrictions

Liquid Liabilities: Demand deposits + interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term

- o) Liquidity: Liquidity: Portfolio with stage 1 and stage 2 credit risk + credit portfolio valued at fair value / Bank deposits (demand deposits + time deposits).
- p) Liquidity Coverage Ratio (Local LCR): Computable Liquid Assets / 30-day stressed Net Outflows (BBVA Mexico information). Quarterly average. Preliminary figure

Notes: Average data = ((Balances of the quarter + Balances of the previous quarter) / 2).

Annualized data = Balances of the quarter * 4).

Ratings

BBVA Mexico's Ratings			
	Long Term	Short Term	Outlook
Standard and Poor's			
Issuer Credit Rating - Foreign Currency	BBB	A-2	Stable
Issuer Credit Rating - Local Currency	BBB	A-2	Stable
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	bbb+		
Moody's			
Bank Deposits - Foreign Currency	Baa1	P-2	Stable
Bank Deposits - Domestic Currency	Baa1	P-2	Stable
National Scale Rating Bank Deposits	AAA.mx	MX-1	Stable
Baseline Credit Assessment (BCA/ABCA)	baa2/baa1		
Fitch			
Issuer Default Rating - Foreign Currency	BBB	F2	Stable
Issuer Default Rating - Local Currency	BBB	F2	Stable
National Scale Rating	AAA(mex)	F1+(mex)	Stable
Viability Rating (VR)	bbb		

Issuances

BBVA Mexico Issuances										
Instruments	Amount	Original Currency	Issue Date	Due Date	Call Date	Term (years)	Rate	Ratings		
Senior Debt								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	TIIE28 + 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 20-2	6,000	MXN	10-feb-20	5-feb-25		5.0	TIIE28 + 15		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	TIIE Fondeo + 28	mxAAA	Baa1/Aaa.mx	AAA(mex)
BBVAMX 23V	8,689	MXN	20-feb-23	15-feb-27		4.0	TIIE Fondeo ON + 32	mxAAA		AAA(mex)
BBVAMX 23	6,131	MXN	20-feb-23	11-feb-30		7.0	9.540%	mxAAA		AAA(mex)
Subordinated Debt										
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

Financial Statements

Balance Sheet

Assets

BBVA México Assets Million pesos	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023
CASH AND CASH EQUIVALENTS	329,540	347,415	325,938	275,795	249,655
Margin call accounts	5,291	10,338	6,455	9,718	8,131
INVERSIONES EN INSTRUMENTOS FINANCIEROS	543,354	528,566	512,630	533,782	510,031
Negotiable financial instruments	254,892	252,223	241,917	244,852	200,989
Financial instruments to collect or sell	215,617	198,067	195,487	195,031	189,690
Financial instruments to collect principal and interest (securities)(net)	72,845	78,276	75,226	93,899	119,352
Debtors from repurchase agreement	24,656	24,255	19,755	26,324	22,267
Derivatives	181,074	215,616	244,382	216,165	217,342
Trading	170,684	204,654	235,681	209,518	209,521
Hedging Transactions	10,390	10,962	8,701	6,647	7,821
Valuation adjustments derived from hedges of financial assets	(3)	(527)	(1,017)	(639)	(768)
CREDIT PORTFOLIO WITH CREDIT RISK STAGE 1	1,293,111	1,358,144	1,401,002	1,449,354	1,480,398
Commercial loans	719,225	760,781	782,623	809,063	823,405
Business or commercial activity	518,342	556,349	578,657	593,756	604,366
Financial entities	23,720	26,445	32,295	29,571	33,360
Government entities	177,163	177,987	171,671	185,736	185,679
Consumer	302,733	317,568	331,181	346,721	357,775
Mortgage	271,153	279,795	287,198	293,570	299,218
Middle and Residential	265,810	275,255	282,922	289,472	295,071
Of Social Interest	5,343	4,540	4,276	4,098	4,147
CREDIT PORTFOLIO WITH CREDIT RISK STAGE 2	37,569	36,927	37,038	37,875	38,746
Commercial loans	21,329	20,455	19,115	18,831	17,759
Business or commercial activity	21,329	20,455	19,115	18,831	17,759
Consumer	6,902	6,480	7,470	8,616	9,848
Mortgage	9,338	9,992	10,453	10,428	11,139
Middle and Residential	8,860	9,487	9,924	9,963	10,667
Of Social Interest	478	505	529	465	472
CREDIT PORTFOLIO WITH CREDIT RISK STAGE 3	27,322	27,890	24,353	23,848	23,042
Commercial loans	12,566	11,895	7,290	7,662	7,623
Business or commercial activity	12,566	11,635	7,281	7,653	7,614
Financial entities	0	260	9	9	9
Consumer	7,649	8,915	9,918	9,363	9,326
Mortgage	7,107	7,080	7,145	6,823	6,093
Middle and Residential	6,821	6,822	6,881	6,592	5,898
Of Social Interest	286	258	264	231	195
LOAN PORTFOLIO VALUED AT FAIR VALUE	5,021	5,024	5,082	5,100	4,945
CREDIT PORTFOLIO	1,363,023	1,427,985	1,467,475	1,516,177	1,547,131
Deferred accounts	(5,003)	(5,054)	(5,243)	(3,271)	(2,139)
Allowance for loan losses	(44,601)	(46,448)	(47,014)	(49,588)	(49,075)
TOTAL LOANS, NET	1,313,419	1,376,483	1,415,218	1,463,319	1,495,917
Acquired collection rights (net)	0	0	0	1	1
TOTAL LOAN PORTFOLIO (NET)	1,313,419	1,376,483	1,415,218	1,463,319	1,495,918
Other accounts receivable, net	123,154	182,450	182,171	139,189	217,456
Reposessed assets, net	1,345	1,364	1,677	1,611	1,531
Prepayments and other assets (net)	2,850	2,677	3,288	3,309	2,980
Property, furniture and equipment, net	35,122	34,625	34,657	36,289	36,023
Assets for rights of use of property, furniture and equipment (net)	4,162	4,425	4,696	5,009	5,392
Equity investments	1,127	1,154	1,183	1,183	1,212
Deferred taxes, net	30,675	34,413	36,592	38,096	36,664
Intangible assets (net)	3,747	4,051	4,051	4,451	4,415
TOTAL ASSETS	2,599,513	2,767,305	2,791,676	2,753,601	2,808,249

Liabilities & Stockholders' Equity

BBVA México Liabilities & Stockholders' Equity Million pesos	Mar. 2022	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023
TOTAL DEPOSITS	1,624,545	1,621,468	1,599,816	1,710,211	1,670,512
Demand deposits	1,301,320	1,282,310	1,252,826	1,367,045	1,323,166
Time Deposits	227,661	236,315	241,742	247,631	247,143
Customer deposits	224,090	235,185	240,674	243,521	237,306
Money market	3,571	1,130	1,068	4,110	9,837
Bonds	89,945	97,204	99,279	88,819	93,708
Deposits global account without movements	5,619	5,639	5,969	6,716	6,495
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	47,123	39,276	38,173	39,162	38,323
Payable on demand	7,924	0	0	0	0
Short- term	6,110	6,664	5,963	6,528	5,946
Long- term	33,089	32,612	32,210	32,634	32,377
Creditors from repurchase agreements	162,587	237,711	284,664	187,057	228,610
Securities creditors	1	1	2	2	2
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	55,437	54,683	46,851	54,734	53,628
Repurchase	13,473	25,992	16,626	15,304	21,573
Securities lending	41,964	28,691	30,225	39,430	32,055
DERIVATIVES	193,135	229,619	269,200	241,172	238,703
Trading	186,602	222,540	260,154	232,352	231,528
Hedge transactions	6,533	7,079	9,046	8,820	7,175
Valuation adjustments derived from hedges of financial liabilities	(856)	(2,684)	(5,170)	(4,771)	(3,472)
Lease liability	4,153	4,413	4,745	5,139	5,560
OTHER PAYABLES	140,327	208,779	196,169	155,775	216,472
Transaction settlement creditors	54,643	89,284	79,989	13,847	87,002
Creditors for margin accounts	1,215	2,265	2,100	342	190
Creditors from collaterals received in cash	16,076	18,670	18,060	13,438	18,680
contributions payable	2,153	2,904	2,261	2,797	2,708
Accrued liabilities and other	66,240	95,656	93,759	125,351	107,892
FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES	68,965	70,748	39,587	38,623	35,289
Subordinated debt	68,965	70,748	39,587	38,623	35,289
Income tax liability	6,921	10,641	12,326	14,112	7,519
Liabilities for employee benefits	2,616	3,776	5,166	6,993	3,960
Deferred credits and advanced collections	2,873	2,793	2,751	5,359	5,328
TOTAL LIABILITIES	2,307,827	2,481,224	2,494,280	2,453,568	2,500,434
SUBSCRIBED CAPITAL	40,003	40,003	40,003	40,003	40,003
Paid- in capital	24,143	24,143	24,143	24,143	24,143
Share premium	15,860	15,860	15,860	15,860	15,860
EARNED CAPITAL	251,626	246,013	257,320	259,951	267,727
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	256,904	255,128	267,039	267,846	274,480
Other Integral Income	(12,179)	(16,016)	(16,620)	(14,796)	(13,654)
Valuation of financial instruments to collect or sell	(8,189)	(10,999)	(10,910)	(8,703)	(7,657)
Valuation of derivative financial instruments for cash flow hedges	(1,234)	(1,512)	(1,512)	(1,353)	(1,307)
Remeasurements of Defined Benefits to Employees	(2,756)	(3,505)	(4,198)	(4,740)	(4,690)
EARNED CAPITAL	291,629	286,016	297,323	299,954	307,730
Non- controlling interest in consolidated subsidiaries	57	65	73	79	85
TOTAL STOCKHOLDERS EQUITY	291,686	286,081	297,396	300,033	307,815
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,599,513	2,767,305	2,791,676	2,753,601	2,808,249

Memorandum accounts

BBVA Mexico					
Memorandum accounts	Mar.	Jun.	Sep.	Dec.	Mar.
Million pesos	2022	2022	2022	2022	2023
Contingent assets and liabilities	1,259	1,239	1,361	2,524	198
Credit commitments	657,360	710,555	769,391	792,231	790,919
In trusts	504,942	608,710	634,701	672,475	825,597
Under mandate	201	192	191	200	212
Assets in trust or under mandate	505,143	608,902	634,892	672,675	825,809
Assets in custody or under administration	254,378	267,360	269,525	264,323	306,201
Collaterals received by the institution	86,413	71,439	66,639	77,156	67,482
Collaterals received and sold or pledged as collateral by the institution	56,200	57,702	47,381	55,253	53,661
Investment banking transactions on behalf of third parties, net	1,986,380	1,959,340	1,954,601	2,035,619	2,209,451
Accrued interest on non- performing loans	2,316	2,527	2,449	2,195	2,192
Other record accounts	3,706,589	3,699,265	3,709,129	3,772,334	3,761,845

"The historical balance of the capital stock as of March 31, 2023 is 4,248 million pesos".

"This consolidated balance sheet is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement."

Eduardo Osuna Osuna

Luis Ignacio De La Luz
Dávalos

Adolfo Arcos González

Ana Luisa Miriam Ordorica
Amezcua

CEO

CFO

Head of Internal Audit

Head of Accounting

P&L

BBVA Mexico					
Income Statement					
Million pesos					
	1Q	2Q	3Q	4Q	1Q
	2022	2022	2022	2022	2023
Interest Income	50,179	53,320	60,430	66,648	70,338
Interest Expenses	(11,938)	(14,346)	(17,103)	(20,397)	(21,002)
Net interest income	38,241	38,974	43,327	46,251	49,336
Provisions for loan losses	(8,535)	(8,126)	(7,796)	(11,162)	(9,197)
Net interest income after provisions for loan losses	29,706	30,848	35,531	35,089	40,139
Commissions and fees charged	13,887	14,942	15,435	17,235	16,675
Commissions and fees paid	(5,779)	(6,278)	(6,530)	(8,012)	(7,019)
Total Fees & Commissions	8,108	8,664	8,905	9,223	9,656
Trading income	2,324	3,386	2,178	3,665	2,519
Other operating income	(1,716)	(1,802)	(1,549)	(1,763)	(1,765)
Non-interest expense	(16,188)	(16,176)	(17,630)	(17,689)	(18,979)
Net operating income	22,234	24,920	27,435	28,525	31,570
Share in net income of unconsolidated subsidiaries and affiliates	35	47	21	165	24
Income before income tax and profit sharing	22,269	24,967	27,456	28,690	31,594
Net Taxes	(6,025)	(6,883)	(5,615)	(8,329)	(8,710)
Net Income	16,244	18,084	21,841	20,361	22,884
Other integral income for the period:					
Valuation of financial instruments to collect or sell	(2,291)	(2,810)	89	2,207	1,046
Valuation of derivative financial instruments for cash flow hedges	(446)	(278)	0	159	46
Remeasurement of defined benefits to employees	198	(749)	(693)	(540)	50
Other comprehensive income for the period	(2,539)	(3,837)	(604)	1,826	1,142
Integral result	13,705	14,247	21,237	22,187	24,026
Net Income attributable to:					
Controlling Interest	16,250	18,092	21,849	20,367	22,890
Non-controlling interest	(6)	(8)	(8)	(6)	(6)
	16,244	18,084	21,841	20,361	22,884
Net Income attributable to:					
Controlling Interest	13,711	14,252	21,245	22,196	24,032
Non-controlling interest	(6)	(5)	(8)	(9)	(6)
	13,705	14,247	21,237	22,187	24,026
Basic Earnings per Ordinary share (pesos per share)	1.92	2.26	3.70	5.04	1.51

"This consolidated income statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement."

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Head of Accounting

Cash Flow Statement

BBVA México		
Cash Flow Statement		
from January 1st to March 31st 2023		
<i>Million pesos</i>		
Income before taxes		31,594
Adjustments associated with items of investing activities:		
Losses or reversal of losses due to impairment of long-lived assets	13	
Depreciation of property, furniture and fixtures	659	
Amortization of installation expenses	488	
Amortization of intangible assets	418	
Participation in the net result of other entities	(24)	1,554
Operating activities		
Change in margin call accounts		1,192
Change in investments in financial instruments (securities) (net)		22,239
Change in debtors from repurchase agreement		4,057
Change in derivatives (assets)		(3)
Change in loan portfolio (net)		(47,956)
Change in other accounts receivable (net)		(78,804)
Change in foreclosed assets (net)		80
Change in other operating assets (net)		33
Change in deposits		(20,368)
Change in interbank loans and other loans from other entities		(618)
Change in creditors from repurchase agreements		41,553
Change in securities lending (liability)		1
Change in collaterals sold or delivered in guarantee		(1,106)
Change in derivative financial instruments (liability)		(825)
Change in other operating liabilities		79,365
Change in hedging instruments (of hedge items related to operation activities)		(1,667)
Change in assets/liabilities for employee benefits		(2,970)
Change in other accounts payable		(10,597)
Income tax payments		(14,354)
Net cash flows used in operating activities		2,400
Investment activities		
Proceeds from the disposal of property, furniture and fixtures		17
Payments for the acquisition of property furniture and fixtures		(906)
Payments for acquisition of intangible assets		(388)
Net cash flows used in investment activities		(1,277)
Financing activities		
Cash Dividend Payments		(16,250)
Payments associated with financial instruments that qualify as liabilities		(405)
Net cash flows from financing activities		(16,655)
Net increase or decrease in cash and cash equivalents		(15,532)
Effects of changes in the value of cash and cash equivalents		(10,608)
Cash and cash equivalents at the beginning of the period		275,795
Cash and cash equivalents at the end of the period		249,655

"This consolidated cash flow statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement."

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Changes in Stockholders Equity

BBVA Mexico <i>Million pesos</i>	Subscribed Capital		Earned Capital					Total participation of the controlling company	noncontrolling interest	Total Stockholder's Equity
	Paid in Capital	Share Premium	Capital Reserves	Results of prior years	Unrealized Gain on Available for Sale Securities	Result from Valuation of Cash Flow Hedging Instruments	Remeasurement of defined benefits to employees			
Balances as of December 31st, 2022	24,143	15,860	6,901	267,846	(8,703)	(1,353)	(4,740)	299,954	79	300,033
OWNER MOVEMENTS										
Dividend Decree	-	-	-	(16,250)	-	-	-	(16,250)	-	(16,250)
Total	-	-	-	(16,250)	-	-	-	(16,250)	-	(16,250)
INTEGRAL RESULT										
Net result				22,884				22,884	6	22,890
Other comprehensive results										
Valuation of financial instruments to collect or sell					1,046			1,046		1,046
Result from valuation of cash flow hedging instruments						46		46		46
Revenues and expenses related to assets held for disposal										
Remeasurement of defined employee benefits							50	50		50
Total	-	-	-	22,884	1,046	46	50	24,026	6	24,032
Balances as of March 31st, 2023	24,143	15,860	6,901	274,480	(7,657)	(1,307)	(4,690)	307,730	85	307,815

"This consolidated variation in stakeholders' equity statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors, under the responsibility of the managers who subscribe to it, approved this consolidated financial statement.."

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Amezcu

CEO

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Regulatory accounting pronouncement recently issued

I. Regulatory changes for the adoption of *NIF* in 2022

In January 2022, new accounting criteria for the Mexican financial system issued by the CNBV were incorporated, in accordance with international criteria (IFRS, International Financial Reporting Standard), including changes in the financial statements. Derived from the foregoing, the financial information published in 2022 is not comparable with the information for 2021, nor with what was published in previous years. In the publication in the Official Gazette of the Federation on March 13, 2020, in the fifth transitory, it is established that the institutions may adopt a practical solution and recognize the date of entry into force, that is, January 1st 2022, the cumulative effect of accounting changes. Due to the foregoing, comparisons with each quarter of fiscal year 2021 and for the period ended on December 31, 2021 or with previous fiscal years do not have to be presented.

Through publication in the Official Gazette of the Federation dated December 4, 2020 and dated December 21, 2021, the National Supervisory Commissions announced the obligation as of January 1, 2022, for the adoption and repeal of various NIFs issued by the CINIF. Reference is made to the quarterly report of [BBVA Mexico Financial Group](#) for the fourth quarter of 2022 (page 83) for the detail of the changes, accounting effects and changes derived from said changes.

II. Improvements to the International Financial Rules (NIF by its acronym in Spanish) 2023

In November 2022, the CINIF issued the document called "Improvements to NIF 2023", which contains specific modifications to some existing NIF. The main changes are in the following dispositions:

NIF B-11 Long term assets and discontinued operations

NIF B-15 Foreign currency conversion

NIF B-10 Inflation effects

III. Amortization of deferred loan portfolio with effective interest rate

For more detail of topics II and III, please refer to the 1Q23 Financial Report (in Spanish) where you can find the explanations and effects.

* * *

BBVA Mexico

Financial Results and Achievements

January-March 2023

Contact

Investor Relations

investorrelations.mx@bbva.com

<http://investors.bbva.mx>

The BBVA logo is displayed in white, bold, sans-serif capital letters on a dark blue rectangular background. This background is part of a larger architectural structure, which appears to be a modern building with a glass and metal facade. The building features a prominent blue helipad on a higher level and a green rooftop garden area. The overall scene is set against a clear blue sky, with a cityscape visible in the background.

BBVA