

BBVA Mexico

1Q21 Results

Fixed Income

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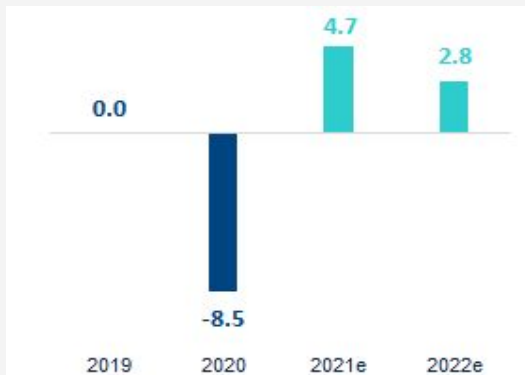
01

Macroeconomic Environment

Economic recovery in 2H20, expecting 4.7% GDP growth for 2021

GDP

(YoY % change)

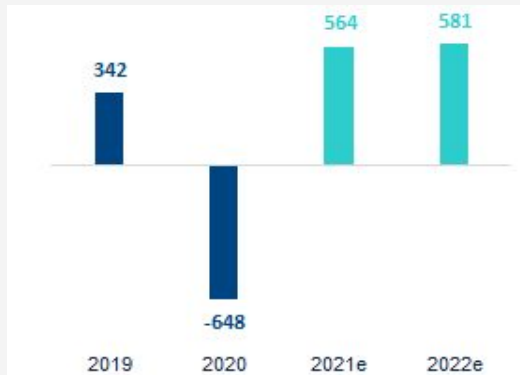


2021 **GDP growth** expectation with an **upward bias**:

- Boost from US stronger GDP growth.
- Expecting higher dynamism of exports.
- Consumption gathers momentum (hotels and restaurants recovering).

FORMAL EMPLOYMENT

(Thousands, YoY change)

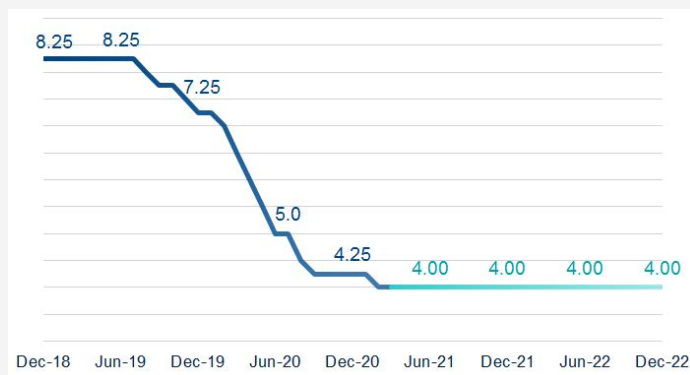


Employment outlook improved in line with GDP's upward revision:

- Formal employment reaches pre-pandemic levels in 4Q22.
- Gradual normalization of some sectors in the economy.

MONETARY POLICY RATE

(%)



Expecting a **long monetary policy pause**:

- Maintain rates at 4% given higher inflation expectation.
- Interest rate hikes could start in 2023.

02

BBVA Mexico's Strategy

BBVA is a leading financial institution in Mexico

BBVA Mexico's Footprint

(Mar 21)



INFRASTRUCTURE



1,728
Branches

SOCIAL IMPACT



23.4 M
Customers

INNOVATION



12.9 M
Digital Customers



12,957
ATMs



33,759
Employees



67%
Digital Sales

OUR PURPOSE

“To bring the age of opportunity to everyone”

WE FOLLOW BBVA GROUP STRATEGIC PRIORITIES



Improving our **client's financial health**



Helping our clients transition towards a **sustainable future**



Reaching **more clients**



Operational **excellence**



The best and most **engaged team**



Data and Technology

We continue to be committed to Mexico, working on financial inclusion and sustainability



BANCARIZATION

- Our strategy of **Banca de Barrio for SMEs**.
- Boost CoDi among clients**, focus on new developments for its use.



5 M

ENROLLED BBVA
ACCOUNTS (62% TOTAL)

38%

PAYMENTS

42%

DEPOSITS

- Specific products for young people:

LinkCard:

Debit <18 year

15 thousand

NEW 3M21

+16% vs. 12M20

Credit Card Crea

Credit 18 and 30
years

12 thousand

NEW 3M21

+30% vs. 12M20



DIVERSITY AND EDUCATION

- Diversity and inclusion council:** Action plans on Gender Diversity in leadership positions.
- Our **scholarship program** continues through Fundación BBVA. In the 2020-2021 academic year:



40,685

YOUNG SCHOLARSHIPS

- Financial education:**

**Specific
Web FE**

1.4 M

VISITS 3M21

Workshops

+900

WORKSHOPS
3M21



SUSTAINABLE FINANCING

- Loans with special conditions to individuals and companies

612 MP

INDIVIDUALS 3M21

371 MP

COMMERCIAL 3M21

- Issuer of the **first Social Gender Bond of BID Invest**

2,500 MP

SOCIAL GENDER BOND



Our innovation and service culture are key elements to boost results

DIGITAL CLIENTS



12.9
M

+26%
vs. Mar.
20

MOBILE CLIENTS



12.4
M

+27%
vs. Mar.
20

DIGITAL SALES

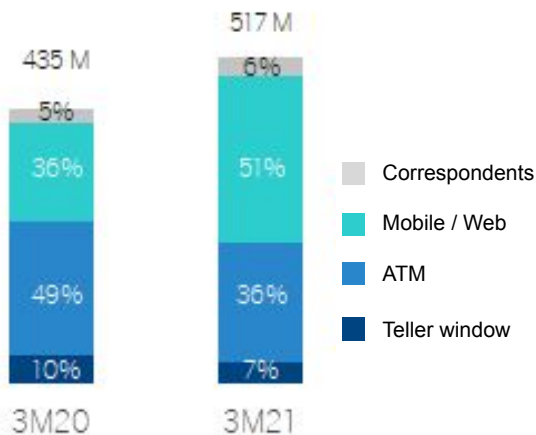


67.2
%

+7 pp
vs. Mar.
20

TOTAL FINANCIAL TRANSACTIONS, 3M21 (excludes TPVs)

(% financial transactions)



Teller
Window

35 million



-20%
vs. 3M20



Mobile / Web

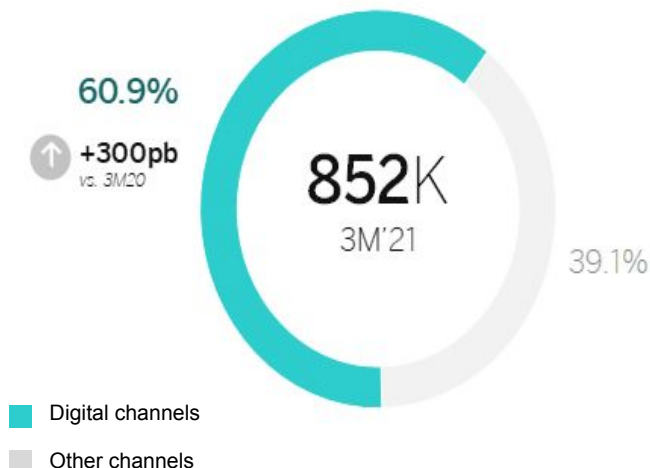
264 million



+70%
vs. 3M20

NEW ACCOUNTS

(million accounts)

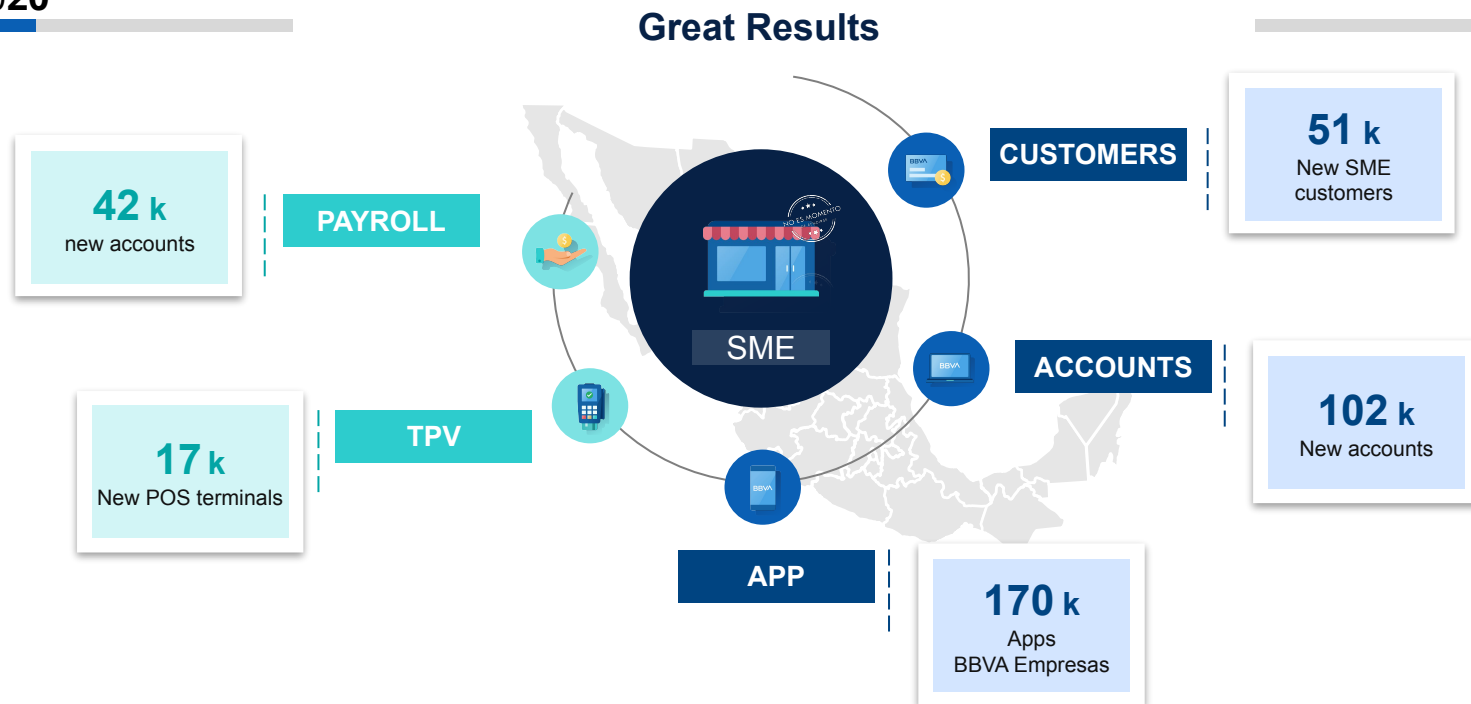


More than 1 million transactions in the last twelve months

We focus on the banking and digitization of the SMEs as part of our “Banco de Barrio” strategy

Jul - 2020

Mar - 2021



Offering new developments that improve the experience of our customers and facilitate their transactions through mobile channels

- **PAYMENTS WITH BBVA POINTS OR MONTHS WITHOUT INTEREST**

Change the payment method for purchases that you already have in the app were carried out, using BBVA points or financing with months without interests.

+200 k

CUSTOMERS IN 3M21

- **DIGITAL APPOINTMENT**

Save waiting time in the branch, creating a differential experience with our customers.

+72 k

IN 3M21

- **DIGITAL AND ADDITIONAL CREDIT CARDS**

Add additional cards (from the family or from other accounts) to the card management view in the app, to know the balances and / or turn the cards on and off.



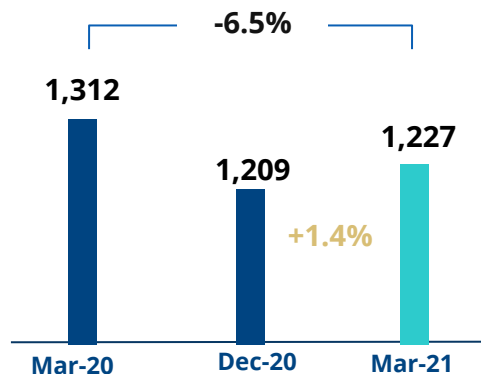
03

BBVA Mexico's Strengths

Strengthening our leadership despite a complex environment

Performing Loans

(Billion Pesos)



Market Share

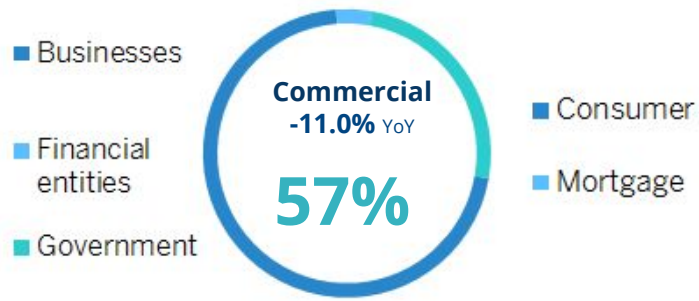
(Performing Loans, Mar-21, %)

		YoY (pb)
BBVA	23,5	+22
Peer 1	15,0	+143
Peer 2	13,3	-20
Peer 3	10,2	-239
Peer 4	7,8	+9
Peer 5	6,9	-62

Market share, CNBV figures of total banks.

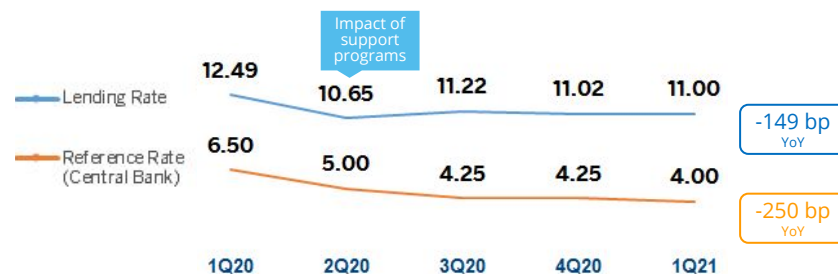
Lending Mix

(%)



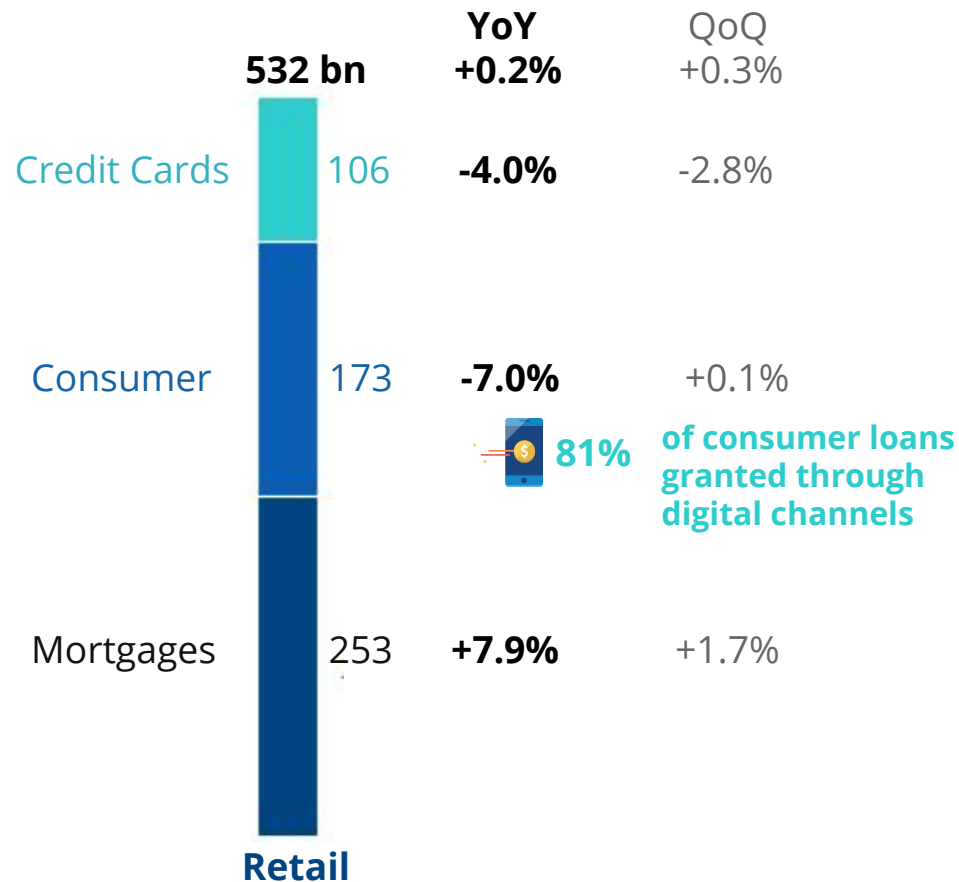
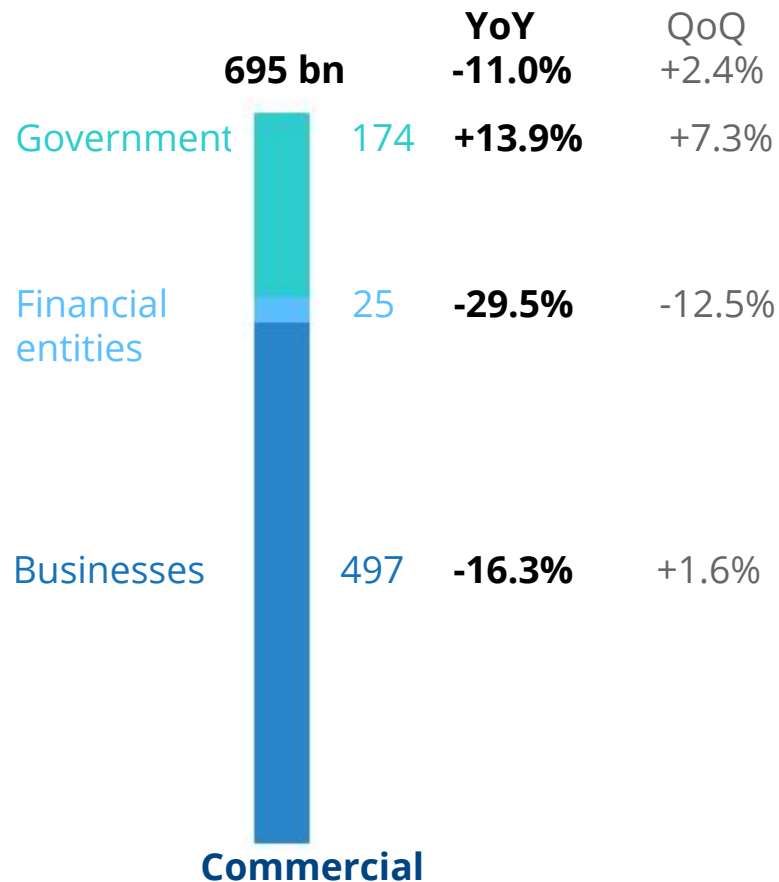
Lending Yield

(%)



Higher dynamism in government and mortgage loans

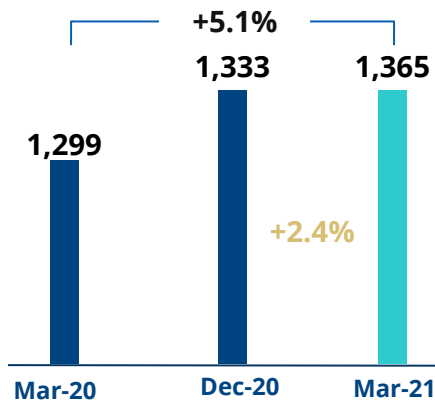
(Billion Pesos)



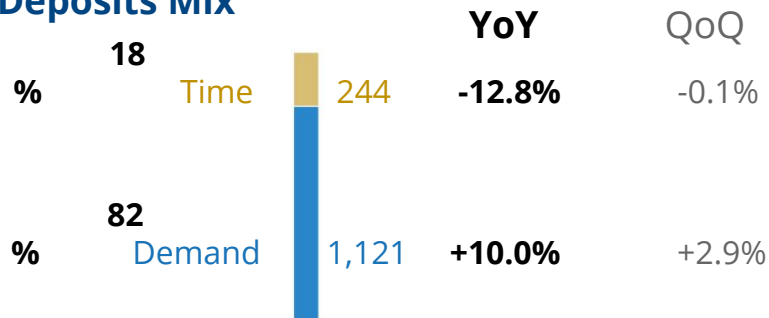
Efficient funding structure

Deposits

(Demand + Time Deposits, billion pesos)



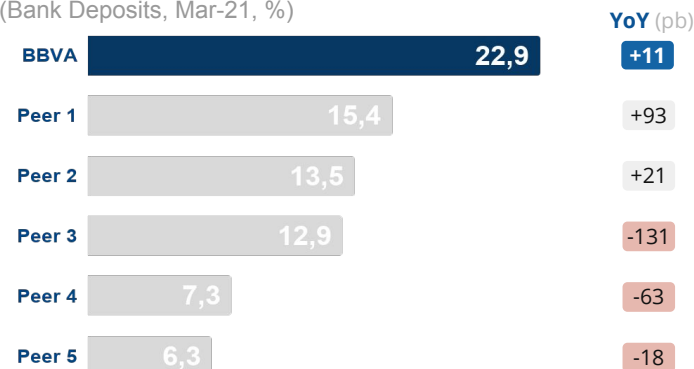
Deposits Mix



NOTE: Demand deposits includes the deposits global account without movements
Figures under local accounting standards with BBVA Mexico data.

Market Share

(Bank Deposits, Mar-21, %)



Market share, CNBV figures of total banks.

NOTE: Main peers = Banorte, Santander, Citibanamex, Scotiabank and HSBC

Funding cost

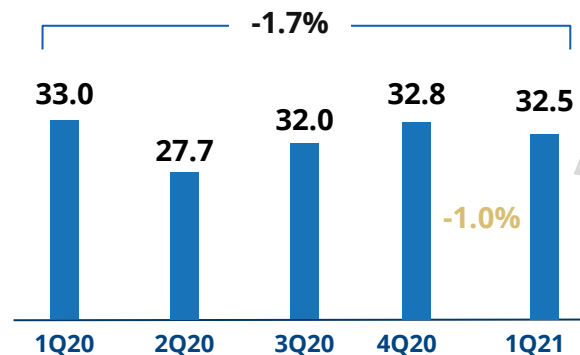
(Demand and time deposits of Banxico, monthly annualized, %)



Slight recovery of net interest income, still room to reach pre-pandemic levels

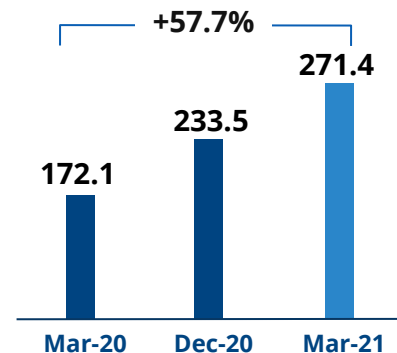
NET INTEREST INCOME

(billion pesos)



ALCO PORTFOLIO

(billion pesos)



CUSTOMER SPREAD

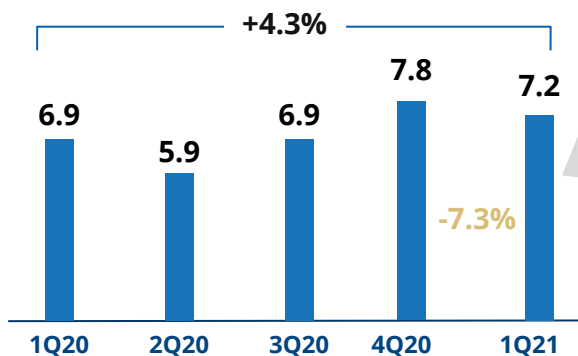
(%)



Positive evolution of revenues

NET FEES & COMMISSIONS

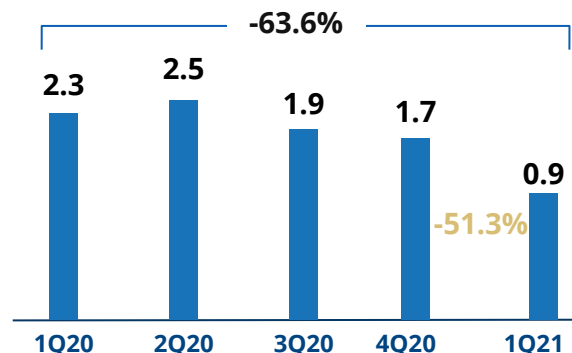
(billion pesos)



Higher Credit Cards
billing and
investment banking

TRADING INCOME

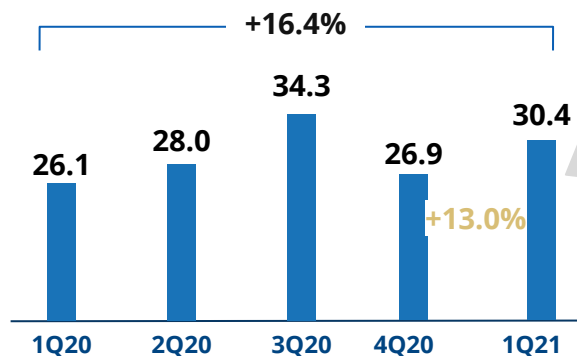
(billion pesos)



Decline in FX
operations volume
and lower income
coming from Global
Markets

GROSS INCOME

(billion pesos)

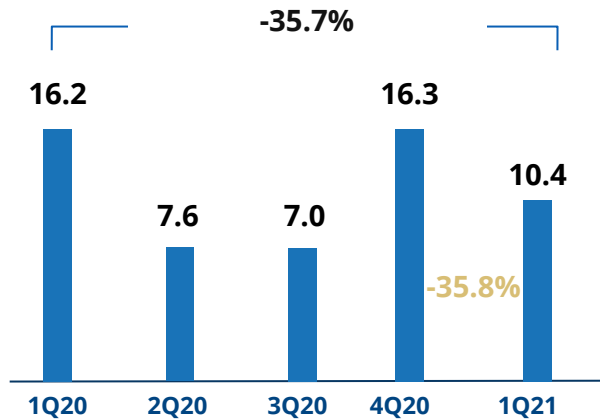


Benefited from
lower provisions
compared to 1Q20

Asset quality better than expected considering the expiry of deferral programs

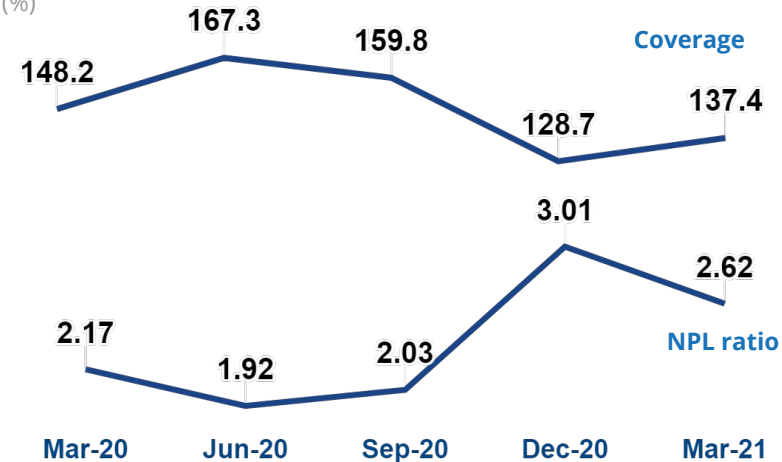
PROVISIONS FOR LOAN LOSSES

(billion pesos)



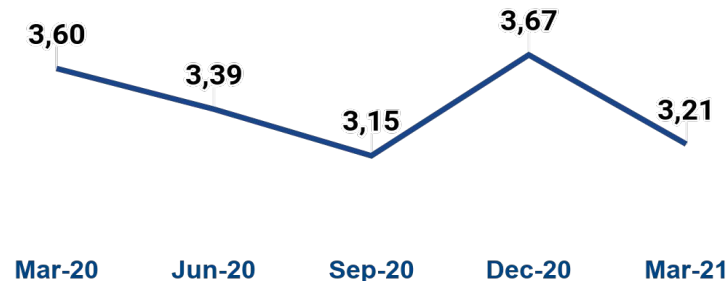
COVERAGE & NPL RATIO

(%)



COST OF RISK

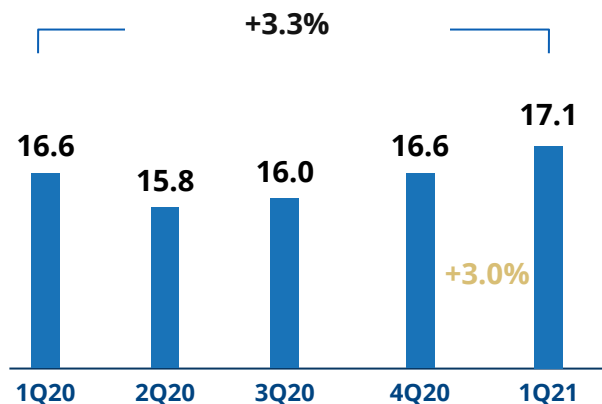
(12m-Accumulated, %)



Controlled expenses growing below inflation, with one of the best efficiency ratios in the financial system

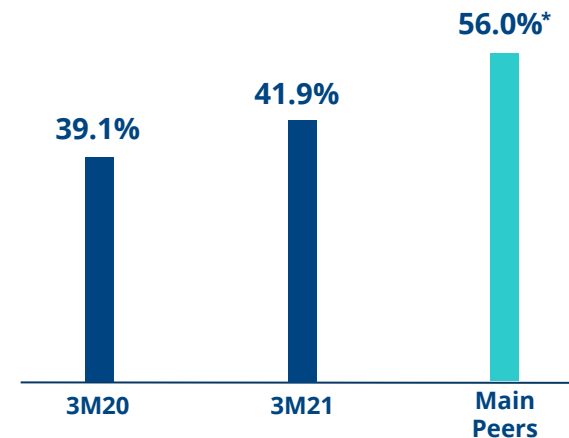
NON-INTEREST EXPENSES

(billion pesos)



EFFICIENCY RATIO

(%)



Resilient P&L

BBVA MEXICO

(million pesos)

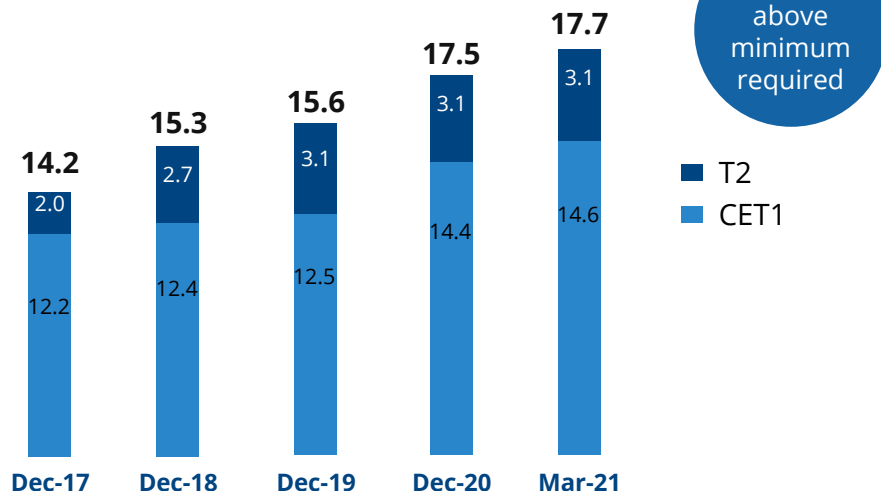
	3M20	3M21	Y-o-Y(%)
Net Interest Income	33,044	32,498	(1.7)
Provisions for loan losses	(16,237)	(10,445)	(35.7)
Net Interest Income after provisions	16,807	22,053	31.2
Fees & Commissions	6,928	7,225	4.3
Trading Income	2,327	848	(63.6)
Other Income	69	282	n.a.
Gross Income	26,131	30,408	16.4
Non-Interest Expenses	(16,581)	(17,135)	3.3
Net Operating Income	9,550	13,273	39.0
Income Before Tax	9,569	13,291	38.9
Net Attributable Profit	6,444	9,702	50.6

- Net Interest Income impacted negatively by **lower demand of loans and lower interest rates.**
- **Lower provisions** compared to 1Q20 as in that quarter the effect of the Covid-19 was registered.
- **Higher commissions** as a result of an increase in credit card and debit card billing.
- Negative **Trading Income** due to volatility observed in the financial markets during the quarter.
- Significant initiatives to **control expenses evolution** in a complex scenario.

Sound capital and comfortable liquidity position

CAPITAL RATIO

(%)



BBVA Minimum Requirement: CET1 8.5% and Total Capital Ratio 12%



Proven capacity to generate organic capital.

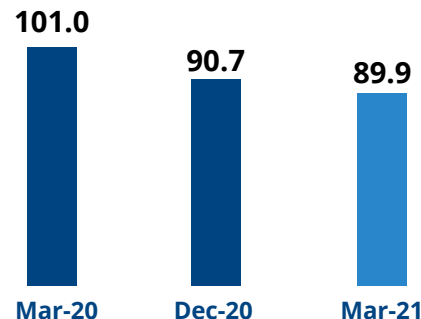


Record high capital ratios boosted by strong net income generation.

Figures under local accounting standards with BBVA Mexico data.

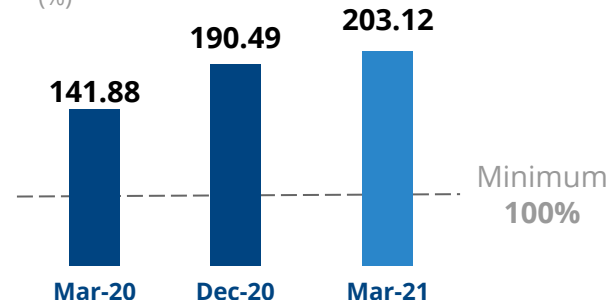
LOANS TO DEPOSITS

(%)



CCL (LOCAL LCR)*

(%)

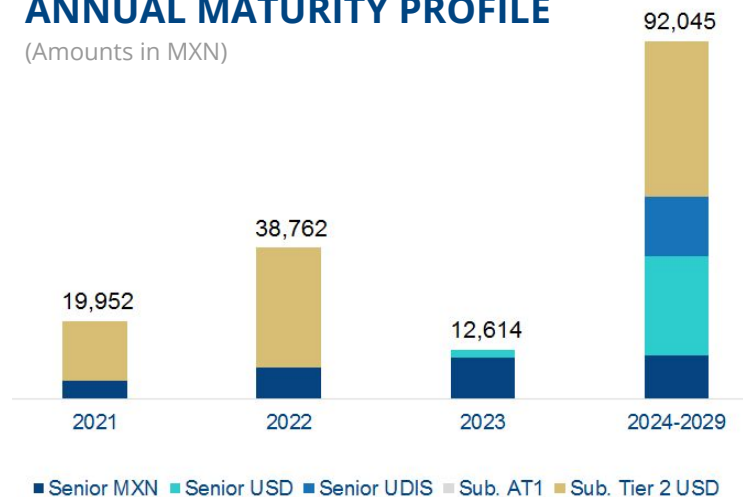


*LCR: Local Liquidity Coverage Ratio

Low dependence on wholesale funding and manageable maturity profile

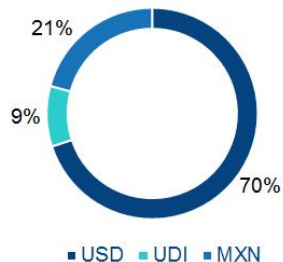
ANNUAL MATURITY PROFILE

(Amounts in MXN)



Distribution by Currency

(%)



LIQUIDITY BALANCE SHEET

(As of March 2021)



BBVA Mexico

1Q21 Results

Fixed Income

ANNEX

BBVA

Creating Opportunities

Macroeconomic Expectations

	2019	2020	2021	2022
GDP (% y/y)	0.0	-8.5	4.7	2.8
Private consumption (% y/y)	0.6	-10.6	4.2	2.8
Formal Employment (IMSS) milion	20.42	19.77	19.84	20.39
Inflation (% eop)	2.8	3.2	4.2	3.5
Interest rate (eop)	7.25	4.25	4.00	4.00
FX MXN / USD (eop)	19.1	20.0	19.7	19.7

Ratings

BBVA Mexico Long-term Senior Ratings

S&P

Negative outlook
(Mar 26th, 2020)

BBB

Fitch

Stable outlook
(Nov 11th, 2020)

BBB





Moody's

Negative outlook
(April 22nd, 2020)

Baa1

Long-term Global Foreign Currency Ratings

(updated as of December 31st, 2020)

	S&P	Fitch	Moody's
Investment Grade	AAA	AAA	Aaa
	AA+	AA+	Aa1
	AA	AA	Aa2
	AA-	AA-	Aa3
	A+	A+	A1
	A	A	A2
	A-	A-	A3
	BBB+	BBB+	Baa1 BBVA Mx 
	BBB BBVA Mx 	BBB BBVA Mx 	Baa2
	BBB-	BBB- 	Baa3
Non Investment Grade	BB+	BB+	Ba1
	BB	BB	Ba2
	BB-	BB-	Ba3
	B+	B+	B1
	B	B	B2
	B-	B-	B3
	(...)	(...)	(...)

Local and International Issuances

Instruments	Amount	Original Currency	Issue Date	Due Date	Term (years)	Rate	Ratings		
Senior Debt							S&P	Moody's	Fitch
BACOMER 07U	2,240	UDIS	02-feb-07	09-jul-26	19.4	4.36%		Aaa.mx	AAA(mex)
BACOMER 21145	1,000	MXN	15-abr-11	02-abr-21	10.0	TIE28 + 80		Aaa.mx	AAA(mex)
BACOMER 22224	1,000	MXN	07-jun-12	26-may-22	10.0	TIE28 + 85		Aaa.mx	AAA(mex)
Senior Notes Dlls 2024	750	USD	10-abr-14	10-abr-24	10.0	4.375%		Baa1	BBB
Senior Notes Dlls 2025	500	USD	15-sep-20	18-sep-25	5.0	1.875%		Baa1	BBB
BACOMER 17-2	1,858	MXN	26-may-17	26-may-22	5.0	TIE28 + 35		Aaa.mx	AAA(mex)
BACOMER 18V	3,500	MXN	27-sep-18	23-sep-21	3.0	TIE28 + 10		Aaa.mx	AAA(mex)
BACOMER 18	3,500	MXN	27-sep-18	21-sep-23	5.0	TIE28 + 19		Aaa.mx	AAA(mex)
BACOMER 19	5,000	MXN	21-jun-19	17-jun-22	3.0	TIE + 7		Aaa.mx	AAA(mex)
BACOMER 19-2	5,000	MXN	21-jun-19	11-jun-27	8.0	8.49%		Aaa.mx	AAA(mex)
BACOMER 20	7,123	MXN	10-feb-20	08-feb-23	3.0	TIE28 + 5		Aaa.mx	AAA(mex)
BACOMER 20-2	6,000	MXN	10-feb-20	05-feb-25	5.0	TIE28 + 15		Aaa.mx	AAA(mex)
BACOMER 20D	100	USD	10-feb-20	27-ene-23	3.0	Libor3M + 49		Aaa.mx	AAA(mex)
Subordinated Debt									
Subordinated Debentures Tier 2 2022	1,500	USD	19-jul-12	30-sep-22	10.2	6.75%		Baa2	BB
Subordinated Debentures Tier 2 2029 (15NC10)	200	USD	06-nov-14	12-nov-29	15NC10	5.35%	BB	Baa3	BB
Subordinated Debentures Tier 2 2033 (15NC10)	1,000	USD	17-ene-18	18-ene-33	15NC10	5.125%	BB		BB
Subordinated Debentures Tier 2 2034 (15NC10)	750	USD	05-sep-19	13-sep-34	15NC10	5.875%		Baa3	BB
Mortgage Securitization									
BACOMCB 09-3	3,616	MXN	07-ago-09	24-may-29	19.8	10.48%	mxAAA		AAA(mex)

BBVA

Creating Opportunities

BBVA