



**BBVA México**  
S.A.

**Financial Report and  
Achievements**

January-September 2021



## RESULTADOS 9M21

### Positive behavior in **recurrent income**

Total Income\*

**+7.5%**

vs.9M20 (mp)

\*Financial Margin + net commissions + trading income + other income

### Operational **excellence**

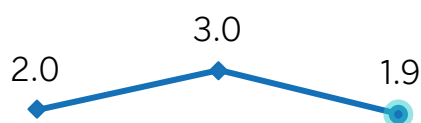
Efficiency ratio



**37.8%**

### Adequate **asset quality**

#### Past Due Loan Ratio (%)



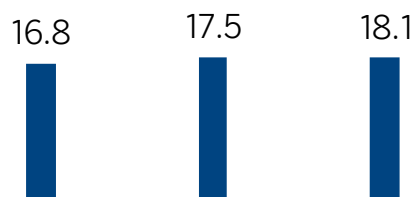
Sep.20

Dic.20

Sep.21

### High **capital levels**

#### Capitalization Index (%)



Sep.20

Dic.20

Sep.21

BBVA

## TRANSFORMATION

### Continuous investment in **innovation** New Aqua Card



Recycled  
Plastic

Without visible  
numbers



Contactless



## SUSTAINABILITY

### Committed with the environment

Help our **clients' transition** to a  
**sustainable future**



We grant **green loans** to  
companies and support them  
in their debt issuances



Our clients obtain **benefits** on  
their loans for **sustainable  
goods**

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## Relevant Information

### **Decree and distribution of dividends**

During the third quarter of 2021, no decree or dividend payments was made, regarding the dividends that were approved for distribution at the General Ordinary Shareholders' Meeting of BBVA México, SA, Institución de Banca Múltiple, Grupo Financiero BBVA México (BBVA Mexico or the Institution) dated February 26, 2021, corresponding to the profits for the year 2020.

The foregoing in accordance to the recommendation of the National Banking and Securities Commission (CNBV), applicable to fiscal years 2019 and 2020 for credit institutions dated April 16, 2021, by means of official letter No. P083 / 2021, on the payment of dividends, shares repurchase and any other mechanism or act that implies a capital transfer to the, which left without effect the one dated March 30, 2020.

### **Expiration of the Bank Stock Certificate**

During September 2021, the Stock Certificate BACOMER 18V expired and was liquidated; the issuance date was September 2018 for an amount of 3,500 million pesos (mp).

### **Change in Company Name**

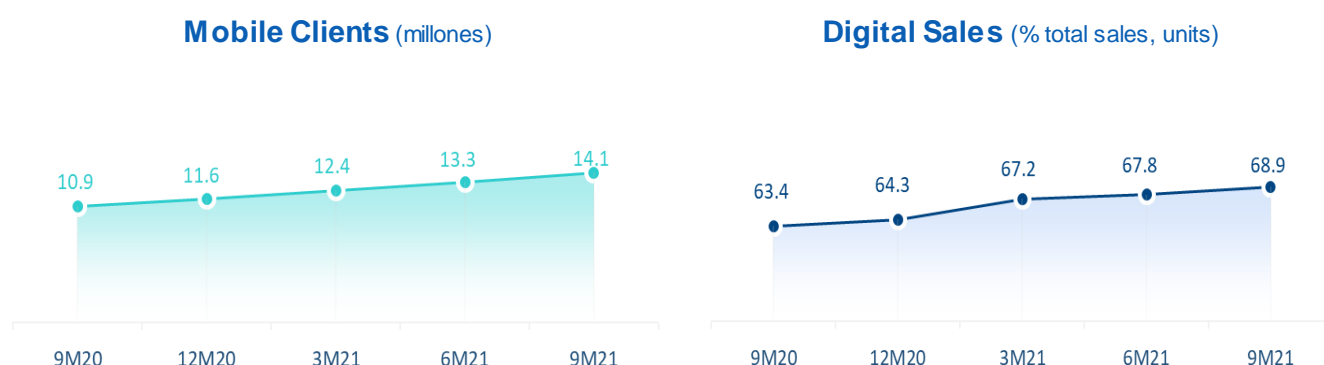
As part of the unified identity of Grupo BBVA globally, as well as the rebranding at the local level, the financial entities that form Grupo BBVA Mexico changed their corporate names. In the case of the bank, the Group's main subsidiary, the new name is established as BBVA México, SA, Institución de Banca Múltiple, Grupo Financiero BBVA México, which will replace the previous name, BBVA Bancomer, SA, Institución de Banca Múltiple, BBVA Bancomer Financial Group.

## Digital Development

### DIGITAL STRATEGY

As a result of our continuous investment in innovation and development of new products and services to offer our customers through our Apps, we **continue to see a growth in the number of customers using digital channels**. As of today, we reached a total of 14.1 million of Mobile Clients at the end of September 2021, which represents 60% of total customer base, being 30% higher than the previous year.

Constant boost in the use of digital channels is reflected in the percentage of digital sales (measured in units), which during the first nine months of the year reached 69% of total sales done in BBVA Mexico.



Financial transactions carried out by our clients in the first nine months of the year totaled 1,676 million, which represented an increase of 32% compared to last year. In this sense, the continuous implementation of our digital strategy, reflected in the number of transactions carried out within our mobile and web channels, representing 53% of the total (compared to 43% in 9M20) and growing by 64% in the last twelve months. This allows our customers to access our services and products more easily, reducing waiting time and in a safe environment, complying with the most robust and sophisticated standards in the industry.

### DIGITAL DEVELOPMENT & INNOVATION

#### BBVA INVEST

BBVA Mexico recently made available the BBVA *Invest* service to its clients, an innovative experience of digital personalized advice. Based on an objective and using programmed investment, this service offers investment fund portfolios for each of our clients. BBVA *Invest* is a tool for clients who are not familiar with the investment world, having access to have high quality and personalized digital advice.

#### INSURANCE "TU MÉDICO PARTICULAR" (your own doctor)

In order to promote the culture of health insurance and help to protect financial health of Mexicans, BBVA Seguros Salud México, S.A. de CV, Grupo Financiero BBVA México and Bupa Seguros México

launched a insurance product called '*Tu Médico particular*', a product that offers consultations, video consultations, medicines and a doctor at home, as well as diagnostic analysis and medical emergencies, in case of needed. The insurance, which can be hired digitally and / or in BBVA Mexico branches, is aimed on being a complement to a public or private insurance, in addition to having financial support for people who do not have Access to a health service.



# Responsible Banking

## REPUTATION MANAGEMENT AT BBVA MEXICO

This topic is becoming more and more relevant since it is one of the most valuable and important resources to maintain and create value for institutions, it also serves to mitigate risks and identify opportunities that ensure the sustainability of organizations.

At BBVA Mexico, we have set out to be the company with the best reputation, generating value for society and responding to the needs of clients and employees.

Today we are close to our goal, since we are currently number four in the *Merco ranking of the 100 best companies (the first place in the financial sector)* and our CEO is number five in the *Leaders ranking*, for the first time we have a ranking within Top 5 in both of these rankings.



The challenge continues and for this, BBVA Mexico implemented a robust governance model that mitigates potential reputational risks. The main processes within our governance model are: prevention, reputation management, response to events and damage control, communication and monitoring.

There are seven dimensions by which we currently measure reputation:

- Offer of products and services
- Ethics and Integrity
- Society and Environment
- Leadership
- Finance
- Innovation
- Job

This helps us identify the needs that have the greatest impact for the perception of our stakeholders and act accordingly. We will continue working to improve internal and external processes to become the company with the best reputation in the country.

## SUSTAINABLE STRATEGY

BBVA Mexico is aware of the important role banking institutions' play in the transition to a sustainable world through its financial activity, as demanded by society. In addition, this is one of our strategic priorities "to help our clients transition towards a sustainable future", inspired by the Sustainable Development Goals (SDG) adopted by the United Nations (UN), with a focus on climate change, and inclusive and sustainable social development.

BBVA Mexico has a local sustainable office that coordinates twelve work groups specifically designed to develop sustainable solutions for clients and promote responsible communication and marketing practices directed at them. In addition, we have strategies that favor the creation of sustainable markets.

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BBVA Mexico aims to enhance a positive impact through financial instruments, aligning itself with initiatives such as:

- Financial Initiative of the United Nations Environment Program (UNEP FI)
- Equator Principles
- Principles of Responsible Investment (PRI)
- Principles of Responsible Banking (PRB)
- UN Global Pact
- Carbon Disclosure Project (CDP)
- Green Finance Advisory Council (CCFV, by its acronym in Spanish)

Finally, in 2020 Grupo BBVA and BBVA Mexico took an additional step forward with two very relevant announcements: First, the commitment to reduce its exposure to carbon-related activities to zero by 2030 in developed countries and by 2040 in the rest of the world. Second, it has made a commitment to be greenhouse gas neutral (zero carbon portfolio) by 2050, also taking into account the emissions of clients financed. This is a very important milestone, which means aligning with the most ambitious scenario of the Paris Agreement.

## SUSTAINABLE FINANCING

### Credit Products

The range of credit products handled by BBVA Mexico have significant benefits for clients such as preferential rates. The main goal is to make these products more attractive in the market.

**Individuals:** financing for the acquisition of hybrid and electric cars, financing for solar panels and green mortgages, among others.

**Companies:** green financing for companies, letters of credit, leases and green bonds, among others.

**Insurance:** we are initiating the green insurance offering (hybrid and electric cars).

\*Preliminary figures

January - September 2021

**2,467 mp**

January - September 2021

**38,887 mp\***



## **Green and social bonds issuance in the Mexican market**

Beyond just promoting sustainable financing, at BBVA Mexico we promote a new Sustainable Banking model. For this reason, we have actively participated in numerous initiatives and are always in close collaboration with all interest groups such as the industry itself, regulators, supervisors, investors and civil society organizations to continue advancing and promoting the world's transition towards a sustainable development.

The total of green and social bonds in which we participated as an intermediary placement agent in the first nine months of the year was for 19,400 million pesos.

# Analysis and Discussion of Results

## Executive Summary

- We continue to **provide opportunities to our clients and boost the country's economic activity**, reflected in the performance of the **consumer and housing loan portfolio, growing 1.7% and 8.3% in annual terms**, respectively (4.1% and 6.5% vs. Dec-20).
- **The loan portfolio remained at similar levels to that of the third quarter of 2020** (+3.3% vs. Dec-20), the annual comparison shows the effect of the use of credit lines in 2020 from companies and corporates to face the pandemic, which have been prepaid during 2021.
- **As such, we maintain our leadership in the loan portfolio, with a market share of 23.7% in August 2021**, according to figures published by the CNBV.
- The continuous promotion of savings among our clients is shown in the evolution of our **bank deposits** (demand deposits + total term), with an **annual growth of 4.2%** (4.1% vs. Dec-20). This has led us to increase our **bank deposit market share** in the last twelve months by 47 basis points (bp) to **23.1% in August 2021** (figures from the CNBV).
- **Net income for the first months of the year totaled 42,459 million pesos**, driven by a recovery in the financial margin, higher commissions resulting from the opening of non-essential activities during the year, and the continuous search for internal efficiencies focused on maintaining our operational excellence.
- Our solid risk models are reflected in a continuous improvement of the **asset quality indicators with an NPL ratio that improved to 1.9%**.
- **We continue to have solvency and liquidity ratios above the minimum required**, with a total capital ratio (ICAP) of 18.1% and a liquidity coverage ratio of 216.69% (minimum required of 12% and 100%, respectively).

# Main Magnitudes

Information as September 2021

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						%			
Main Magnitudes	3Q	4Q	1Q	2Q	3Q		9M	9M	%
Million pesos	2020	2020	2021	2021	2021	Q-o-Q	2020	2021	Y-o-Y
<b>Balance Sheet</b>									
Assets	2,452,564	2,442,870	2,413,308	2,494,873	2,510,737	0.6	2,452,564	2,510,737	2.4
Performing Loans	1,250,968	1,209,449	1,226,893	1,233,847	1,249,918	1.3	1,250,968	1,249,918	(0.1)
Liabilities	2,218,878	2,200,636	2,166,430	2,246,110	2,243,802	(0.1)	2,218,878	2,243,802	1.1
Bank Deposits*	1,326,707	1,328,063	1,359,680	1,361,633	1,382,046	1.5	1,326,707	1,382,046	4.2
Equity	233,686	242,234	246,878	248,763	266,935	7.3	233,686	266,935	14.2
<b>Results</b>									
Net Interest Income	31,965	32,835	32,498	32,586	34,375	5.5	92,693	99,459	7.3
Total Operating Income	41,376	43,168	40,853	43,535	43,949	1.0	119,359	128,337	7.5
Expenses	(15,969)	(16,638)	(17,135)	(17,646)	(13,733)	(22.2)	(48,399)	(48,514)	0.2
Income Before Tax	18,438	10,290	13,291	19,444	25,605	31.7	40,149	58,340	45.3
Net Income	12,663	7,587	9,702	13,349	19,408	45.4	28,580	42,459	48.6
<b>Indicators in %</b>									
	3Q	4Q	1Q	2Q	3Q		9M	9M	
	2020	2020	2021	2021	2021	QoQ (bp)	2020	2021	YoY (bp)
<b>Profitability and Asset Quality</b>									
ROE	22.3	12.8	15.9	21.5	30.1	856	17.0	22.2	525
Efficiency	38.6	38.5	41.9	40.5	31.2	(928)	40.5	37.8	(275)
NPL ratio	2.0	3.0	2.6	2.4	1.9	(46)	2.0	1.9	(11)
Coverage ratio	159.8	128.7	137.4	141.5	149.8	834	159.8	149.8	(1,004)
<b>Solvency and Liquidity</b>									
Total Capital Ratio	16.8	17.5	17.7	17.5	18.1	61	16.8	18.1	129
Core Equity Tier 1 Ratio	13.5	14.4	14.6	14.5	15.5	100	13.5	15.5	205
CCL**	185.24	190.49	203.12	206.89	216.69	980	185.24	216.69	3,145
Leverage Ratio	9.8	10.3	10.3	9.6	10.2	54	9.8	10.2	36
<b>Figures in units (#)</b>									
	3Q	4Q	1Q	2Q	3Q		9M	9M	
	2020	2020	2021	2021	2021	QoQ (#)	2020	2021	YoY (#)
<b>Infrastructure</b>									
Employees	33,347	33,313	33,759	33,525	37,889	4,364	33,347	37,889	4,542
Branches	1,814	1,746	1,728	1,725	1,721	(4)	1,814	1,721	(93)
ATMs	12,923	12,950	12,957	13,014	13,139	125	12,923	13,139	216

\* Demand + time deposits

\*\* LCR level quarterly average. Preliminary figure

## Commercial Activity

### Performing Loans

The loan portfolio remained at similar levels than that of the third quarter of 2020, while in the first nine months of 2021 grew by 3.3%. The annual comparison shows the effect of credit line used by companies and corporations to face the pandemic in 2020, and that were later prepaid; while compared to 2020, the result benefits from a favorable recovery in the demand of consumer and mortgage loans.

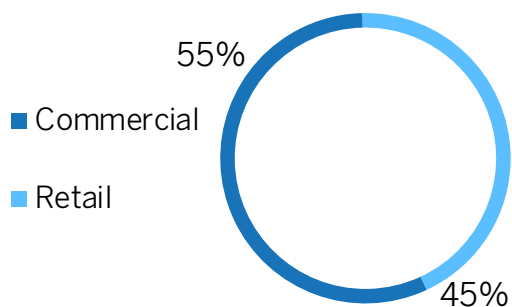
As a result of the continuous recovery in the country's economic activity, driven largely by a pickup in private consumption, we have observed an acceleration in loan demand mainly to individuals, which grew 4.7% in annual terms (+5.2% vs. Dec-20). By segment, the mortgage portfolio continues to show a favorable performance growing 8.3% annually (6.5% vs. Dec-20); while consumer and credit card loans have accelerated their growth trend in recent months increasing 1.7% in annual terms (4.1% vs. Dec-20), highlighting a positive performance in payroll loans and credit cards.

The commercial portfolio decreased 3.7% in annual terms (+1.9% vs. Dec-20). By segment, business loans have been impacted by the effect of prepayments; as well as the appreciation of the peso against the dollar. The result in the first nine months of the year is explained by a positive behavior in government loans (+1.5%), explained by our strategy based on complete solutions, as well as by higher demand for loans to companies, growing 3.3% in the period.

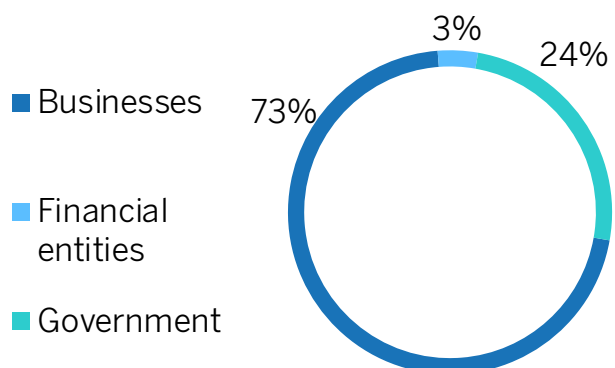
We maintain our leadership as a result of a continuous loan offer to our clients, registering a market share of 23.7% as of August 2021, an increase of 51 bp compared to 2020 and according to figures published by the CNBV.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Performing Loans	9M	6M	9M	%	
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y
Businesses	534,926	499,068	505,222	1.2	(5.6)
Financial entities	26,762	24,156	22,065	(8.7)	(17.6)
Government	155,953	166,593	164,105	(1.5)	5.2
Government loans	100,179	112,504	114,629	1.9	14.4
State-owned entities	55,774	54,089	49,476	(8.5)	(11.3)
Commercial loans	717,641	689,817	691,392	0.2	(3.7)
Consumer	288,427	285,434	293,398	2.8	1.7
Mortgage	244,900	258,596	265,128	2.5	8.3
<b>Total Performing Loans</b>	<b>1,250,968</b>	<b>1,233,847</b>	<b>1,249,918</b>	<b>1.3</b>	<b>(0.1)</b>

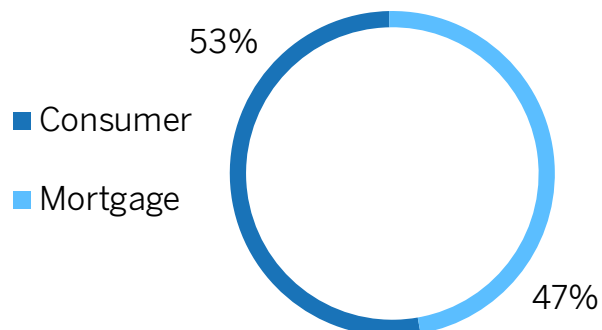
### Performing Loans mix (%)



### Commercial Loans mix (%)



### Retail Lending mix (%)



## Asset quality

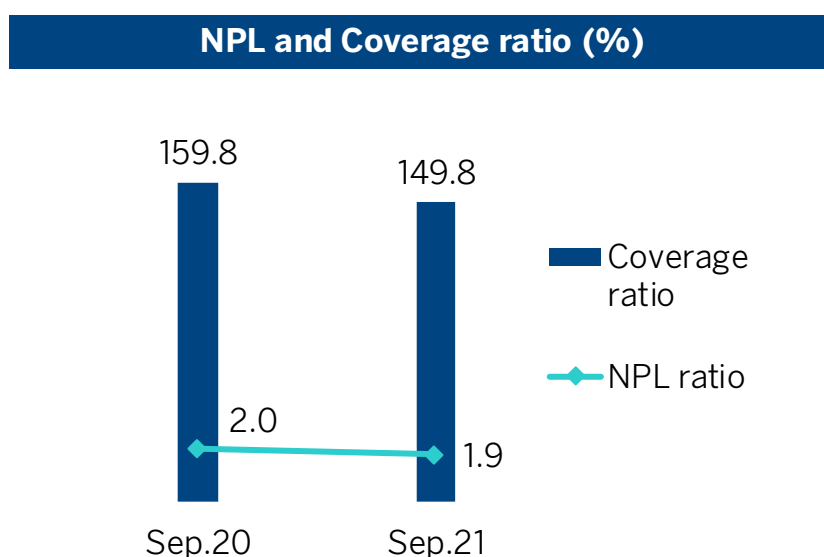
### Non-Performing Loans

The past-due loan portfolio shows an annual decline of 5.5%, explained by our strict internal risk models, helping us achieve during this quarter a past due loan portfolio in better levels than those we had previous to the 2020 crisis. Reflected in a reduction of 11 bp in Non-Performing Loan (NPL) ratio, closing September 2021 in 1.9%.

Compared to the end of December 2020, there is also a positive performance of the past-due portfolio with a decline of 34.6%, explained by our strict risk model and constant monitoring of the payment evolution of the customers who required additional support.

The coverage of the past due loan portfolio in 3Q21 was 149.81%.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Non Performing Loans	9M	6M	9M	%	
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y
Businesses	9,932	12,375	8,098	(34.6)	(18.5)
Financial entities	0	0	0	0	0
Government entities	0	11	0	0	0
Commercial loans	9,932	12,386	8,098	(34.6)	(18.5)
Consumer	7,778	8,837	8,184	(7.4)	5.2
Mortgage	8,230	8,877	8,237	(7.2)	0.1
<b>Total Non Performing Loans</b>	<b>25,940</b>	<b>30,100</b>	<b>24,519</b>	<b>(18.5)</b>	<b>(5.5)</b>





## Non-Performing Loans Movements

### NON-PERFORMING LOANS MOVEMENTS SEPTEMBER 2021

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México	Businesses and financial entities	Mortgages	Consumer	Total
<b>Non-Performing Loans movements</b>				
<i>Million pesos</i>				
<b>Final Balance (December 2020)</b>	<b>11,983</b>	<b>9,354</b>	<b>16,147</b>	<b>37,484</b>
Inputs:	5,741	6,658	22,653	35,052
Transfer to current loans and restructured	4,928	5,827	21,895	32,650
Reestructurados	813	831	758	2,402
Outputs:	(9,626)	(7,775)	(30,616)	(48,017)
Transfer to current loans	(678)	(5,198)	(3,055)	(8,931)
Cash settlements	(1,661)	(342)	(2,233)	(4,236)
Restructured (Cash settlements)	(187)	(348)	(127)	(662)
Settlement and/or adjudication	(131)	(61)	0	(192)
Write-offs	(695)	(156)	(1,774)	(2,625)
Financial penalties	(6,274)	(1,670)	(23,427)	(31,371)
<b>Final Balance (September 2021)</b>	<b>8,098</b>	<b>8,237</b>	<b>8,184</b>	<b>24,519</b>

## Loan Portfolio Credit Quality Classification

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

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México										
Performing Loan Rating September 2021										
	Commercial		Mortgage		Consumer		Credit Card		TOTAL	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>										
<b>Risk Level</b>										
A1	646,255	1,651	226,125	247	56,458	519	53,565	944	982,403	3,361
A2	67,720	777	1,445	9	14,107	357	15,360	602	98,632	1,745
B1	12,817	210	6,827	61	59,451	1,978	8,891	511	87,986	2,760
B2	8,940	202	15,439	181	30,206	1,378	7,904	573	62,489	2,334
B3	15,232	489	2,579	41	7,674	428	7,905	704	33,390	1,662
C1	10,632	727	8,394	262	5,134	374	8,437	1,006	32,597	2,369
C2	2,649	180	4,158	304	4,125	412	9,516	2,259	20,448	3,155
D	2,804	814	4,480	1,254	2,294	528	1,542	767	11,120	3,363
E	8,040	5,061	3,916	1,968	7,302	4,955	1,700	1,469	20,958	13,453
Adicional										2,529
<b>Total required</b>	<b>775,089</b>	<b>10,111</b>	<b>273,363</b>	<b>4,327</b>	<b>186,751</b>	<b>10,929</b>	<b>114,820</b>	<b>8,835</b>	<b>1,350,023</b>	<b>36,731</b>

Credit Card for Businesses and letters of credit are included in commercial.

In mortgage, the securitization consolidated by BACOMCB 09 is considered.

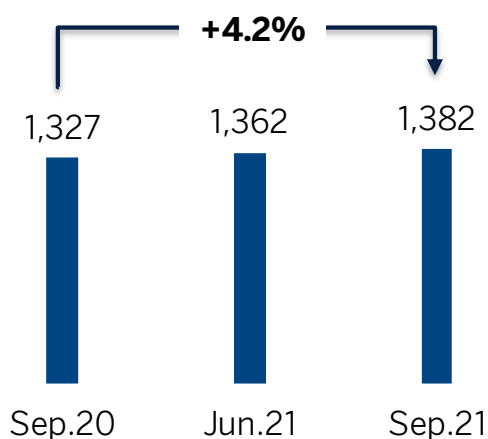
## Deposits

The continuous promotion of savings among our clients benefitted the evolution of the bank's deposits (demand deposits + total term) with an annual growth of 4.2% (4.1% vs. Dec-20). This, has led us to increase the bank's market share by 47 bp. during the last 12 months to 23.1% in August 2021 (according to the CNBV figures).

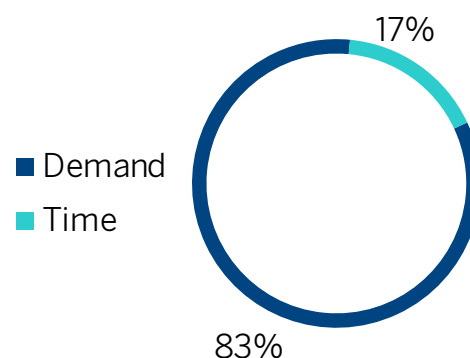
Demand deposits registered a positive behavior with an annual increase of 10.0% (6.3% vs. Dec-20), due to the preference of our clients to maintain their resources available in a scenario of uncertainty. On the other hand, time deposits decreased 17.7% in annual terms (-5.9% vs. Dec-20). This evolution has allowed us to register a favorable mix in bank deposits with an 83% of the relative weight in low-cost deposits.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Deposits	9M 2020	6M 2021	9M 2021	% Q-o-Q	% Y-o-Y
Million pesos					
Demand deposits	1,047,863	1,132,151	1,152,512	1.8	10.0
Time Deposits	278,844	229,482	229,534	0.0	(17.7)
Customer Deposits	258,218	223,838	225,064	0.5	(12.8)
Money Market	20,626	5,644	4,470	(20.8)	(78.3)
Bonds	89,006	87,743	88,170	0.5	(0.9)
Deposits global account without movements	4,929	5,278	5,161	(2.2)	4.7
<b>Total Deposits</b>	<b>1,420,642</b>	<b>1,454,654</b>	<b>1,475,377</b>	<b>1.4</b>	<b>3.9</b>

**\*Bank Deposits (mp)**



**Bank Deposits Mix (%)**



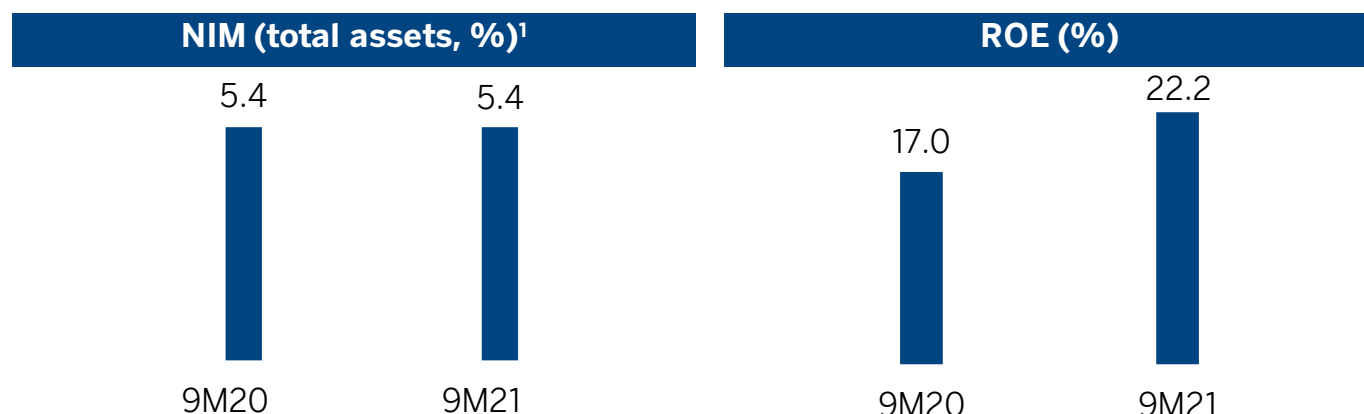
\*Bank deposits includes demand deposits and time deposits

## Results

As a result of the recovery in private consumption and economic activity in the country, which was impacted in 2020 by the closure of non-essential activities derived from the pandemic, a positive performance is observed in the results of the first nine months of 2021. Thus, net income in this period totaled 42,459 million pesos, a 48.6% increase compared to the same period of the previous year.

This result can be explained by a recovery in the financial margin, which in 2020 was negatively impacted by the application of support programs, an increase in commissions derived from the opening of non-essential activities during the year, and the continuous search of internal efficiencies focused on maintaining our operational excellence.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Income Statement						3Q	2Q	3Q
Million pesos						2020	2021	2021
						Q-o-Q		%
								Y-o-Y
Net interest income	31,965	32,586	34,375	5.5	7.5	92,693	99,459	7.3
Provisions for loan losses	(6,987)	(6,471)	(4,624)	(28.5)	(33.8)	(30,833)	(21,540)	(30.1)
Net interest income after provisions for loan losses	24,978	26,115	29,751	13.9	19.1	61,860	77,919	26.0
Total Fees & Commissions	6,906	7,415	7,476	0.8	8.3	19,713	22,116	12.2
Trading income	1,898	2,241	2,133	(4.8)	12.4	6,693	5,222	(22.0)
Other operating income	607	1,293	(35)	NA	NA	260	1,540	NA
Total operating revenues	34,389	37,064	39,325	6.1	14.4	88,526	106,797	20.6
Non-interest expense	(15,969)	(17,646)	(13,733)	(22.2)	(14.0)	(48,399)	(48,514)	0.2
Net operating income	18,420	19,418	25,592	31.8	38.9	40,127	58,283	45.2
Income before income tax and profit sharing	18,438	19,444	25,605	31.7	38.9	40,149	58,340	45.3
<b>Net Income</b>	<b>12,663</b>	<b>13,349</b>	<b>19,408</b>	<b>45.4</b>	<b>53.3</b>	<b>28,580</b>	<b>42,459</b>	<b>48.6</b>



<sup>1</sup> Net Interest Margin (NIM) on total assets.

## Net Interest Income

In the first nine months of 2021 there was a positive evolution of the financial margin with an annual growth of 7.3%. This is explained by the recovery of the loan activity this year, an improvement in the portfolio mix of loans and deposits compared to the previous year and a negative impact that occurred in 2020 related to the application of support programs to our clients.

Noteworthy to remember, in the 1Q20 additional reserves were created for 6,544 million pesos to face the crisis caused by the pandemic, of which 2,953 million pesos were released in this quarter and 1,548 million pesos in 2Q21. Resulting from this, the item of provisions for loan losses decreased 30.1% in annual terms. The financial margin adjusted for provisions was 77,919 million pesos in the first nine months of the year 26.0% higher than the previous year.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						%		
Net Interest Income	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	9M 2020	9M 2021	Y-o-Y
Million pesos								
Interest income	43,559	42,066	44,345	5.4	1.8	136,172	128,594	(5.6)
Interest expenses	(12,071)	(9,948)	(10,440)	4.9	(13.5)	(44,960)	(30,612)	(31.9)
Margin fees	477	468	470	0.4	(1.5)	1,481	1,477	(0.3)
Net interest income	31,965	32,586	34,375	5.5	7.5	92,693	99,459	7.3
Provisions for loan losses	(6,987)	(6,471)	(4,624)	(28.5)	(33.8)	(30,833)	(21,540)	(30.1)
<b>Net interest income after provisions</b>	<b>24,978</b>	<b>26,115</b>	<b>29,751</b>	<b>13.9</b>	<b>19.1</b>	<b>61,860</b>	<b>77,919</b>	<b>26.0</b>

## Fees and Commissions

Driven by the opening of non-essential economic activities, which have contributed to an acceleration in the economic recovery, net fees and commissions increased by 12.2%. This is mainly explained by higher acquiring billing in credit and debit cards boosted by a higher level of transactions; as well as an increase in bank fees mainly related to the recovery of credit activity.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						%		
Fees & Commissions	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	9M 2020	9M 2021	Y-o-Y
Million pesos								
Bank fees	1,758	1,801	1,845	2.4	4.9	5,073	5,293	4.3
Credit and debit card	3,483	4,216	4,232	0.4	21.5	9,966	12,247	22.9
Investment funds	1,161	1,183	1,122	(5.2)	(3.4)	3,381	3,443	1.8
Others	504	215	277	28.8	(45.0)	1,293	1,133	(12.4)
<b>Commissions and fee income</b>	<b>6,906</b>	<b>7,415</b>	<b>7,476</b>	<b>0.8</b>	<b>8.3</b>	<b>19,713</b>	<b>22,116</b>	<b>12.2</b>

## Trading income

The volatility observed in the equity and fixed income markets has resulted in lower trading income from purchases and sales this year. This, together with a negative valuation in foreign currency due to derivative operations, makes this item show a decline of 22% in the first nine months of the year compared to the same period of 2020.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Trading income	3Q	2Q	3Q	%		9M	9M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Variable income	15	(1)	(2)	100.0	(113.3)	(12)	(39)	225.0
Fixed income and repos	(1,439)	(189)	463	(345.0)	(132.2)	(1,426)	(1,325)	(7.1)
Securities	(1,424)	(190)	461	(342.6)	(132.4)	(1,438)	(1,364)	(5.1)
FX	6,881	(5,849)	(1,042)	(82.2)	(115.1)	(2,138)	(10,089)	371.9
Derivatives	(7,803)	(4,524)	(949)	(79.0)	(87.8)	(4,388)	2,399	(154.7)
Results from valuation	(2,346)	(10,563)	(1,530)	(85.5)	(34.8)	(7,964)	(9,054)	13.7
Variable income	221	2	(8)	(500.0)	(103.6)	(811)	97	(112.0)
Fixed income and repos	1,963	(386)	(800)	107.3	(140.8)	3,151	862	(72.6)
Securities	2,184	(384)	(808)	110.4	(137.0)	2,340	959	(59.0)
FX	1,507	1,796	2,056	14.5	36.4	4,564	5,280	15.7
Derivatives	553	11,392	2,415	(78.8)	336.7	7,753	8,037	3.7
Results from trading	4,244	12,804	3,663	(71.4)	(13.7)	14,657	14,276	(2.6)
<b>Trading income</b>	<b>1,898</b>	<b>2,241</b>	<b>2,133</b>	<b>(4.8)</b>	<b>12.4</b>	<b>6,693</b>	<b>5,222</b>	<b>(22.0)</b>

## Other income (expenses) of the operation

The positive result in other operating income is explained by the extraordinary income derived from the sale in 2Q21 of affiliated companies, and income generated from the implementation of initiatives aimed at transforming the production model.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Other Income (Expenses)	3Q	2Q	3Q	%		9M	9M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Result of operation of foreclosed assets	475	297	256	(13.8)	(46.1)	830	724	(12.8)
Interest of loans to employees	207	215	214	(0.5)	3.4	614	636	3.6
Bank Correspondents	38	45	46	2.2	21.1	95	142	49.5
Recovery of warranty payments	56	43	79	83.7	41.1	201	136	(32.3)
Sales and recoveries of loan portfolio	123	44	49	11.4	(60.2)	166	93	(44.0)
Reorganization plans	(589)	-	-	NA	NA	(589)	-	NA
Write-offs	(42)	(96)	(163)	69.8	288.1	(326)	(275)	(15.6)
Legal and labor contingencies	(99)	(70)	(280)	300.0	182.8	(238)	(314)	31.9
Donations	(131)	(155)	(246)	58.7	87.8	(591)	(574)	(2.9)
Other Income	569	970	10	(99.0)	(98.2)	98	972	891.8
<b>Other operating income</b>	<b>607</b>	<b>1,293</b>	<b>(35)</b>	<b>NA</b>	<b>NA</b>	<b>260</b>	<b>1,540</b>	<b>492.3</b>

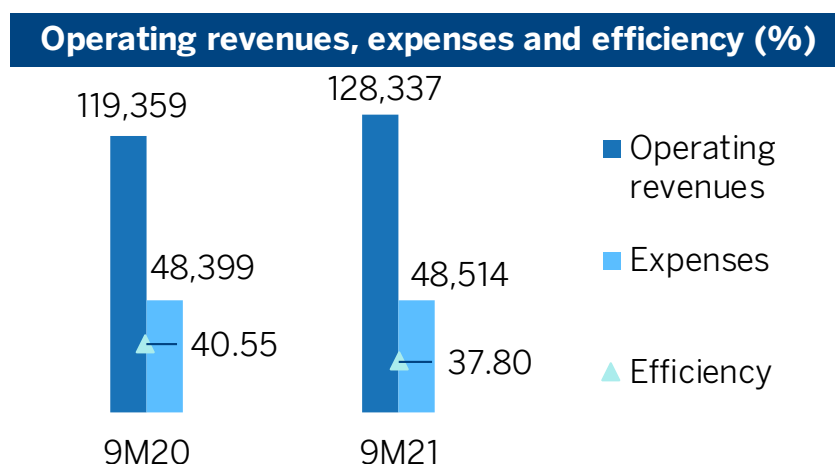
## Non-Interest Expenses

Non-Interest expenses had a marginal increase of 0.2%, explained by the evolution of personnel expenses, which show an annual drop. This, explained by the entry of the subcontracting labor reform law, which has a specific impact in personnel expenses given the payment of employees participation in the company's profit (PTU by its acronym in Spanish).

The efficiency ratio (measured as expenses divided by revenues) was 37.8% at the end of September 2021, it was 275 bp lower than the previous year.

However, we maintain a strong physical infrastructure network with 1,721 branches and 13,139 ATMs, in addition to a wide range of digital applications and services to meet the current and future needs of our growing customer base.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						%		
Non-Interest Expenses	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	9M 2020	9M 2021	Y-o-Y
Million pesos								
Administrative and operating expenses	10,310	11,649	8,147	(30.1)	(21.0)	31,322	30,949	(1.2)
Rents	1,494	1,679	1,743	3.8	16.7	4,550	5,121	12.5
Depreciation and amortization	1,467	1,477	1,488	0.7	1.4	4,381	4,419	0.9
Taxes	1,107	1,284	752	(41.4)	(32.1)	3,450	3,301	(4.3)
Deposit guarantee fund (IPAB)	1,591	1,557	1,603	3.0	0.8	4,696	4,724	0.6
<b>Administrative and promotional expenses</b>	<b>15,969</b>	<b>17,646</b>	<b>13,733</b>	<b>(22.2)</b>	<b>(14.0)</b>	<b>48,399</b>	<b>48,514</b>	<b>0.2</b>





## Capital and Liquidity

BBVA Mexico estimated capitalization index stood at 18.1% at the end of September 2021, composed by 15.52% of Tier 1 capital and 2.58% of Tier 2 capital a 129 bp increase in the index compared with the previous year.

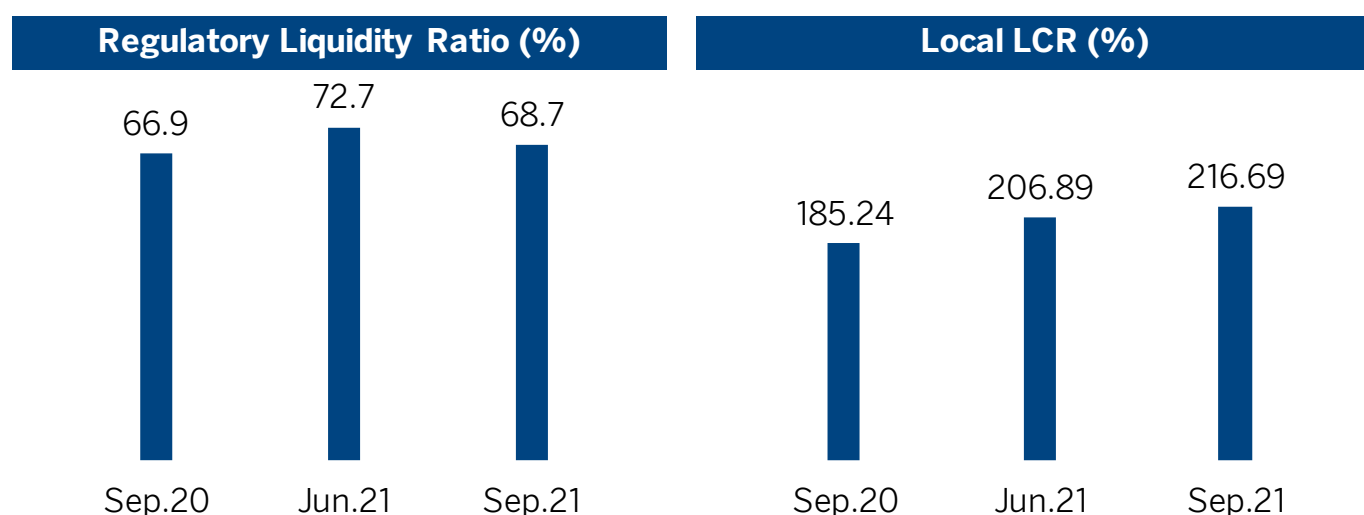
BBVA Mexico fully covers the minimum capital requirements. Derived from the additional allocation of capital after being classified as a domestic systemically important financial institution (Grade IV), it is necessary to cover with an additional buffer of 1.5%, which implies maintaining a minimum requirement of 12.0% for the total capital ratio.

### BBVA Mexico estimated capitalization index

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						
Capitalization	September 2020		June 2021		September 2021	
Million pesos						
Tier 1 capital		225,935		240,847		256,067
Tier 2 capital		56,086		49,328		42,625
Net capital		282,021		290,175		298,693
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Risk-weighted assets	1,142,508	1,677,328	1,096,289	1,658,890	1,081,691	1,650,203
Tier 1 as % of risk-weighted assets	19.78%	13.47%	21.97%	14.52%	23.67%	15.52%
Tier 2 as % of risk-weighted assets	4.91%	3.34%	4.50%	2.97%	3.94%	2.58%
<b>Total capital ratio</b>	<b>24.69%</b>	<b>16.81%</b>	<b>26.47%</b>	<b>17.49%</b>	<b>27.61%</b>	<b>18.10%</b>

\*Preliminary information. The figures are under review by authorities.

Despite the complex environment, BBVA Mexico maintains favorable liquidity levels to continue growing. The regulatory liquidity ratio, defined as Liquid assets / Liquid liabilities, stood at 68.7%. The Coefficient Coverage Ratio (Local LCR) stood at 216.69%.



# Financial Indicators

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México							
	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	9M 2020	9M 2021
<b>Infrastructure Indicators (#)</b>							
Branches	1,814	1,746	1,728	1,725	1,721	1,814	1,721
ATMs	12,923	12,950	12,957	13,014	13,139	12,923	13,139
Employees	33,347	33,313	33,759	33,525	37,889	33,347	37,889
<b>Profitability Indicators (%)</b>							
a) NIM adjusted (interest bearing assets)	4.4	2.9	4.0	4.6	5.2	3.9	4.6
b) NIM (total assets)	5.2	5.4	5.4	5.3	5.5	5.4	5.4
c) Operating efficiency	2.6	2.7	2.8	2.9	2.2	2.8	2.6
d) Efficiency (cost to income)	38.6	38.5	41.9	40.5	31.2	40.5	37.8
e) Productivity index	43.2	46.8	42.2	42.0	54.4	40.7	45.6
f) ROE	22.3	12.8	15.9	21.5	30.1	17.0	22.2
g) ROA	2.1	1.24	1.60	2.18	3.10	1.7	2.3
<b>Asset Quality Indicators (%)</b>							
h) NPL ratio	2.0	3.0	2.6	2.4	1.9	2.0	1.9
i) Coverage ratio	159.8	128.7	137.4	141.5	149.8	159.8	149.8
<b>Solvency Indicators (%)</b>							
j) Core equity tier 1 ratio	13.5	14.4	14.6	14.5	15.5	13.5	15.5
k) Tier 1 ratio	13.5	14.4	14.6	14.5	15.5	13.5	15.5
l) Total capital ratio	16.8	17.5	17.7	17.5	18.1	16.8	18.1
m) Leverage ratio	9.8	10.3	10.3	9.6	10.2	9.8	10.2
<b>Liquidity Indicators (%)</b>							
n) Liquidity ratio (CNBV requirement)	66.9	65.7	67.0	72.7	68.7	66.9	68.7
o) Liquidity ratio (Loans / Deposits)	93.9	90.7	89.9	90.3	90.1	93.9	90.1
p) Liquidity Coverage Coefficient (Local LCR)	185.24	190.49	203.12	206.89	216.69	185.24	216.69

## INFRASTRUCTURE

ATMs: Include those that have activity during the quarter.

## PROFITABILITY

- a) Net Interest Margin adjusted (NIM adjusted): Financial margin after provisions for loan losses (annualized) / Average productive assets  
Average productive assets: Cash + Securities + Repo debtors + securities lending + derivatives + performing loans + Receivable benefits from securitization transactions + 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 index: Administrative and promotional expenses / Net interest income + commissions and fee income + trading income + other operating income (expense).
- e) Productivity Index: Commissions and fees, net / Promotion and administrative expenses.
- f) Return on equity (ROE): Net income (annualized) / Average capital.
- g) Return on assets (ROA): Net income (annualized) / Average total assets.

#### ASSET QUALITY

- h) NPL ratio: Non performing loans / Total loan portfolio.
- i) Coverage Ratio: Allowance for loan losses / Non performing loans.

#### SOLVENCY

- j) Core Equity Tier 1 Ratio: CET1 Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013).
- k) Tier 1 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 + Trading (securities) + Available for sale (securities).
  - Liquid Liabilities: Demand deposits + Interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term.
- o) Loans / Deposits: Performing loans / Core deposits (demand + time).
- p) Liquidity Coverage Ratio (Local LCR): Computable Liquid Assets / 30-day stressed Net Outflows (BBVA Mexico information). Quarterly average. Preliminary figure

# Ratings

## BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México Ratings

	Long Term	Short Term	Outlook
<b>Standard and Poor's</b>			
Issuer Credit Rating - Foreign Currency	BBB	A-2	Negative
Issuer Credit Rating - Local Currency	BBB	A-2	Negative
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	bbb+		
<b>Moody's</b>			
Bank Deposits - Foreign Currency	Baa1	P-2	Negative
Bank Deposits - Domestic Currency	Baa1	P-2	Negative
National Scale Rating Bank Deposits	Aaa.mx	MX-1	
Baseline Credit Assessment (BCA)	baa1		
<b>Fitch</b>			
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 México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México

## 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)
BACOMER 22224	1,000	MXN	07-jun-12	26-may-22		10.0	TIIE28 + 85		Baa1/Aaa.mx	AAA(mex)
Senior Notes Dlls 2024	750	USD	03-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	20-may-22		5.0	TIIE28 + 35		Baa1/Aaa.mx	AAA(mex)
BACOMER 18	3,500	MXN	27-sep-18	21-sep-23		5.0	TIIE28 + 19		Baa1/Aaa.mx	AAA(mex)
BACOMER 19	5,000	MXN	21-jun-19	17-jun-22		3.0	TIIE + 7		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	TIIE28 + 5		Baa1/Aaa.mx	AAA(mex)
BACOMER 20-2	6,000	MXN	10-feb-20	05-feb-25		5.0	TIIE28 + 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)
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 15NC10 2029	200	USD	06-nov-14	12-nov-29	12-nov-24	15NC10	5.35%	BB	Baa3	BB
Subordinated Debentures Tier 2 15NC10 2033	1,000	USD	17-ene-18	18-ene-33	18-ene-28	15NC10	5.125%	BB		BB
Subordinated Debentures Tier 2 15NC10 2034	750	USD	05-sep-19	13-sep-34	19-sep-29	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)

# Financial Statements

## Balance Sheet

### Assets

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Assets	Sep	Dec	Mar	Jun	Sep
Million pesos	2020	2020	2021	2021	2021
CASH AND CASH EQUIVALENTS	217,933	223,219	255,662	309,541	326,891
Margin call accounts	26,005	32,261	19,360	15,187	11,914
SECURITIES	569,595	574,938	578,229	587,175	539,003
Trading	295,390	281,920	267,039	289,679	242,830
Available for sale	192,538	211,788	229,436	228,254	226,623
Held to maturity	81,667	81,230	81,754	69,242	69,550
Debtors from repurchase agreement	3,060	15,123	44	38	33
Derivatives	228,687	213,927	156,947	145,882	144,328
Trading	208,343	197,606	143,297	132,680	131,037
Hedging Transactions	20,344	16,321	13,650	13,202	13,291
Valuation adjustments derived from hedges of financial assets	2,129	2,488	1,097	1,102	723
PERFORMING LOANS	1,250,968	1,209,449	1,226,893	1,233,847	1,249,918
Commercial loans	717,641	678,572	694,679	689,817	691,392
Business or commercial activity	534,926	488,878	496,702	499,068	505,222
Financial entities	26,762	28,079	24,558	24,156	22,065
Government entities	155,953	161,615	173,419	166,593	164,105
Consumer	288,427	281,968	279,195	285,434	293,398
Mortgage	244,900	248,909	253,019	258,596	265,128
Residential Mortgages	237,505	241,968	246,255	252,158	258,998
Social Housing	7,395	6,941	6,764	6,438	6,130
NON PERFORMING LOANS	25,940	37,484	32,980	30,100	24,519
Commercial loans	9,932	11,983	12,131	12,386	8,098
Business or commercial activity	9,932	11,983	12,131	12,375	8,098
Government entities	0	0	0	11	0
Consumer	7,778	16,147	11,614	8,837	8,184
Mortgage	8,230	9,354	9,235	8,877	8,237
Residential Mortgages	7,729	8,824	8,747	8,448	7,847
Social Housing	501	530	488	429	390
TOTAL LOANS	1,276,908	1,246,933	1,259,873	1,263,947	1,274,437
Allowance for loan losses	(41,463)	(48,236)	(45,301)	(42,581)	(36,731)
TOTAL LOANS, NET	1,235,445	1,198,697	1,214,572	1,221,366	1,237,706
Other accounts receivable, net	97,219	106,527	118,277	146,908	179,780
Reposessed assets, net	1,415	1,317	1,241	1,188	1,033
Property, furniture and equipment, net	36,170	36,293	35,556	35,155	34,974
Equity investments	1,121	1,135	1,153	1,086	1,089
Deferred taxes, net	21,352	22,416	23,609	23,322	26,201
Other assets	12,433	14,529	7,561	6,923	7,062
Deferred charges, prepaid expenses and intangibles	12,433	14,529	7,561	6,923	7,062
<b>TOTAL ASSETS</b>	<b>2,452,564</b>	<b>2,442,870</b>	<b>2,413,308</b>	<b>2,494,873</b>	<b>2,510,737</b>



## Liabilities & Stockholders' Equity

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Liabilities & Stockholders' Equity					
Million pesos	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021
<b>TOTAL DEPOSITS</b>	1,420,642	1,417,071	1,450,011	1,454,654	1,475,377
Demand deposits	1,047,863	1,084,227	1,116,008	1,132,151	1,152,512
Time Deposits	278,844	243,836	243,672	229,482	229,534
Customer deposits	258,218	229,974	237,622	223,838	225,064
Money market	20,626	13,862	6,050	5,644	4,470
Bonds	89,006	84,052	85,296	87,743	88,170
Deposits global account without movements	4,929	4,956	5,035	5,278	5,161
<b>INTER BANK LOANS AND LOANS FROM OTHER ENTITIES</b>	19,374	17,861	30,885	30,456	31,639
Payable on demand	0	0	0	0	1,000
Short-term	7,757	6,985	6,070	6,171	5,984
Long-term	11,617	10,876	24,815	24,285	24,655
Creditors from repurchase agreements	246,458	263,716	256,581	309,491	264,775
Securities creditors	1	5	3	1	4
<b>COLLATERALS SOLD OR DELIVERED IN GUARANTEE</b>	49,932	63,841	64,413	53,068	51,695
Repurchase	0	0	19,963	12,591	7,321
Securities lending	49,932	63,841	44,450	40,477	44,374
<b>DERIVATIVES</b>	244,304	223,841	162,609	152,846	156,876
Trading	229,061	210,971	155,273	146,775	150,510
Hedge transactions	15,243	12,870	7,336	6,071	6,366
Valuation adjustments derived from hedges of financial liabilities	9,659	7,915	4,796	4,742	4,168
<b>OTHER PAYABLES</b>	127,689	113,665	118,659	163,370	180,531
Profit taxes payable	0	0	0	1,726	3,700
Employee profit sharing (PTU) payable	2	59	57	57	2,004
Transaction settlement creditors	78,298	55,312	62,515	68,465	68,930
Creditors and margin accounts	0	1,179	348	348	0
Creditors from collaterals received in cash	24,937	19,762	21,444	15,975	17,279
Accrued liabilities and other	24,452	37,353	34,295	76,799	88,618
Subordinated debt	93,446	85,181	70,869	69,943	71,293
Deferred credits and advanced collections	7,373	7,540	7,604	7,539	7,444
<b>TOTAL LIABILITIES</b>	<b>2,218,878</b>	<b>2,200,636</b>	<b>2,166,430</b>	<b>2,246,110</b>	<b>2,243,802</b>
<b>SUBSCRIBED CAPITAL</b>	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
<b>EARNED CAPITAL</b>	193,645	202,194	206,837	208,718	226,885
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	160,008	160,008	196,175	185,095	185,095
Unrealized gain on available-for-sale securities	707	2,820	(1,998)	(3,332)	(4,649)
Result from valuation of cash flow hedging instruments	283	(96)	(430)	(562)	(595)
Accumulated effect by conversion	440	440	440	0	0
Redefined benefits to employees	(3,274)	(4,046)	(3,953)	(2,435)	(2,326)
Net income	28,580	36,167	9,702	23,051	42,459
<b>MAJORITY STOCKHOLDERS' EQUITY</b>	233,648	242,197	246,840	248,721	266,888
Non-controlling interest in consolidated subsidiaries	38	37	38	42	47
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>233,686</b>	<b>242,234</b>	<b>246,878</b>	<b>248,763</b>	<b>266,935</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>2,452,564</b>	<b>2,442,870</b>	<b>2,413,308</b>	<b>2,494,873</b>	<b>2,510,737</b>

## Memorandum accounts

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Memorandum accounts	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021
<i>Million pesos</i>					
Contingent assets and liabilities	771	805	904	942	1,022
Credit commitments	642,252	638,851	626,480	632,070	652,357
In trusts	434,569	429,883	426,344	430,298	470,220
Under mandate	212	223	227	233	196
Assets in trust or under mandate	434,781	430,106	426,571	430,531	470,416
Assets in custody or under administration	212,083	203,467	196,519	225,194	243,036
Collaterals received by the institution	79,341	131,586	110,591	92,679	96,369
Collaterals received and sold or pledged as collateral by the institution	67,135	106,906	91,892	83,089	78,748
Investment banking transactions on behalf of third parties, net	1,528,642	1,604,841	1,695,175	1,808,667	1,904,929
Accrued interest on non- performing loans	3,344	3,524	3,312	3,424	2,465
Other record accounts	3,436,271	3,336,242	3,423,140	3,464,835	3,562,232

"The historical balance of the capital stock as of September 30, 2021 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 (Last 5 quarters)

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México							
Income Statement						9M	9M
Million pesos						2020	3021
	3Q	4Q	1Q	2Q	3Q		
	2020	2020	2021	2021	2021		
interest income	44,036	43,523	42,722	42,534	44,815	137,653	130,071
interest expenses	(12,071)	(10,688)	(10,224)	(9,948)	(10,440)	(44,960)	(30,612)
Net interest income	31,965	32,835	32,498	32,586	34,375	92,693	99,459
Provisions for loan losses	(6,987)	(16,257)	(10,445)	(6,471)	(4,624)	(30,833)	(21,540)
Net interest income after provisions for loan losses	24,978	16,578	22,053	26,115	29,751	61,860	77,919
Commissions and fees charged	10,847	12,433	11,568	12,429	12,715	31,663	36,712
Commissions and fees paid	(3,941)	(4,643)	(4,343)	(5,014)	(5,239)	(11,950)	(14,596)
Total Fees & Commissions	6,906	7,790	7,225	7,415	7,476	19,713	22,116
Trading income	1,898	1,740	848	2,241	2,133	6,693	5,222
Other operating income	607	803	282	1,293	(35)	260	1,540
Total operating revenues	34,389	26,911	30,408	37,064	39,325	88,526	106,797
Non-interest expense	(15,969)	(16,638)	(17,135)	(17,646)	(13,733)	(48,399)	(48,514)
Net operating income	18,420	10,273	13,273	19,418	25,592	40,127	58,283
Share in net income of unconsolidated subsidiaries and affiliates	18	17	18	26	13	22	57
Income before income tax and profit sharing	18,438	10,290	13,291	19,444	25,605	40,149	58,340
Tax incurred	(7,255)	(4,384)	(2,591)	(5,424)	(4,950)	(12,393)	(12,965)
Deferred taxes	1,481	1,680	(997)	(667)	(1,242)	824	(2,906)
Net Taxes	(5,774)	(2,704)	(3,588)	(6,091)	(6,192)	(11,569)	(15,871)
Income before non-controlling interest	12,664	7,586	9,703	13,353	19,413	28,580	42,469
Non-controlling interest	(1)	1	(1)	(4)	(5)	0	(10)
<b>Net Income</b>	<b>12,663</b>	<b>7,587</b>	<b>9,702</b>	<b>13,349</b>	<b>19,408</b>	<b>28,580</b>	<b>42,459</b>

"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 Internal Audit

Head of Accounting

## Cash Flow Statement

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México		
Cash Flow Statement (from January 1st to September 30th 2021)		
<i>Million pesos</i>		
Net income		42,459
Adjustments derived from items not involving cash flow		
Profit or loss derived from the valuation of investment and financing activities		
Depreciation of property, furniture and fixtures	1,760	
Amortization of installation expenses	1,377	
Amortization of intangible assets	1,281	
Provisions	3,995	
	(440)	
Income taxes	15,871	
Share in net income of unconsolidated subsidiaries and affiliated companies	(57)	
Noncontrolling interest	10	23,797
		<u>66,256</u>
<b>Operating activities</b>		
Change in margin call accounts	20,595	
Change in investments in securities	26,393	
Change in debtors from repurchase agreement	15,091	
Change in derivatives (assets)	66,569	
Change in loan portfolio (net)	(33,927)	
Change in repossessed assets	283	
Change in other operating assets	(77,331)	
Change in deposits	50,942	
Change in interbank loans and other loans from other entities	13,661	
Change in creditors from repurchase agreements	1,059	
Change in securities lending	(1)	
Change in collaterals sold or delivered in guarantee	(12,147)	
Change in derivatives (liabilities)	(60,462)	
Change in subordinated obligations with liability characteristics	(16,155)	
Change in other operating liabilities	64,664	
Change in hedging instruments (of hedge items related to operation activities)	(6,308)	
Income taxes payment	(6,024)	
Net cash flows used in operating activities		<u>46,902</u>
<b>Investment activities</b>		
Proceeds from the disposal of property, furniture and fixtures	50	
Payments for the acquisition of property furniture and fixtures	(1,868)	
	103	
Proceeds from cash dividends	1	
Payments for acquisition of intangible assets	(890)	
Net cash flows used in investment activities		<u>(2,604)</u>
<b>Financing activities</b>		
Cash dividends paid	(11,080)	
Net cash flows used in financing activities		<u>(11,080)</u>
Net increase or decrease in cash and cash equivalents	99,474	
Effects of changes in cash and cash equivalents	4,198	
Cash and cash equivalents at the beginning of the year	223,219	
Cash and cash equivalents at the end of the year		<u>326,891</u>

"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 Stakeholder's Equity

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México	Subscribed Capital		Earned Capital		Unrealized Gain on Available for Sale Securities	Result from Valuation of Cash Flow Hedging Instruments	Result from Conversion of Foreign Subsidiaries	Redefined benefits to employees	Net Income	Majority Stockholder's Equity	Non Controlling Interest in Consolidated Subsidiaries	Total Stockholder's Equity
	Paid in Capital	Share Premium	Capital Reserves	Results of prior years								
Million pesos												
<b>Balances as of December 31st, 2020</b>	24,143	15,860	6,901	160,008	2,820	(96)	440	(4,046)	36,167	242,197	37	242,234
<b>HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS</b>												
Subscription of shares ( Hipotecaria Nacional merger)										183		183
Transfer from net income to results of prior years				36,167					(36,167)	0		
Decree of dividends				(11,080)						(11,080)		(11,080)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(36,167)</b>	<b>(11,080)</b>	<b>0</b>	<b>(11,080)</b>
<b>HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES</b>												
Net income									42,459	42,459	10	42,469
Result from valuation of securities available for sale					(7,469)					(7,469)		(7,469)
Result from valuations of Cash Flow Hedging						(499)				(499)		(499)
Recognition in the preventive estimation for credit risks due to a change in rating methodology							(440)			(440)		(440)
Redefined benefits to employees								1,720		1,720		1,720
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,469)</b>	<b>(499)</b>	<b>(440)</b>	<b>1,720</b>	<b>42,459</b>	<b>35,771</b>	<b>10</b>	<b>35,781</b>
<b>Balances as of September 30th, 2021</b>	<b>24,143</b>	<b>15,860</b>	<b>6,901</b>	<b>185,095</b>	<b>(4,649)</b>	<b>(595)</b>	<b>0</b>	<b>(2,326)</b>	<b>42,459</b>	<b>266,888</b>	<b>47</b>	<b>266,935</b>

"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 it approved this consolidated financial statement."

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## Regulatory accounting pronouncements recently issued

### I. Adoption of international standard

- a. According to the Resolution that modifies the general provisions applicable to credit institutions, published in the *Diario Oficial de la Federación* (DOF) on December 4, 2020, the CNBV has resolved to adopt the IFRS 9, for which it is necessary to update the accounting criteria applicable to credit institutions, to make them consistent with the financial and international reporting standards contained in this resolution, which will allow having transparent and comparable financial information with other countries, with its entry into force on January 1, 2022.

BBVA Mexico's administration is in the process of determining the effects of the adoption of these modifications to the accounting criteria applicable to credit institutions.

- b. In accordance with the amendments that modifies the general provisions applicable to credit institutions, published in the DOF on December 4, 2020, the CNBV has resolved to modify the following Financial Reporting Standards (FRS), which had previously been published in the DOF of December 27, 2017; and this will be effective as of January 1, 2022 rather than on January 1<sup>st</sup>, 2019.

The following is a brief description of the main changes with application as of January 1, 2022:

**Mexican FRS B-17 "Fair Value Determination"**- It defines fair value as the exit price that would be received for selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is mentioned that fair value is a market-based determination and not on a specific value of an asset or a liability and that, when determining the fair value, the entity should use assumptions that market participants would use when setting the price of an asset or a liability under current market conditions as of a specific date, including assumptions about risk. As a result, the entity's intention to hold or liquidate an asset, or otherwise satisfy a liability, is not relevant in determining fair value.

**Mexican FRS C-3 "Accounts receivable"**- Main changes issued for this FRS are shown below:

- It leaves the Bulletin C-3 "Accounts receivable" without effect.
- Specifies that accounts receivable based on a contract represent a financial instrument, while some of the other accounts receivable generated by a legal or fiscal provision may have certain characteristics of a financial instrument, such as generating interest, but they are not considered as a financial instrument.
- It establishes that the provisions for loan losses for commercial accounts payable is recognized from the moment the income is accrued, based on expected credit losses.



- It establishes that, from the initial recognition, the value of money over time must be considered, so if the effect of the present value of the account receivable is important in view of its term, it must be adjusted based on its present value. The effect of the present value is relevant when the payment of the account receivable is agreed, in whole or in part, for a term greater than one year, since in these cases a financing operation exists.

The accounting changes that arise must be recognized retrospectively, however, the valuation effects can be recognized prospectively.

**Mexican FRS C-9 “Provisions, contingencies and commitments”**- It leaves without effect the Bulletin C-9 “Liabilities, provisions, contingent assets and liabilities and commitments”, its scope is reduced by relocating the issue related to the accounting treatment of financial liabilities in FRS C-19 “Financial instruments payable” and it modifies the definition of a liability as “virtually unavoidable” and including the term “likely”. First time adoption of this Mexican FRS does not generate accounting changes in the financial statements of the entities.

**Mexican FRS C-16 “Impairment of Financial Instruments Receivable (FIR)”**- It indicates that, to determine the recognition of the expected loss, the historical experience that the entity has in credit losses should be considered; as well as, current conditions; as well as, reasonable and sustainable forecasts for the different measurable future events that could affect the amount of future cash flows to be recovered from the FIR.

It also notes that the expected loss should be recognized when, having increased credit risk, it is concluded that a portion of the FIR future cash flows will not be recovered. Any accounting changes that arise should be recognized retrospectively.

**Mexican FRS C-19 “Financial instruments payable”**- The main characteristics issued for this FRS are shown below:

- The possibility of valuing certain financial liabilities at their fair value is established when certain conditions are met.
- Value long-term liabilities at their present value at initial recognition.
- When restructuring a liability, without substantially modifying the future cash flows to settle it, the costs and commissions disbursed in this process will affect the amount of the liability and will be amortized using a modified effective interest rate, instead of directly affecting the net income or loss.
- It incorporates the provisions in IFRIC 19 “Extinction of Financial Liabilities with Capital Instruments”, an issue that was not included in the existing regulations.
- The effect of extinguishing a financial liability must be presented as a financial result in the comprehensive income statement.
- It introduces the concepts of amortized cost to value financial liabilities and the effective interest method, based on the effective interest rate.

Any accounting changes that arise must be recognized retrospectively.

**Mexican FRS C-20 “Financial instruments to collect principal and interest”**- The main characteristics issued for this FRS are shown below:

The way of classifying the financial instruments as assets is modified, since the concept of intention to acquire and hold them to determine their classification is discarded, instead the adoption of the concept business model of the administration.

- The classification includes financial instruments whose objective is to collect the contractual cash flows and obtain a gain on the contractual interest they generate, having characteristics of a loan.
- They include both financial instruments generated by sales of goods or services, financial leases or loans, as well as those acquired in the market.

**Mexican FRS D-1 “Revenues from clients’ contracts”** - The main changes issued for this FRS are shown below:

- Control transfer, based on the opportunity to recognize income.
- Identify the obligations to be complied with in a contractual agreement.
- The allocation of the transaction price among the complied obligations based on the independent sales price.
- The introduction of the concept of conditioned account receivable.
- The recognition of collection rights.
- The valuation of income.

**Mexican FRS D-2 “Revenue, costs from contracts with clients”** – The main change in this rule is the separation of the regulations regarding the recognition of revenue from contracts with clients from the regulations for the recognition of costs for contracts with clients.

**Mexican FRS D-5 “Leasing”**- Effective from January 1, 2022. Its early application is allowed for those who use FRS D-1 “Revenue from contracts with clients” and FRS D-2 “Costs from contracts with clients”, before the date of initial application of this FRS. It leaves without effect the Bulletin D-5 “Leases”. The application for the first time of this FRS generates accounting changes in the financial statements mainly for the lessee and grants different options for recognition. Among the main changes are the following:

- Eliminates the classification of leases as operational or capitalizable for a lessee, and the latter must recognize a liability for leasing at the present value of the payments and an asset for use of rights for the same amount, of all leases with a duration greater than 12 months, unless the underlying asset is of low value.
- An expense for depreciation or amortization of the right-of-use assets and an interest expense on the lease liabilities are recognized.

- It modifies the presentation of related cash flows, as cash outflows from operating activities are reduced, with an increase in outflows of cash flows from financing activities.
- It modifies the recognition of the gain or loss when a seller-lessee transfers an asset to another entity and leases that asset in return.
- The accounting recognition by the lessor has no changes in relation to the previous Bulletin D-5, and only some disclosure requirements are added.

### **c. New Standard Pronouncements issued by CINIF**

In December 2020, the CINIF issued a document titled "Improvements to Mexican FRS 2021", which contains specific amendments to some existing Mexican FRS. The main amendments that generate accounting changes are the following:

**Mexican FRS B-1 "Accounting changes and error corrections"** - To converge with FRS 8 of IFRS, prospective application is incorporated when it is impractical to determine the accumulated effects of an accounting change or the correction of an error. In those cases, the entity should recognize the effects of the change in the error correction in the current accounting period.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized through prospective application.

**Mexican FRS C-19 "Financial instruments payable"** - Establishes that now the proceeds from forgiveness received or granted should be presented within the results related to operating activities, instead of being presented in comprehensive income.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized based on the provisions of FRS B-1.

**Mexican FRS C-20 "Financial instruments to collect principal and interest"** - Establishes that now the effects of the renegotiation of an IFCPI must be presented within the results related to operating activities, instead of being presented in comprehensive income.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized based on the provisions of FRS B-1.

**Mexican FRS D-5 "Leasing"** - 1) establishes that the mandatory disclosures of the expense related to short-term and low-value leases for which the right-of-use asset has not been recognized, separately. 2) It incorporates the method to determine the proportion that

corresponds to the rights of use retained by the seller-lessee, as well as their accounting recognition.

The Institution's Management is in the process of determining the effects of adopting the new Financial Reporting Standards and the improvements to the FRS in the financial statements.

\* \* \*



# **BBVA México**

S.A.

## **Financial Report and Achievements**

January-September 2021

### **Contact**

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