

BBVA Mexico
S.A.
Financial Report
and Achievements
January-December 2021





RESULTS 12M21

Positive evolution in total income

Total income*
+28.3%
vs. 12M20 (mp)

*Net interest income after provisions + net fees + trading income+ other income

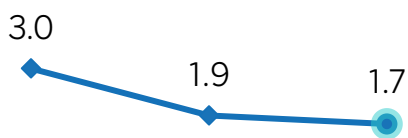
Operational excellence

Efficiency ratio
37.8%



Strict control in asset quality

Non-Performing Loan Ratio (%)



Dec.20 Sep.21 Dec.21

High capital levels

Capitalization Index (%)



Dec.20 Sep.21 Dec.21



TRANSFORMATION

Continuous innovation

Ranking 100 Companies with the most ESG responsibility



1er Place in financial sector

3rd Place in general



New features within our app



Interest calculations



Sustainability module



SUSTAINABILITY

Transition to a sustainable future

Reducing our carbon footprint by using renewable energy within branches and corporate headquarters



First derivative instrument linked to sustainable criteria

We continue grant green financing 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 fourth quarter of 2021, no decree or dividends payments was made, regarding the dividends that were approved for distribution at the Ordinary General Shareholders' Meeting on 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), 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.

Exchange rate

As of December 15, we implemented the regulatory change issued by CNBV to use the exchange rate at the end of the day to replace FIX exchange rate as a reference to value currencies in the financial statements; this change had no significant effects in the bank.

Best bank in Mexico– “The Banker”

The British magazine “The Banker” has awarded us the title of the best bank in Mexico, demonstrating that we are an entity that is committed to digital transformation and continuous innovation.

We become our clients' financial advisor by exploiting technological capabilities of our mobile App, always keeping our strategic priorities ahead, such as improving the financial health of our clients and helping to them transitions to a sustainable future.

We also maintain, “Open banking” as a pillar of our digital strategy, since through the use of its interfaces we have created collaboration channels with Mexican companies, improving the experience of our users and supporting the financial inclusion of people.

All above, strengthening current solutions such as providing mobile banking services to SME's.

Most responsible ESG Company in the financial sector – “Merco”

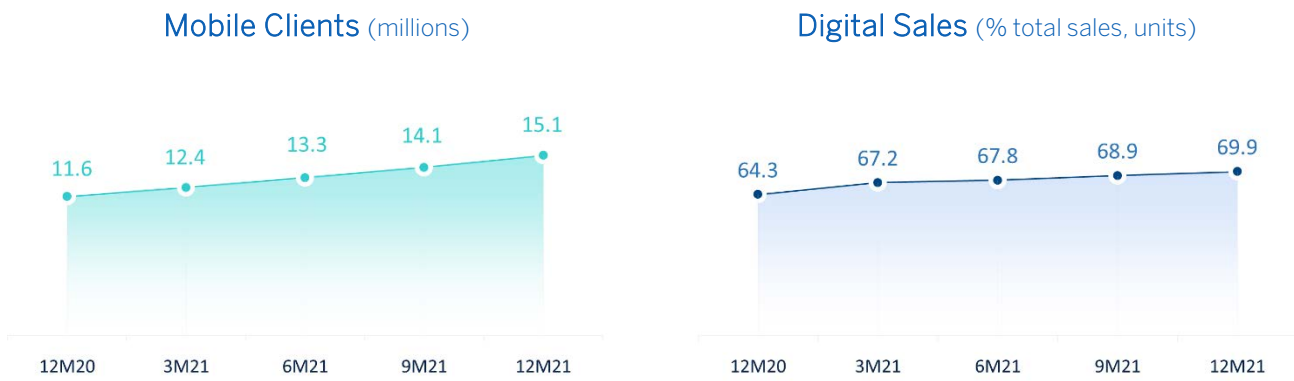
In its ninth editions, the Corporate Reputations Business Monitor (Merco), announced the 100 best companies responsible for environmental, social and corporate governance (ESG) in Mexico in 2021, where BBVA Mexico stand out with first place in the financial sector, as well as with the third place in the general ranking. It is worth mentioning that the ranking qualifies different ESG issues such as the environmental, responsible companies with their employees, customers and society in general, as well as the ethical level and governance.

Digital Development

DIGITAL STRATEGY

As a result of our continuous investment in innovations and development of new products and services, **we continue to show growth in the number of customers that use digital channels**, reaching a total of 15.1 million mobile customers closing of December 2021, 30% higher than the previous year and managing to cover 60% of our total customer base.

We keep promoting the use of digital channels among our customer base, this is reflected in the percentage of digital sales (measured in units), which during 2021 reached 69% of the total sales made in BBVA Mexico.



Financial transactions carried out by clients from January to December of this year totaled more than 2,330 million, which represented an increase of 31.8% compared to the same period of the previous year. In this sense, the continuous transformation in our digital strategy can be seen in the number of transactions carried out in our mobile applications and on the website, which represented 54% of the total in 2021 (compared to 44% in 2020) with an annual growth of 61%. Our digital strategy and transformation allows the customers to have easy-to-access services and products with the highest standards of safety and security, complying with the most robust and sophisticated standards in the industry.

DEVELOPMENT AND DIGITAL INNOVATION

In 2021, we continue to strengthen the range of products and services that we provide to our customers through the BBVA App. In particular, this year we launched two modules within the BBVA App, which are unique in their kind, one is the financial health module to advise our clients about their finance and the other is sustainability, to support our clients towards the transition of a sustainable future. In financial health module, our clients can see their financial situation by comparing income against expenses, payments, transactions, investments, etc. They can consult the historical versions of the information and see advice on how to improve their financial situation. In the sustainable module, you can consult news and tips that help towards the transition to a sustainable future.

Likewise, BBVA Mexico offers online auto loan functionality from the portals of its commercial partners and announces a strategic alliance as the digital financial system for the granting of auto loans with the main sales portals or marketplaces in Mexico, such as "Mercado Libre", "Seminuevos.com", and "Soloautos.mx". This digital financing tool, unique in the automotive banking sector and aligned with the group's open banking digital strategy, with a value offer that allows the final users to simulate the monthly payment that best suits their needs and apply for credit online.

Responsible Banking

COMMUNITY SUPPORT

Promoting the academic development of university students and taking into account their potential to become agents of change both for their communities and for the country, our BBVA Mexico Foundation has partnered with “The Anglo Mexican Foundation”, thus promoting the development of English language skills as well as cultural exchange with a British-Mexican focus.

SUSTAINABLE STRATEGY

In line with BBVA Group, we also consolidate our commitment to the transition to a more sustainable future in 2021, guided by one of our main strategic priorities, “helping our customers towards the transitions to a sustainable future”. As an example, during 2021, we announced:

- In April, we become one of the 43 founding members of the Net-Zero Banking Alliance (NZBA).
- In July, boost the strategy by announcing the creation of the Global Sustainable Office, led by Javier Rodríguez Soler, raising sustainability to the highest executive level of the organization.
- In July, doubled the objective to 200,000 million euros in green financing, sustainable infrastructure, social entrepreneurship and financial inclusion.
- In November 2021, announced the goals for decarbonization of the credit portfolio in 2030 for industries intensive in carbon dioxide (CO₂) emissions. These are intermediate goals with a view for being carbon neutral by 2050.

BBVA Mexico, as a relevant subsidiary of the BBVA Group, is a participant and protagonist of this commitment to a more environmental-responsible world. In line with the endorsement of the Mexican agenda for a sustainable recovery, BBVA Mexico will continue to work together with its clients to strengthen its green and inclusive offers for the country. In 2021, efforts made, which will continue in 2022, to create guidelines and criteria that contribute to the creation of products for inclusive growth.

In addition, in the first half of 2021, we managed to be neutral in its direct carbon emissions, by offsetting the environmental footprint with CO₂ mitigation projects, which also generate a positive impact on the local communities where they are developed. These actions, among others, consolidates BBVA Mexico in 2021 as one of the leading banks in the field of sustainability.

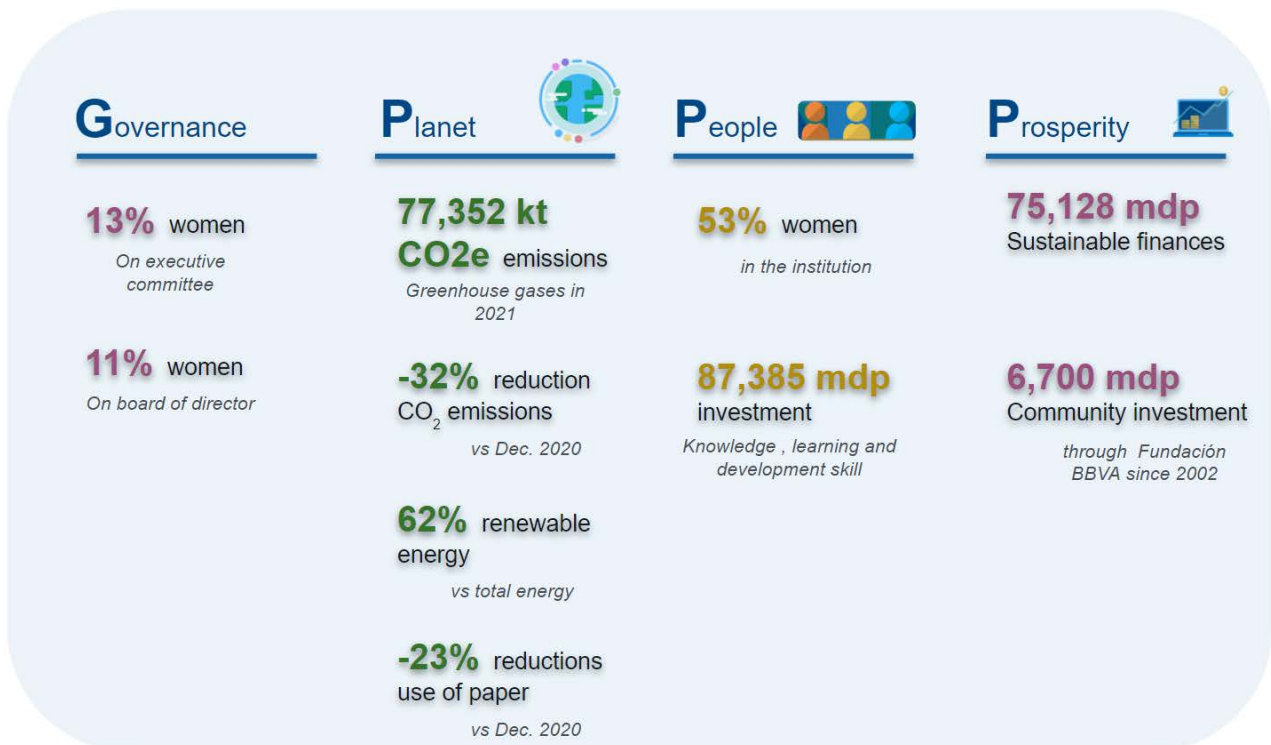
INCLUSION AND CORPORATE GOVERNANCE

BBVA Mexico promotes a culture of diversity, in which the institution respects people regardless of their age, sexual orientation, gender, political or religious orientation, among others. For this reason, we are working on:

- Programs that promote gender equality.
- Inclusion of people with disabilities.
- Promote behaviors that support society through the volunteering of collaborators, in which their friends and family can participate.

BBVA Mexico promotes a culture where its employees can live the Institution’s values every day, through various programs such as: Values day, Values Challenge and VIVA Award.

One of the relevant metrics in which BBVA Mexico is committed with diversity, this can be observed in the number of female and male employees, which show a mix at the end of 2021 of 53% and 47% respectively. Additionally, to reinforce this issue also as part of corporate governance, on November 5th, the new incorporation to the Board of Directors, leads to a higher representation of women.



SUSTAINABLE FINANCE

Credit Products

The range of credit products handled by BBVA Mexico have significant benefits for customers such as preferential rates. The foregoing, aimed for 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.

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

Insurance: we are initiating offer green insurance starting with hybrid and electric cars.



Issuance of green and social bonds in the Mexican market

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

Green and social bonds in which we participated as an underwriter during 2021 totaled **21,473 million pesos**.

Green credit to ALPLA for 40 million dollars

We granted green financing to ALPLA, a world leader in the development and manufacture of plastic containers, for an amount of 40 million dollars. With this, the company will be able to double its capacities to process and produce recycled material.

BBVA Mexico as broker and underwriter of ESG bonds

We acted as underwriter in the issuance of sustainable stock certificates of the local development bank, *Nacional Financiera*, for 10,000 million pesos. The resources obtained will be deploy to finance projects for access to education, vocational training, as well as financing for low-income population and support to SMEs.

First sustainable derivative instrument BBVA Mexico

In December 2021, the first derivative instrument was structured with the characteristic of being linked to the United Nations sustainable development goals (SDG) criteria.

Analysis and Discussion of Results

Executive Summary

- For BBVA Mexico, it is very important to continue contributing to the development of Mexican economy, in view of this we continue to grant loans to the country's productive sector, registering a balance of 514,920 million pesos with annual growth of 5.3%, positioning ourselves as the bank with the highest market share in this segment (23.7% as of December 2021, according to public information from CNBV)
- The credit portfolio continues driven by retail segment, in which credit cards, personal and payroll loans present a double-digit growth rate of 13.4%, 10.5% and 11.3%, respectively.
- **BBVA Mexico endorses its commitment to Mexico through the continuous granting of credit and consolidates its leadership positions with a performing loan market share of 23.7%** (CNBV figures as of December 2021).
- We continue foster a saving behavior among our clients, that can be reflected in the deposits evolution (demand deposits + time deposits) showing an annual growth of 10.5%. With this, bank deposits market share grew by 102 basis points (bp) over the last 12 months to reach a 23.6% (CNBV figures as of December 2021).
- **Net income stood at 60,260 million pesos**, driven by positive evolution of the recurrent revenues (financial margin and fees) as well by lower provisions.
- Our robust risk models are reflect in a continuous improvement in our asset quality indicators with a NPL ratio closing the year at 1.7%.
- We maintain a solvency and liquidity ratios above minimum required, with a total capital ratio of 19.2% and a liquidity coverage ratio of 240.14% (minimum required of 12% and 100%, respectively).

Main Magnitudes

Information as December 2021

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México										
Main Magnitudes	4Q	1Q	2Q	3Q	4Q	%	12M	12M	%	
<i>Million pesos</i>	2020	2021	2021	2021	2021	Q-o-Q	2020	2021	Y-o-Y	
Balance Sheet										
Assets	2,442,870	2,413,308	2,494,873	2,510,737	2,453,465	(2.3)	2,442,870	2,453,465	0.4	
Performing Loans	1,209,449	1,226,893	1,233,847	1,249,918	1,288,845	3.1	1,209,449	1,288,845	6.6	
Liabilities	2,200,636	2,166,430	2,246,110	2,243,802	2,170,797	(3.3)	2,200,636	2,170,797	(1.4)	
Bank Deposits*	1,328,063	1,359,680	1,361,633	1,382,046	1,467,404	6.2	1,328,063	1,467,404	10.5	
Equity	242,234	246,878	248,763	266,935	282,668	5.9	242,234	282,668	16.7	
Results										
Net Interest Income	32,835	32,498	32,586	34,375	34,848	1.4	125,528	134,307	7.0	
Total Operating Income**	43,168	40,853	43,535	43,949	46,171	5.1	162,527	174,508	7.4	
Expenses	(16,638)	(17,135)	(17,646)	(13,733)	(17,521)	27.6	(65,037)	(66,035)	1.5	
Income Before Tax	10,290	13,291	19,444	25,605	23,839	(6.9)	50,439	82,179	62.9	
Net Income	7,587	9,702	13,349	19,408	17,801	(8.3)	36,167	60,260	66.6	
Indicators in %										
	4Q	1Q	2Q	3Q	4Q		12M	12M		
	2020	2021	2021	2021	2021	QoQ (bp)	2020	2021	YoY (bp)	
Profitability and Asset Quality										
ROE	12.8	15.9	21.5	30.1	25.9	(420)	15.8	23.0	714	
Efficiency	38.5	41.9	40.5	31.2	37.9	670	40.0	37.8	(218)	
NPL ratio	3.0	2.6	2.4	1.9	1.7	(19)	3.0	1.7	(128)	
Coverage ratio	128.7	137.4	141.5	149.8	153.4	355	128.7	153.4	2,467	
Solvency and Liquidity										
Total Capital Ratio	17.5	17.7	17.5	18.1	19.2	106	17.5	19.2	164	
Core Equity Tier 1 Ratio	14.4	14.6	14.5	15.5	16.7	115	14.4	16.7	227	
CCL***	190.49	203.12	206.89	216.69	240.14	2,345	190.49	240.14	4,965	
Leverage Ratio	10.3	10.3	9.6	10.2	11.1	88	10.3	11.1	76	
Figures in units (#)										
	4Q	1Q	2Q	3Q	4Q		12M	12M		
	2020	2021	2021	2021	2021	QoQ (#)	2020	2021	YoY (#)	
Infrastructure										
Employees	33,313	33,759	33,525	37,889	38,056	167	33,313	38,056	4,743	
Branches	1,746	1,728	1,725	1,721	1,716	(5)	1,746	1,716	(30)	
ATMs	12,950	12,957	13,014	13,139	13,400	261	12,950	13,400	450	

* Demand + time deposits

** Net interest income + commissions + trading income + other operating income

*** LCR level quarterly average. Preliminary figure

Commercial Activity

Performing Loans

During the last quarter of the year, credit portfolio grew at an annual rate of 6.6%, supported by a positive evolution of the retail segments, where the dynamism of credit card stands out, reaching 119,665 million pesos, increasing +13.4% vs Dec-20. In addition, payroll and personal loans grew 11.3% and 10.5%, respectively on an annual basis, mainly driven by digital strategies taking into account that 69.9% of total sales were made through digital channels.

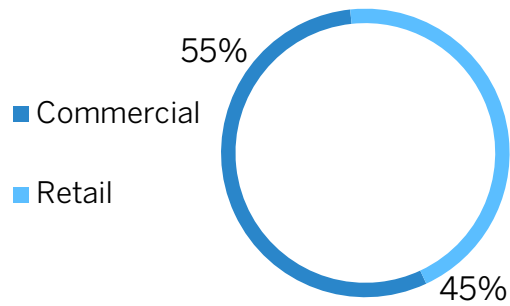
We maintain our leadership in mortgages by continuing to growth this portfolio 9.7% in annual terms, this position lead us to consolidate our position by placing one out of every four mortgages grant in private banks.

Regarding commercial loans, we managed to close the fourth quarter with a positive increase derived from good performance of corporate loans and business segment; with this, we continue to encourage the economic dynamism of Mexico. Credits granted to the government also stand out, reaching 172,608 million pesos with an annual growth of 6.8%.

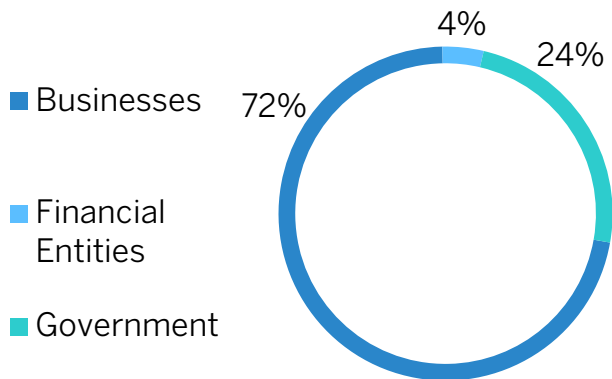
This positive evolution of our credit portfolio and the continuous commitment of BBVA Mexico to promote the development of the country is reflected in the consolidation of our leadership, being the banking institution with the highest level of credit portfolio, reaching a market share of 23.7% (according to CNBV data published at the end of 2021).

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Performing Loans	12M 2020	9M 2021	12M 2021	% Q-o-Q	Y-o-Y
<i>Million pesos</i>					
Businesses	488,878	505,222	514,920	1.9	5.3
Financial entities	28,079	22,065	24,693	11.9	(12.1)
Government	161,615	164,105	172,608	5.2	6.8
Government loans	111,651	114,629	126,631	10.5	13.4
State-owned entities	49,964	49,476	45,977	(7.1)	(8.0)
Commercial loans	678,572	691,392	712,221	3.0	5.0
Consumer	281,968	293,398	303,459	3.4	7.6
Mortgage	248,909	265,128	273,165	3.0	9.7
Total Performing Loans	1,209,449	1,249,918	1,288,845	3.1	6.6

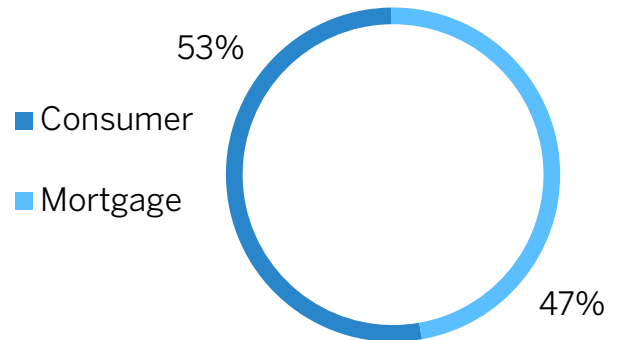
Performing Loans Mix (%)



Commercial Loans Mix (%)



Retail Loan Mix (%)



Asset quality

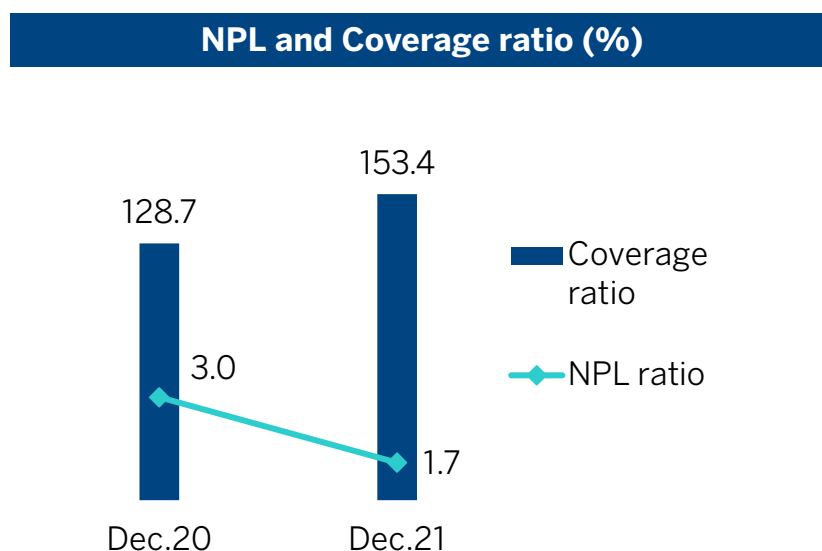
Non-performing Loans

Non-performing loan portfolio shows a decrease 39.4% year-on-year, the forgoing derived from our strict and robust risk models, reflected in an improvement of non-performing loan ratio by 128 bp vs Dec-20, standing at 1.7% at the end of December 2021.

Compared to the previous quarter, a good performance of non-performing loan portfolio was also observed, which decreased by 7.4%.

The coverage of non-performing loans portfolio in 4Q21 was 153.4%.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Non Performing Loans	12M 2020	9M 2021	12M 2021	% Q-o-Q	% Y-o-Y
<i>Million pesos</i>					
Businesses	11,983	8,098	7,270	(10.2)	(39.3)
Financial entities	0	0	0	0	0
Government entities	0	0	0	0	0
Commercial loans	11,983	8,098	7,270	(10.2)	(39.3)
Consumer	16,147	8,184	8,138	(0.6)	(49.6)
Mortgage	9,354	8,237	7,291	(11.5)	(22.1)
Total Non Performing Loans	37,484	24,519	22,699	(7.4)	(39.4)



Non-Performing Loans Movements

NON PERFORMING LOANS MOVEMENTS AS OF DECEMBER 2021

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México	Businesses and financial entities	Mortgages	Consumer	Total
Non-Performing Loans movements				
<i>Million pesos</i>				
Final Balance (December 2020)	11,983	9,354	16,147	37,484
Inputs:	7,741	8,077	29,407	45,225
Transfer from current loans	6,245	7,222	28,556	42,023
Restructured	1,496	855	851	3,202
Outputs:	(12,454)	(10,140)	(37,416)	(60,010)
Transfer to current loans	(836)	(6,135)	(3,907)	(10,878)
Cash settlements	(2,337)	(1,107)	(2,944)	(6,388)
Restructured (Cash settlements)	(257)	(366)	(147)	(770)
Settlement and/or adjudication	(139)	(116)	0	(255)
Financial penalties	(1,458)	(239)	(2,160)	(3,857)
Write-offs	(7,427)	(2,177)	(28,258)	(37,862)
Final Balance (December 2021)	7,270	7,291	8,138	22,699

Loan Portfolio Credit Quality Classification

Around 80% of the portfolio was rating 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 December 2021	Commercial		Mortgage		Consumer		Credit Card		TOTAL	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>										
Risk Level										
A1	667,175	1,681	234,846	260	56,538	538	58,901	1014	1,017,460	3,493
A2	54,390	636	1,581	10	15,248	385	16,153	633	87,372	1,664
B1	19,182	313	7,398	66	60,018	1,993	9,191	528	95,789	2,900
B2	10,818	257	15,737	185	29,135	1,335	8,201	595	63,891	2,372
B3	13,781	461	2,534	40	7,410	413	8,274	738	31,999	1,652
C1	24,306	731	7,373	229	5,286	386	9,037	1,079	46,002	2,425
C2	3,274	240	3,558	259	5,480	532	9,808	2,302	22,120	3,333
D	2,851	864	3,346	945	2,397	557	1,558	777	10,152	3,143
E	7,687	4,902	4,083	2,039	7,236	4,914	1,717	1,487	20,723	13,342
Adicional										486
Total required	803,464	10,085	280,456	4,033	188,748	11,053	122,840	9,153	1,395,508	34,810

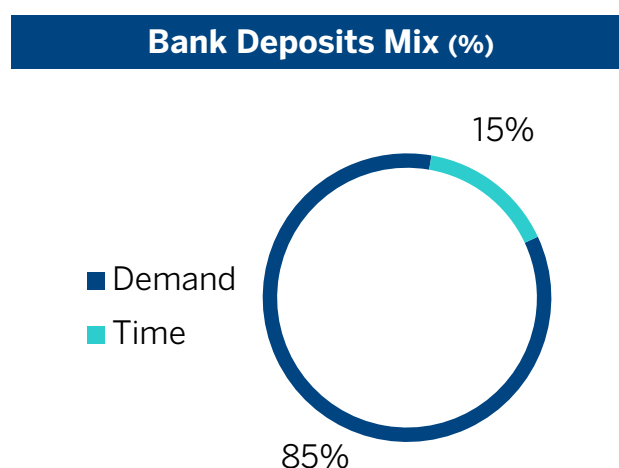
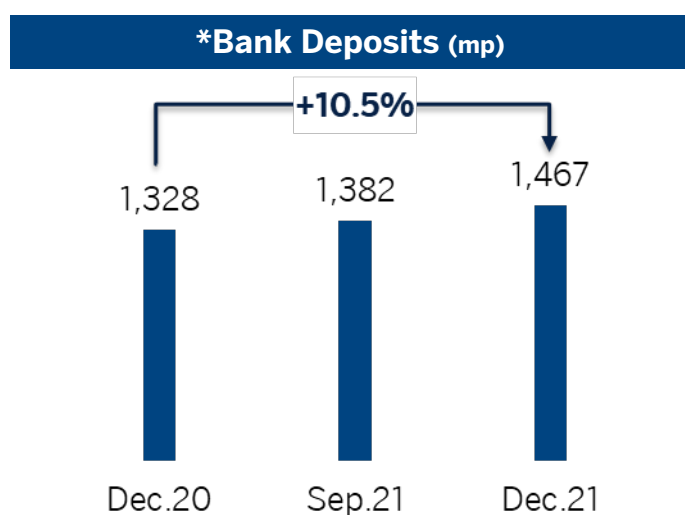
Credit Card for Businesses and letters of credit are included in commercial.
In mortgage, the securitization consolidated by BACOMCB 09 is considered.

Deposits

We continue to be a leading institution in promoting savings, for this reason we continue to growth our bank deposits (demand deposits + time deposits) at double digit rate (+10.5% vs Dec.20). This evolution help to consolidate bank deposits' market share by 102 bp, to reach a 23.6% according to CNBV data at the end of the year.

Given recent events of uncertainty that we have experienced throughout this year, our clients have chosen to continue having liquid resources, a situation that has been reflected in the increase in our demand deposits by 14.6% vs Dec-20, while time deposits decreased by 7.7% in annual terms.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Deposits	12M 2020	9M 2021	12M 2021	% Q-o-Q	% Y-o-Y
<i>Million pesos</i>					
Demand deposits	1,084,227	1,152,512	1,242,299	7.8	14.6
Time Deposits	243,836	229,534	225,105	(1.9)	(7.7)
Customer Deposits	229,974	225,064	220,451	(2.0)	(4.1)
Money Market	13,862	4,470	4,654	4.1	(66.4)
Banking Deposits	1,328,063	1,382,046	1,467,404	6.2	10.5
Bonds	84,052	88,170	87,984	(0.2)	4.7
Deposits global account without movements	4,956	5,161	5,403	4.7	9.0
Total Deposits	1,417,071	1,475,377	1,560,791	5.8	10.1



*Bank deposits includes demand deposits and time deposits.

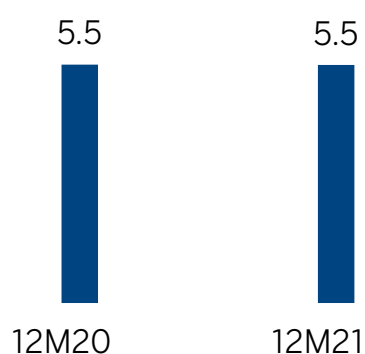
Results

As a result of favorable comparison against the previous year derived from the crisis caused by pandemic in 2020, net profit reached 60,260 million pesos with an annual increase of 66.6%.

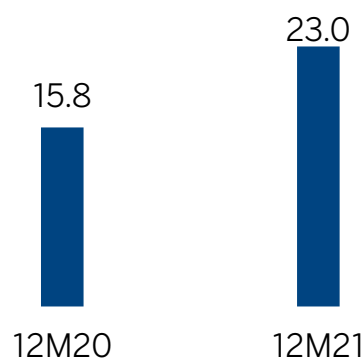
This result has been benefited by an improvement in the net interest income due to a higher increase in the loan portfolio, mainly in the most profitability segments, as well as a lower cost of deposits. Result has also benefited from release of reserves created in 2020, as well as from higher commissions during the period.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Income Statement	4Q	3Q	4Q		%	12M	12M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Net interest income	32,835	34,375	34,848	1.4	6.1	125,528	134,307	7.0
Provisions for loan losses	(16,257)	(4,624)	(4,842)	4.7	(70.2)	(47,090)	(26,382)	(44.0)
Net interest income after provisions for loan losses	16,578	29,751	30,006	0.9	81.0	78,438	107,925	37.6
Total Fees & Commissions	7,790	7,476	7,832	4.8	0.5	27,503	29,948	8.9
Trading income	1,740	2,133	2,878	34.9	65.4	8,433	8,100	(3.9)
Other operating income	803	(35)	613	n.a.	(23.7)	1,063	2,153	(23.7)
Total operating revenues	26,911	39,325	41,329	5.1	53.6	115,437	148,126	28.3
Non-interest expense	(16,638)	(13,733)	(17,521)	27.6	5.3	(65,037)	(66,035)	1.5
Net operating income	10,273	25,592	23,808	(7.0)	131.8	50,400	82,091	62.9
Income before income tax and profit sharing	10,290	25,605	23,839	(6.9)	131.7	50,439	82,179	62.9
Net Income	7,587	19,408	17,801	(8.3)	134.6	36,167	60,260	66.6

NIM (Total Asset, %)¹



ROE (%)



¹ Net Interest Margin (NII) on total assets.

Net Interest Income

Net interest income shows a positive evolution with an increase of 7.0% vs Dec-20 driven by the growth of retail portfolio, as well as a funding cost improvement due to a higher increase in demand deposits.

During the fourth quarter of the year, we made the last release of reserves for an amount of 2,043 million pesos, corresponds to the last part of additional reserves created during the first quarter of 2020 for 6,544 million pesos to face the crisis caused by pandemic. This explains the favorable evolution of the provisions, which improve 44.0% year-on-year.

Meanwhile, NII adjusted by provisions stood at 107,925 million pesos for the twelve month of the year, being 37.6% higher than the previous year.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Net Interest Income	4Q	3Q	4Q	%		12M	12M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Interest income	43,007	44,345	45,948	3.6	6.8	179,179	174,542	(2.6)
Interest expenses	(10,688)	(10,440)	(11,454)	9.7	7.2	(55,648)	(42,066)	(24.4)
Margin fees	516	470	354	(24.7)	(31.4)	1,997	1,831	(8.3)
Net interest income	32,835	34,375	34,848	1.4	6.1	125,528	134,307	7.0
Provisions for loan losses	(16,257)	(4,624)	(4,842)	4.7	(70.2)	(47,090)	(26,382)	(44.0)
Net interest income after provisions	16,578	29,751	30,006	0.9	81.0	78,438	107,925	37.6

Fees and Commissions

Fees and commissions grew by 8.9% in annual terms mainly explained by higher level of transactions of our clients with credit cards and commissions related to investment funds due to greater volumes.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Fees & Commissions	4Q	3Q	3Q	%		12M	12M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Bank fees	1,994	1,845	1,943	5.3	(2.6)	7,067	7,236	2.4
Credit and debit card	4,205	4,232	4,648	9.8	10.5	14,171	16,895	19.2
Investment funds	1,146	1,122	1,145	2.0	(0.1)	4,527	4,588	1.3
Others	445	277	96	(65.3)	(78.4)	1,738	1,229	(29.3)
Commissions and fee income	7,790	7,476	7,832	4.8	0.5	27,503	29,948	8.9

Trading Income

Trading income results reached 8,100 million pesos, which means a slight year-on-year drop of 3.9%. Nevertheless, during the quarter it grew by 34.9% given a positive valuation result in FX and derivatives.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Trading income	4Q	3Q	4Q	%		12M	12M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Variable income	250	(2)	(9)	350.0	n.a.	238	(48)	n.a.
Fixed income and repos	110	463	188	(59.4)	70.9	(1,316)	(1,137)	(13.6)
Securities	360	461	179	(61.2)	(50.3)	(1,078)	(1,185)	9.9
FX	(4,155)	(1,042)	5,413	n.a.	n.a.	(6,293)	(4,676)	(25.7)
Derivatives	3,574	(949)	3,409	n.a.	(4.6)	(814)	5,808	n.a.
Results from valuation	(221)	(1,530)	9,001	n.a.	n.a.	(8,185)	(53)	(99.4)
Variable income	88	(8)	(10)	25.0	n.a.	(723)	87	n.a.
Fixed income and repos	270	(800)	(392)	(51.0)	n.a.	3,421	470	(86.3)
Securities	358	(808)	(402)	(50.2)	n.a.	2,698	557	(79.4)
FX	1,460	2,056	2,058	0.1	41.0	6,024	7,338	21.8
Derivatives	143	2,415	(7,779)	n.a.	n.a.	7,896	258	(96.7)
Results from trading	1,961	3,663	(6,123)	n.a.	n.a.	16,618	8,153	(50.9)
Trading income	1,740	2,133	2,878	34.9	65.4	8,433	8,100	(3.9)

Other Income (expenses) of the operation

Positive evolution in other income that at the end of December 2021 totaled 2,153 million pesos, mainly explained by positive effect derived from transformation of the productive model, lower write-offs and favorable comparison of the reorganization plan.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México								
Other Income (Expenses)	4Q	3Q	4Q	%		12M	12M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Result of operation of foreclosed assets	514	256	456	78.1	(11.3)	1,344	1,180	(12.2)
Interest of loans to employees	207	214	220	2.8	6.3	821	856	4.3
Sales and recoveries of loan portfolio	481	49	562	n.a.	16.8	647	655	1.2
Recovery of warranty payments	36	79	55	(30.4)	52.8	237	191	(19.4)
Reorganization plans	0	0	0	n.a.	n.a.	(589)	0	n.a.
Write-offs	(185)	(163)	(49)	(69.9)	(73.5)	(511)	(324)	(36.6)
Legal and labor contingencies	3	(280)	(309)	10.4	n.a.	(235)	(623)	165.1
Donations	(300)	(246)	(402)	63.4	34.0	(891)	(976)	9.5
Other Income	47	56	80	42.9	70.2	240	1,194	397.5
Other operating income	803	(35)	613	n.a.	(23.7)	1,063	2,153	102.5

Non-Interest Expenses

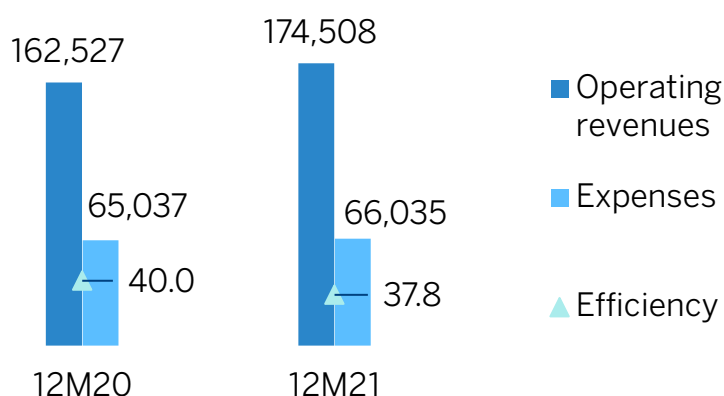
Despite the high single-digit inflation registered during the last month of the year, we have managed to maintain expenses at 66,035 million pesos, which represents an increase of 1.5% vs Dec-20. The foregoing without neglecting the quality of our processes aligned with our strategy of optimizing our resources.

Cost to income ratio was 37.8% at the end of December 2021, lower by 218 bp compared to the end of the previous year.

Regardless the strict control in expenses, we have been able to maintain a strong physical infrastructure network with 1,716 branches and 13,400 ATMs, in addition to the 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	4Q	3Q	4Q	Q-o-Q	Y-o-Y	12M	12M	%
<i>Million pesos</i>	2020	2021	2021			2020	2021	Y-o-Y
Administrative and operating expenses	10,851	8,147	11,744	44.2	8.2	42,173	42,693	1.2
Rents	1,686	1,743	1,703	(2.3)	1.0	6,236	6,824	9.4
Depreciation and amortization	1,450	1,488	1,492	0.3	2.9	5,831	5,911	1.4
Taxes	1,044	752	914	21.5	(12.5)	4,494	4,215	(6.2)
Deposit guarantee fund (IPAB)	1,607	1,603	1,668	4.1	3.8	6,303	6,392	1.4
Administrative and promotional expenses	16,638	13,733	17,521	27.6	5.3	65,037	66,035	1.5

Operating revenues, expenses and efficiency (%)



Capital and Liquidity

BBVA Mexico estimated capitalization ratio stood at 19.16% at the end of December 2021, composed by 16.67% Tier 1 and 2.50% of Tier 2.

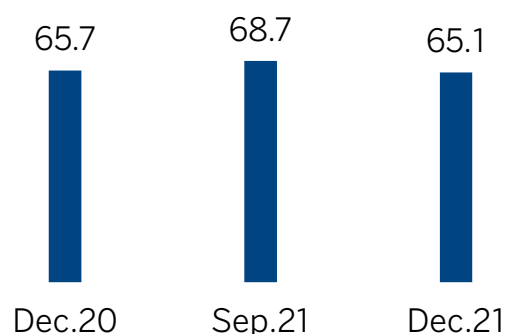
It is important to mention that BBVA Mexico fully covers the minimum capital requirements. We maintain the classification of systemically important domestic entity (Grade IV), which implies an additional buffer of 1.5% over the local minimum requirement of 10.5%, to place ourselves at minimum of 12.0% for total capital ratio.

BBVA Mexico estimated capitalization index

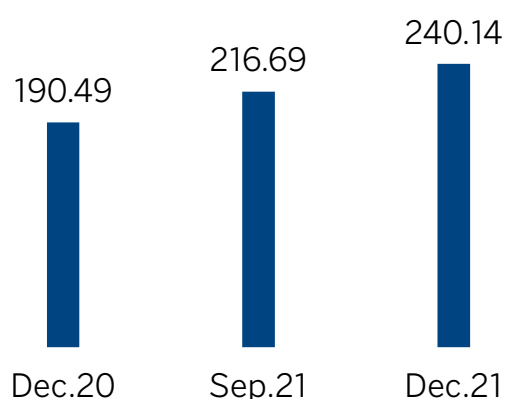
BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México						
Capitalization	December 2020		September 2021		December 2021	
Million pesos						
Tier 1 capital		235,404		256,067		271,234
Tier 2 capital		50,909		42,625		40,608
Net capital		286,313		298,693		311,842
		Credit Market, Operative		Credit Market, Operative		Credit Market, Operative
		Risk & Credit Risk		Risk & Credit Risk		Risk & Credit Risk
Risk-weighted assets	1,085,281	1,634,681	1,081,691	1,650,203	1,032,394	1,627,385
Tier 1 as % of risk-weighted assets	21.69%	14.40%	23.67%	15.52%	26.27%	16.67%
Tier 2 as % of risk-weighted assets	4.69%	3.11%	3.94%	2.58%	3.93%	2.50%
Net capital ratio	26.38%	17.51%	27.61%	18.10%	30.21%	19.16%

Despite the complex environment, BBVA Mexico maintains comfortable levels of liquidity to continue growing. The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 65.1% and the short-term indicator, defined as Liquidity Coverage Ratio (LCR), stood at 240.14%.

Regulatory Liquidity Ratio (%)



Local LCR (%)



Financial Indicators

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México							
	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	12M 2020	12M 2021
Infrastructure Indicators (#)							
Branches	1,746	1,728	1,725	1,721	1,716	1,746	1,716
ATMs	12,950	12,957	13,014	13,139	13,400	12,950	13,400
Employees	33,313	33,759	33,525	37,889	38,056	33,313	38,056
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	2.9	4.0	4.6	5.2	5.2	3.7	4.7
b) NIM (total assets)	5.4	5.4	5.3	5.5	5.6	5.5	5.5
c) Operating efficiency	2.7	2.8	2.9	2.2	2.8	2.8	2.7
d) Efficiency (cost to income)	38.5	41.9	40.5	31.2	37.9	40.0	37.8
e) Productivity index	46.8	42.2	42.0	54.4	44.7	42.3	45.4
f) ROE	12.8	15.9	21.5	30.1	25.9	15.8	23.0
g) ROA	1.24	1.60	2.18	3.10	2.87	1.6	2.5
Asset Quality Indicators (%)							
h) NPL ratio	3.0	2.6	2.4	1.9	1.7	3.0	1.7
i) Coverage ratio	128.7	137.4	141.5	149.8	153.4	128.7	153.4
Solvency Indicators (%)							
j) Core equity tier 1 ratio	14.4	14.6	14.5	15.5	16.7	14.4	16.7
k) Tier 1 ratio	14.4	14.6	14.5	15.5	16.7	14.4	16.7
l) Total capital ratio	17.5	17.7	17.5	18.1	19.2	17.5	19.2
m) Leverage ratio	10.3	10.3	9.6	10.2	11.1	10.3	11.1
Liquidity Indicators (%)							
n) Liquidity ratio (CNBV requirement)	65.7	67.0	72.7	68.7	65.1	65.7	65.1
o) Liquidity ratio (Loans / Deposits)	90.7	89.9	90.3	90.1	87.5	90.7	87.5
p) Liquidity Coverage Coefficient (Local LCR)	190.49	203.12	206.89	216.69	240.14	190.49	240.14

INFRAESTRUCTURE

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 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: Non performing loans / Total loan portfolio
- i) Coverage ratio: Allowances 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
Standard and Poor's			
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+		
Moody's			
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		
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 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		
								S&P	Moody's	Fitch
Senior Debt										
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	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021
<i>Million pesos</i>					
CASH AND CASH EQUIVALENTS	223,219	255,662	309,541	326,891	301,088
Margin call accounts	32,261	19,360	15,187	11,914	8,054
SECURITIES	574,938	578,229	587,175	539,003	584,297
Trading	281,920	267,039	289,679	242,830	289,731
Available for sale	211,788	229,436	228,254	226,623	221,891
Held to maturity	81,230	81,754	69,242	69,550	72,675
Debtors from repurchase agreement	15,123	44	38	33	37
Derivatives	213,927	156,947	145,882	144,328	146,702
Trading	197,606	143,297	132,680	131,037	133,914
Hedging Transactions	16,321	13,650	13,202	13,291	12,788
Valuation adjustments derived from hedges of financial assets	2,488	1,097	1,102	723	475
PERFORMING LOANS	1,209,449	1,226,893	1,233,847	1,249,918	1,288,845
Commercial loans	678,572	694,679	689,817	691,392	712,221
Business or commercial activity	488,878	496,702	499,068	505,222	514,920
Financial entities	28,079	24,558	24,156	22,065	24,693
Government entities	161,615	173,419	166,593	164,105	172,608
Consumer	281,968	279,195	285,434	293,398	303,459
Mortgage	248,909	253,019	258,596	265,128	273,165
Residential Mortgages	241,968	246,255	252,158	258,998	267,346
Social Housing	6,941	6,764	6,438	6,130	5,819
NON PERFORMING LOANS	37,484	32,980	30,100	24,519	22,699
Commercial loans	11,983	12,131	12,386	8,098	7,270
Business or commercial activity	11,983	12,131	12,375	8,098	7,270
Government entities	0	0	11	0	0
Consumer	16,147	11,614	8,837	8,184	8,138
Mortgage	9,354	9,235	8,877	8,237	7,291
Residential Mortgages	8,824	8,747	8,448	7,847	6,981
Social Housing	530	488	429	390	310
TOTAL LOANS	1,246,933	1,259,873	1,263,947	1,274,437	1,311,544
Allowance for loan losses	(48,236)	(45,301)	(42,581)	(36,731)	(34,810)
TOTAL LOANS, NET	1,198,697	1,214,572	1,221,366	1,237,706	1,276,734
Other accounts receivable, net	106,527	118,277	146,908	179,780	64,947
Repossessed assets, net	1,317	1,241	1,188	1,033	989
Property, furniture and equipment, net	36,293	35,556	35,155	34,974	35,956
Equity investments	1,135	1,153	1,086	1,089	1,086
Deferred taxes, net	22,416	23,609	23,322	26,201	26,157
Other assets	14,529	7,561	6,923	7,062	6,943
Deferred charges, prepaid expenses and intangibles	14,529	7,561	6,923	7,062	6,943
TOTAL ASSETS	2,442,870	2,413,308	2,494,873	2,510,737	2,453,465

Liabilities & Stockholders' Equity

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Liabilities & Stockholders' Equity	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021
<i>Million pesos</i>					
TOTAL DEPOSITS	1,417,071	1,450,011	1,454,654	1,475,377	1,560,791
Demand deposits	1,084,227	1,116,008	1,132,151	1,152,512	1,242,299
Time Deposits	243,836	243,672	229,482	229,534	225,105
Customer deposits	229,974	237,622	223,838	225,064	220,451
Money market	13,862	6,050	5,644	4,470	4,654
Bonds	84,052	85,296	87,743	88,170	87,984
Deposits global account without movements	4,956	5,035	5,278	5,161	5,403
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	17,861	30,885	30,456	31,639	39,433
Payable on demand	0	0	0	1,000	0
Short-term	6,985	6,070	6,171	5,984	5,778
Long-term	10,876	24,815	24,285	24,655	33,655
Creditors from repurchase agreements	263,716	256,581	309,491	264,775	173,973
Securities creditors	5	3	1	4	2
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	63,841	64,413	53,068	51,695	52,741
Repurchase	0	19,963	12,591	7,321	9,823
Securities lending	63,841	44,450	40,477	44,374	42,918
DERIVATIVES	223,841	162,609	152,846	156,876	158,625
Trading	210,971	155,273	146,775	150,510	152,259
Hedge transactions	12,870	7,336	6,071	6,366	6,366
Valuation adjustments derived from hedges of financial liabilities	7,915	4,796	4,742	4,168	2,947
OTHER PAYABLES	113,665	118,659	163,370	180,531	102,316
Profit taxes payable	0	0	1,726	3,700	5,646
Employee profit sharing (PTU) payable	59	57	57	2,004	2,582
Transaction settlement creditors	55,312	62,515	68,465	68,930	37,561
	1,179	348	348	0	0
Creditors from collaterals received in cash	19,762	21,444	15,975	17,279	16,981
Accrued liabilities and other	37,353	34,295	76,799	88,618	39,546
Subordinated debt	85,181	70,869	69,943	71,293	72,055
Deferred credits and advanced collections	7,540	7,604	7,539	7,444	7,914
TOTAL LIABILITIES	2,200,636	2,166,430	2,246,110	2,243,802	2,170,797
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	202,194	206,837	208,718	226,885	242,614
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	160,008	196,175	185,095	185,095	185,095
Unrealized gain on available-for-sale securities	2,820	(1,998)	(3,332)	(4,649)	(5,898)
Result from valuation of cash flow hedging instruments	(96)	(430)	(562)	(595)	(788)
Accumulated effect by conversion	440	440	0	0	0
Redefined benefits to employees	(4,046)	(3,953)	(2,435)	(2,326)	(2,956)
Net income	36,167	9,702	23,051	42,459	60,260
MAJORITY STOCKHOLDERS' EQUITY	242,197	246,840	248,721	266,888	282,617
Non-controlling interest in consolidated subsidiaries	37	38	42	47	51
TOTAL STOCKHOLDERS EQUITY	242,234	246,878	248,763	266,935	282,668
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,442,870	2,413,308	2,494,873	2,510,737	2,453,465

Memorandum accounts

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México					
Memorandum accounts	Dec	Mar	Jun	Sep	Dec
Million pesos	2020	2021	2021	2021	2021
Contingent assets and liabilities	805	904	942	1,022	1,157
Credit commitments	638,851	626,480	632,070	652,357	654,061
In trusts	429,883	426,344	430,298	470,220	493,557
Under mandate	223	227	233	196	196
Assets in trust or under mandate	430,106	426,571	430,531	470,416	493,753
Assets in custody or under administration	203,467	196,519	225,194	243,036	228,239
Collaterals received by the institution	131,586	110,591	92,679	96,369	79,717
Collaterals received and sold or pledged as collateral by the institution	106,906	91,892	83,089	78,748	66,941
Investment banking transactions on behalf of third parties, net	1,604,841	1,695,175	1,808,667	1,904,929	1,939,897
Accrued interest on non- performing loans	3,524	3,312	3,424	2,465	2,377
Other record accounts	3,336,242	3,423,140	3,464,835	3,562,232	3,662,642

"The historical balance of the capital stock as of December 31, 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
Amezcuca

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	4Q	1Q	2Q	3Q	4Q	12M	12M
<i>Million pesos</i>	2020	2021	2021	2021	2021	2020	3021
Interest income	43,523	42,722	42,534	44,815	46,302	181,176	176,373
Interest expenses	(10,688)	(10,224)	(9,948)	(10,440)	(11,454)	(55,648)	(42,066)
Net interest income	32,835	32,498	32,586	34,375	34,848	125,528	134,307
Provisions for loan losses	(16,257)	(10,445)	(6,471)	(4,624)	(4,842)	(47,090)	(26,382)
Net interest income after provisions for loan losses	16,578	22,053	26,115	29,751	30,006	78,438	107,925
Commissions and fees charged	12,433	11,568	12,429	12,715	13,881	44,096	50,593
Commissions and fees paid	(4,643)	(4,343)	(5,014)	(5,239)	(6,049)	(16,593)	(20,645)
Total Fees & Commissions	7,790	7,225	7,415	7,476	7,832	27,503	29,948
Trading income	1,740	848	2,241	2,133	2,878	8,433	8,100
Other operating income	803	282	1,293	(35)	613	1,063	2,153
Total operating revenues	26,911	30,408	37,064	39,325	41,329	115,437	148,126
Non-interest expense	(16,638)	(17,135)	(17,646)	(13,733)	(17,521)	(65,037)	(66,035)
Net operating income	10,273	13,273	19,418	25,592	23,808	50,400	82,091
Share in net income of unconsolidated subsidiaries and affiliates	17	18	26	13	31	39	88
Income before income tax and profit sharing	10,290	13,291	19,444	25,605	23,839	50,439	82,179
Tax incurred	(4,384)	(2,591)	(5,424)	(4,950)	(4,592)	(16,777)	(17,557)
Deferred taxes	1,680	(997)	(667)	(1,242)	(1,442)	2,504	(4,348)
Net Taxes	(2,704)	(3,588)	(6,091)	(6,192)	(6,034)	(14,273)	(21,905)
Income before non-controlling interest	7,586	9,703	13,353	19,413	17,805	36,166	60,274
Non-controlling interest	1	(1)	(4)	(5)	(4)	1	(14)
Net Income	7,587	9,702	13,349	19,408	17,801	36,167	60,260

"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."

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CEO

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Head of Internal Audit

Ana Luisa Miriam Ordorica
Amezcuca

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 December 31st 2021)	
Million pesos	
Net income	60,260
Adjustments derived from items not involving cash flow	
Impairment losses or reversal effect associated with investment and financing activities	125
Depreciation of property, furniture and fixtures	2,355
Amortization of installation expenses	1,855
Amortization of intangible assets	1,702
Provisions	4,967
Recycling of the effect accumulated by conversion	(440)
Income taxes	21,905
Share in net income of unconsolidated subsidiaries and affiliated companies	(88)
Noncontrolling interest	14
	<u>32,395</u>
	<u>92,655</u>
Operating activities	
Change in margin call accounts	24,328
Change in investments in securities	(20,799)
Change in debtors from repurchase agreement	15,086
Change in derivatives (assets)	63,692
Change in loan portfolio (net)	(73,380)
Change in repossessed assets	327
Change in other operating assets	37,555
Change in deposits	136,973
Change in interbank loans and other loans from other entities	21,464
Change in creditors from repurchase agreements	(89,744)
Change in securities lending	(4)
Change in collaterals sold or delivered in guarantee	(11,100)
Change in derivatives (liabilities)	(58,713)
Change in subordinated obligations with liability characteristics	(15,230)
Change in other operating liabilities	(19,420)
Change in hedging instruments (of hedge items related to operation activities)	(7,005)
Income taxes payment	<u>(6,053)</u>
Net cash flows used in operating activities	<u>(2,023)</u>
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	61
Payments for the acquisition of property furniture and fixtures	(4,050)
Charges for acquisition of subsidiaries and associates	137
Proceeds from cash dividends	1
Payments for acquisition of intangible assets	<u>(1,580)</u>
Net cash flows used in investment activities	<u>(5,431)</u>
Financing activities	
Cash dividends paid	<u>(11,080)</u>
Net cash flows used in financing activities	<u>(11,080)</u>
Net increase or decrease in cash and cash equivalents	74,121
Effects of changes in cash and cash equivalents	3,748
Cash and cash equivalents at the beginning of the year	<u>223,219</u>
Cash and cash equivalents at the end of the year	<u>301,088</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.

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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				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	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					
<i>Million pesos</i>													
Balances as of December 31st, 2020	24,143	15,860	6,901	160,008	2,820	(96)	440	(4,046)	36,167	242,197	37	242,234	
HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS													
Transfer from net income to results of prior years				36,167					(36,167)	0		0	
Decree of dividends				(11,080)						(11,080)		(11,080)	
Total	0	0	0	25,087	0	0	0	0	(36,167)	(11,080)	0	(11,080)	
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES													
Net income									60,260	60,260	14	60,274	
Result from valuation of securities available for sale					(8,718)					(8,718)		(8,718)	
Result from valuations of Cash Flow Hedging						(692)				(692)		(692)	
Recognition in the preventive estimation for credit risks due to a change in rating methodology							(440)			(440)		(440)	
Redefined benefits to employees								1,090		1,090		1,090	
Total	0	0	0	0	(8,718)	(692)	(440)	1,090	60,260	51,500	14	51,514	
Balances as of December 31st, 2021	24,143	15,860	6,901	185,095	(5,898)	(788)	0	(2,956)	60,260	282,617	51	282,668	

"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 pronouncement recently issued

I. Adoption of international standard

a) In accordance with the Resolution that modifies the General Provisions applicable to credit institutions, published in the *Diario Oficial de la Federación* (DOF) on March 13, 2020, the CNBV has resolved to adopt the international standard IFRS 9, to which is necessary to update the accounting criteria applicable to credit institutions, to make them consistent with financial and international information standards, contained in this resolution, which will allow having transparent and comparable financial information with other countries, being its entry effective January 1, 2022.

BBVA México's administration of the institution is in a process of determining the effects of adopting these modifications to the accounting criteria applicable to credit institutions.

b) In accordance with the amending resolution that modifies the general provisions applicable to credit institutions, published in the DOF on December 4, 2020, the CNBV has resolved to modify the entry into force of the Information Standards Financial (NIF) to which credit institutions will be subject, which had previously been published in the DOF on December 27, 2017 to enter into force on January 1, 2019, being its new entry into force on January 1, 2022.

It is worth mentioning that, on September 23, 2021, the DOF issued the Resolution that modifies the General Provisions applicable to Credit Institutions, published on March 13, 2020, where the facility has been granted so that during fiscal year 2022, the contractual interest rate will continue to be used for the accrual of interest on the loan portfolio, as well as the application of the straight-line method for the recognition of origination commissions and the accrual of transaction costs, as established by accounting criteria B-6 in force until December 31, 2021, such circumstance must be disclosed in the quarterly and annual financial statements for the year 2022.

Below is a brief description of the NIF with application on January 1, 2022, which are incorporated into the accounting criteria of the previous amending resolutions, together with the application of the clarification to the particular standards of the accounting criteria of the regulators:

NIF B-17 "Determination of fair value" - Defines fair value as the starting price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is mentioned that the fair value is a determination based on the market and not on a specific value of an asset or a liability and that, when determining the fair value, the entity must use assumptions that market participants would use when setting the price of an asset or a liability under current market conditions at a given date, including risk assumptions. As a result, the entity's intention to hold an asset or to liquidate or otherwise satisfy a liability is not relevant in determining fair value.

NIF C-2 "Investment in financial instruments" - The main characteristics issued for this NIF are shown below:

- Eliminates the concept of intent to acquire, in turn eliminating the classification of categories of held-to-maturity and available-for-sale instruments.
- The business model concept of managing investments in financial instruments is adopted to obtain cash flows, which may be obtaining a contractual return on a financial instrument, for the collection of contractual returns and/or sale or obtaining profits from their purchase and sale, in order to classify

the various financial instruments.

- If the business model is to generate a profit through receiving the flows of a contractual performance of the financial instruments, they are recognized at their amortized cost, and these are denominated as financial instruments to collect principal and interest (IFCPI).
- If the business model is to generate a profit through a contractual performance and sell them at the right time, they are recognized at fair value through OCI and are called financial instruments to collect or sell (IFCV).
- If the business model is to generate a profit based on their purchase and sale, these instruments are recognized based on their fair value, but through net profit or loss, and are called negotiable financial instruments (IFN).
- The reclassification of investments in financial instruments between the categories of financial instruments receivable, financial instruments to be collected or sold and financial instruments is not allowed.

negotiable securities, unless the entity's business model changes.

- Adopts the principle that all financial instruments are valued on initial recognition at fair value. Therefore, if there is an acquisition of a financial instrument at a price other than observable market prices, said value must be adjusted to observable market prices immediately.

NIF C-3 "Accounts receivable" – The main characteristics issued for this NIF are shown below:

- It nullifies Bulletin C-3 "Accounts Receivable".
- Specifies that accounts receivable that are 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 in themselves financial instruments.
- Establishes that the allowance for uncollectibility for commercial accounts receivable is recognized from the moment the income is accrued, based on the expected credit losses.
- It establishes that, from the initial recognition, the value of money over time must be considered, therefore, if the effect of the present value of the account receivable is important in view of its term, it must be adjusted based on said present value. . The effect of the present value is material when the collection of the account receivable is agree, totally or partially, for a term greater than one year, since in these cases there is a financing operation. Accounting changes that arise should be recognized retrospectively, however, the valuation effects may be recognized prospectively.

NIF C-9 "Provisions, contingencies and commitments" - It leaves Bulletin C-9 "Liabilities, provisions, assets and contingent liabilities and commitments" without effect, its scope is reduced by relocating the topic related to the accounting treatment of financial liabilities in the NIF C-19 "Financial instruments payable" and the definition of liability is modified, eliminating the qualifier "virtually unavoidable" and including the term "probable". The application for the first time of this NIF will not generate accounting changes in the financial statements.

NIF C-10 “Derivative financial instruments and hedging relationships”-

The main characteristics issued for this NIF are shown below:

- Alignment of hedging relationships with the risk management strategy that the entity has established and disclosed is required for them to qualify as hedging relationships. If they are not aligned, they are considered not to qualify as such and are not recognized as hedging relationships.
- Specific measures are no longer used to determine whether a hedge is effective, as in the case that the periodic or accumulated variations in the fair value of the hedging instrument should be in a ratio between 80 and 125% with respect to the variations in the covered game. Any ineffectiveness is immediately recognized in net profit or loss.
- It is established that, once one or more hedging relationships have been designated, they may not be discontinued by management decision, as long as the hedging relationship is complying with the risk management strategy that the entity has established and disclosed. It is only discontinued if the hedging instrument or hedged item ceases to exist or if the risk management strategy changes.
- It is required to rebalance the coverage ratio if there is ineffectiveness, either by increasing or decreasing the hedged item or the hedging instrument.
- It will not be allowed to separate the implicit derivative financial instruments that exist when the host instrument is a financial asset, since it is considered that, if the amount of the hybrid contract is going to be modified, the modified amount will be charged.
- It is allowed to designate a net income and expense position as a hedged item, as long as that designation reflects the entity's risk management strategy.

NIF C-14 “Transfer and derecognition of financial assets”- The main change contained in this standard corresponds to the principle of transfer of risks and benefits of ownership of the financial asset, as a fundamental condition to derecognize it. This means that when commercial, industrial and service entities discount accounts or notes receivable with recourse, they may not present the amount of the discount as a credit to the accounts and notes receivable, but rather as a liability. Similarly, financial entities may not write off the financial asset with a simple transfer of control over the asset.

NIF C-16 “Impairment of financial instruments receivable” - Indicates that, to determine the recognition of the expected loss, the historical experience of the entity must be considered.

and credit losses, the current conditions and the reasonable and sustainable forecasts of the different quantifiable future events that could affect the amount of the future cash flows to be recovered from the financial instruments receivable (IFC).

It also indicates that the expected loss should be recognized when, as the credit risk has increased, it is concluded that part of the IFC's future cash flows will not be recovered.

NIF C-19 “Financial instruments payable”-

The main characteristics issued for this NIF are shown below:

- The possibility of valuing, subsequent to their initial recognition, certain financial liabilities at their fair

value, when certain conditions are met, is established.

- Value long-term liabilities at their present value at initial recognition.
- When restructuring a liability, without the future cash flows to liquidate it being substantially modified, the costs and commissions incurred in this process will affect the amount of the liability and will be amortized over a modified effective interest rate, instead of directly affecting net profit or loss.
- Incorporates what is established 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 statement of comprehensive income.
- Introduces the concepts of amortized cost to value financial liabilities and the effective interest method, based on the effective interest rate.

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

The way of classifying financial instruments in assets is modified, since the concept of intention to acquire and hold them is discarded to determine their classification, instead the concept of management's business model is adopted.

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

NIF D-1 “Revenues from contracts with customers”- The main characteristics issued for this NIF are shown below:

- The transfer of control, basis for the opportunity to recognize income.
- The identification of the obligations to fulfill in a contract.
- The allocation of the transaction price among the obligations to be fulfilled based on the independent sale prices.
- The introduction of the conditional account receivable concept.
- Recognition of collection rights.
- The valuation of income.

NIF D-2 “Revenue, costs from contracts with clients”- The main change in this standard is the separation of the regulations related to the recognition of income from contracts with customers from the regulations corresponding to the recognition of costs from contracts with customers.

NIF D-5 “Leasing”- Enters into force for fiscal years beginning on or after the 1st. January 2022. Annuls Bulletin D-5 “Leases”. The application for the first time of this NIF generates accounting changes in the financial statements mainly for the lessee and grants different options for its recognition. Among the main changes are the following:

- Eliminates the classification of leases as operating or capitalized for a lessee, and the latter must recognize a lease liability at the present value of the payments and an asset for the right of use for the same amount, of all leases with a duration greater than 12 months, unless the underlying asset is of low value.
- An expense is recognized for depreciation or amortization of right-of-use assets and an interest expense on lease liabilities.
- Modifies the presentation of the related cash flows since cash flow outflows from operating activities are reduced, with an increase in cash flow outflows from financing activities.
- Modifies the recognition of gain or loss when a seller-lessee transfers an asset to another entity and leases that asset back.
- The accounting recognition by the lessor has not changed in relation to the previous Bulletin D-5, and only some disclosure requirements are added.

* * *

BBVA Mexico

S.A.

Financial Report and Achievements January-December 2021

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