

# BBVA Mexico

## 4Q22 Results

### *Fixed Income*

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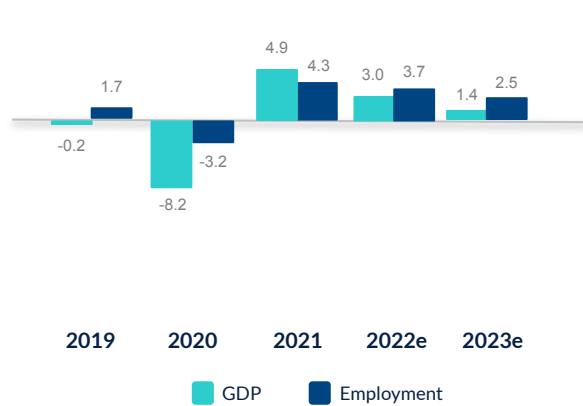
- 01 Macroeconomic Environment
- 02 BBVA Mexico's Financial Performance
- 03 BBVA Mexico's Strategy

01

# Macroeconomic Environment

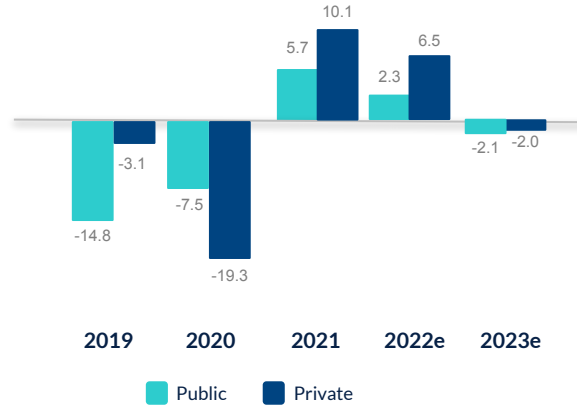
## GDP & FORMAL EMPLOYMENT

(YoY %)



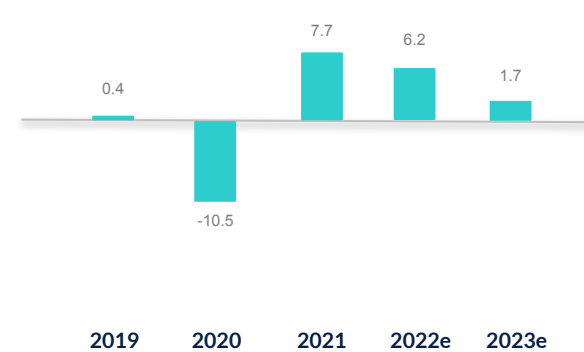
## TOTAL INVESTMENT

(YoY %)



## PRIVATE CONSUMPTION

(YoY %)



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

Private investment keep increasing the challenge is to promote higher investment in the country.  
Strength in the peso (higher spread) as well as higher remittances and tourism income.

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

02

BBVA Mexico

Financial Performance

# BBVA Mexico competitive strengths and key results

## Footprint

December 2022

### Branches

**1,733 #2**  
\*Main Peer 1,993

### ATMs

**14,019 #1**  
\*Main Peer 9,899

### Total Clients

**28.0 M**

## Leader in Loan Performance & Strong funding structure

### Lending

**+15.8%**  
YoY

### Deposits

**+10.0%**  
YoY

## Resilient P&L

December 2022

### Revenues

**24.2 %**  
vs 12M21

### Expenses

**2.5 %**  
vs 12M21

### NAP

**27.0%**  
vs 12M21



### Market Share

#### Performing Loans

Nov. 22

**BBVA 24.4%**

Next Peer 14.5%

#### Deposits

Nov. 22

**BBVA 24.0%**

Next Peer 13.4%

## Sounds asset quality and profitability

December 2022

### NPL

**1.58%**

### Coverage Ratio

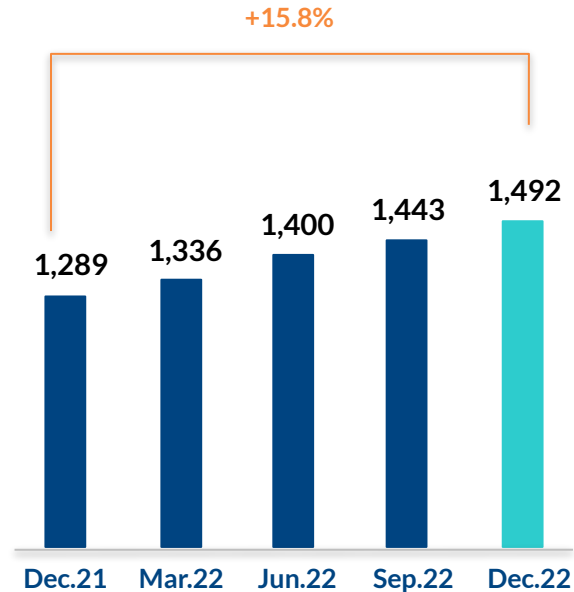
**207.9%**

### ROE

**26.3%**

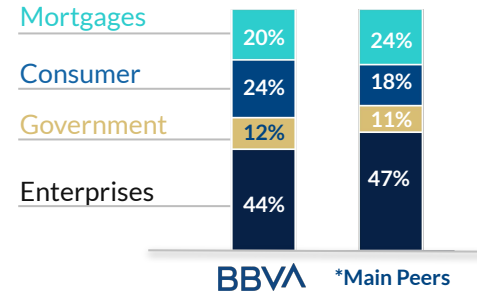
## Performing Loans

(Billion Pesos)



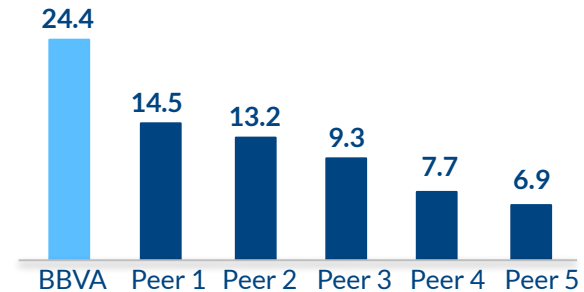
## Lending Mix

(Dec 22, %)



## Performing Loans Market Share

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

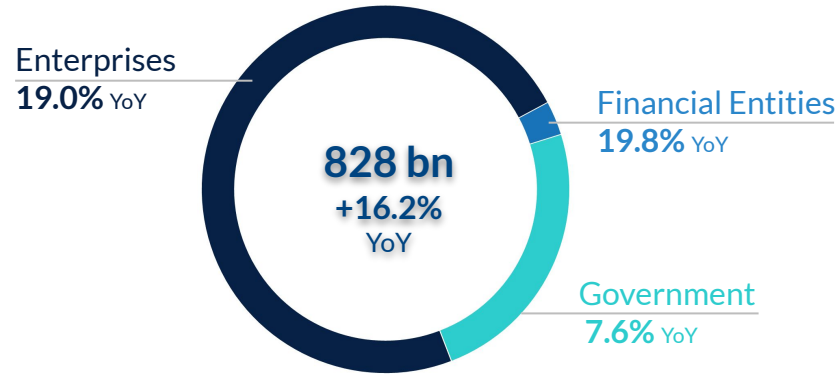


Figures under local accounting standards with BBVA Mexico data.  
 Note: Performing Loans as of December 22 are under the new criteria is the sum of stage 1, stage 2 and valued at fair value.

Figures under local accounting standards with BBVA Mexico data. Businesses include large, medium & small companies  
 \*Main Peers: Banorte, HSBC, Citibanamex, Scotiabank, Inbursa and Santander (CNBV Data as of November)

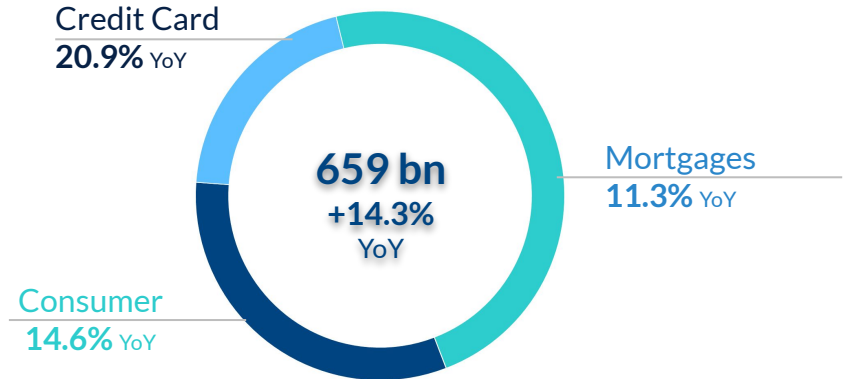


## Wholesale



Good performance due to economic recovery

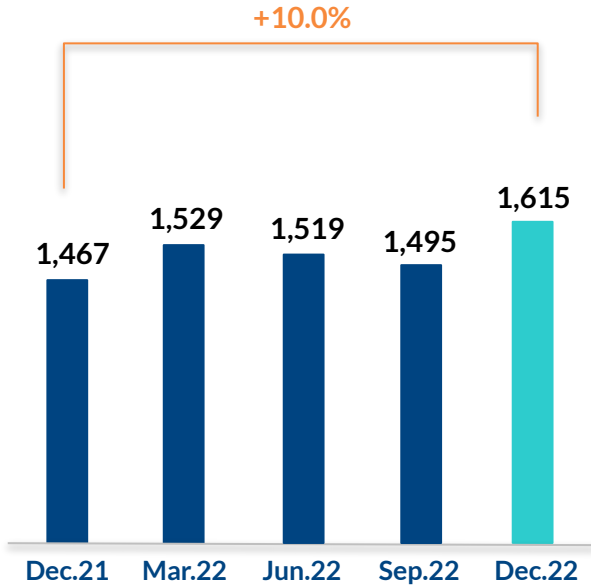
## Retail



Increase in profitable segments

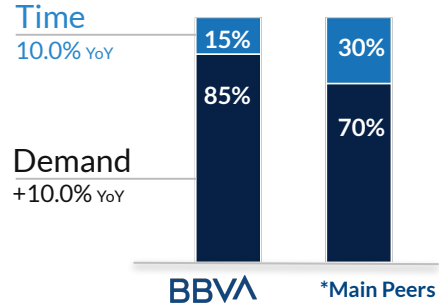
## Deposits

(Demand + Time Deposits, billion pesos)



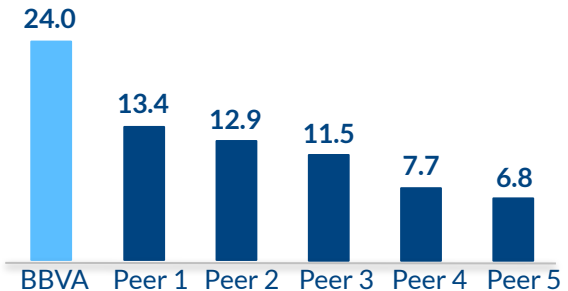
## Deposit Mix

(%)



## Deposits Market Share

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

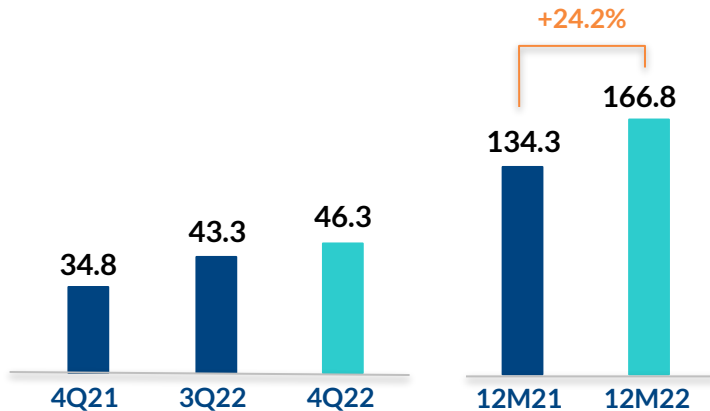


Source: CNBV (banks with subsidiaries with sofomes)

\*Main Peers: Banorte, HSBC, Citibanamex, Scotiabank, Inbursa and Santander (CNBV Data as of November 2022)

## Net Interest Income

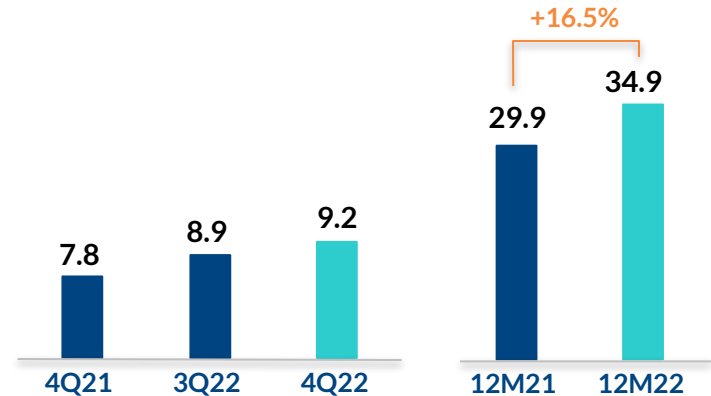
(billion pesos)



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

## Net Fees & Commissions

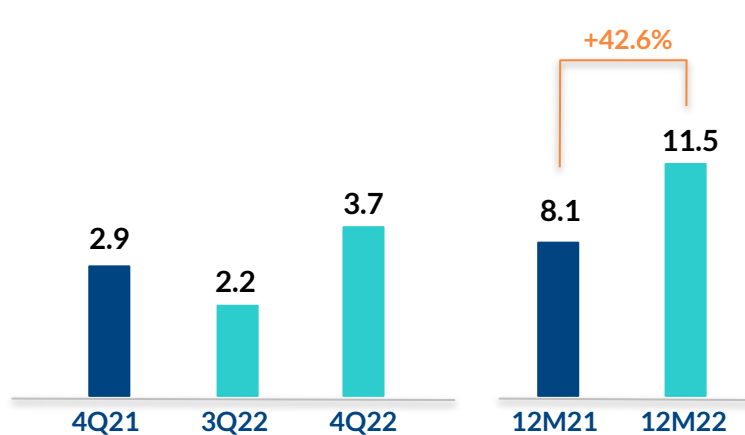
(billion pesos)



Higher transaction volumes  
(Credit Cards and Mutual Funds)

## Trading Income

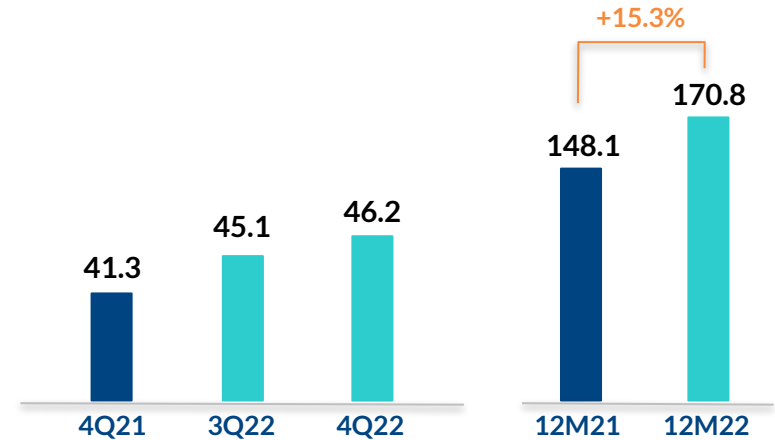
(billion pesos)



Positive results on Global Markets  
as well as in FX

## Gross Income

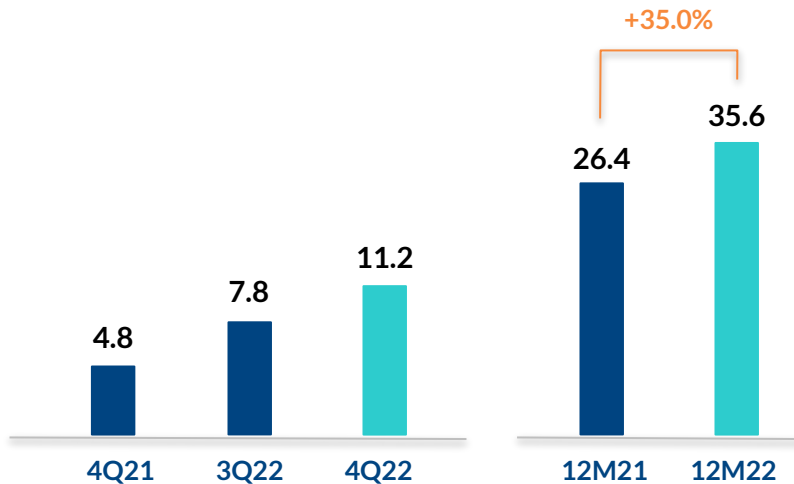
(billion pesos)



Good performance in total  
operating income

## Provisions for Loan Losses

(billion pesos)



Strict risk control

## NPL

(%)

# 1.58%

December 2022

## COVERAGE RATIO

(%)

# 207.9%

December 2022

## CoR

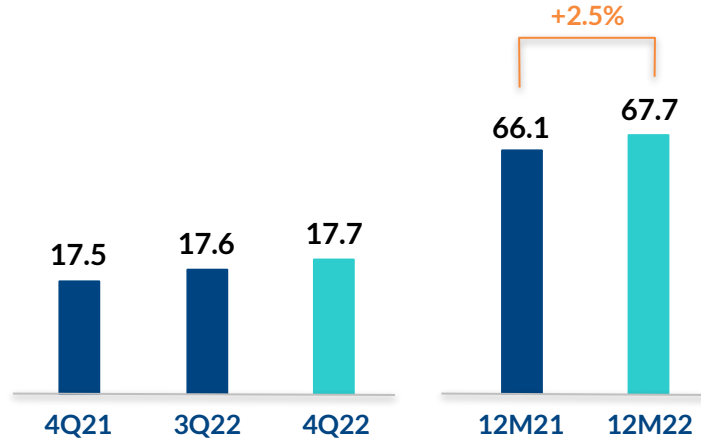
(%)

# 2.52%

December 2022

## Non-Interest Expenses

(billion pesos)



Positive evolution of expenses in part supported by new accounting criteria

## EFFICIENCY RATIO

(%)

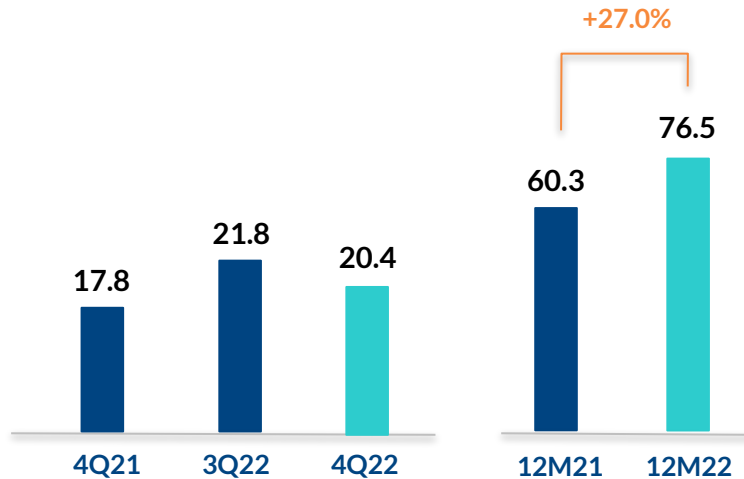
# 32.8%

December 2022

50.3%  
System\*

## Net Income

(billion pesos)



## ROE

(Accumulated, %)

# 26.3%

December 2022

17.2%  
System\*

High profitability levels

## BBVA MEXICO

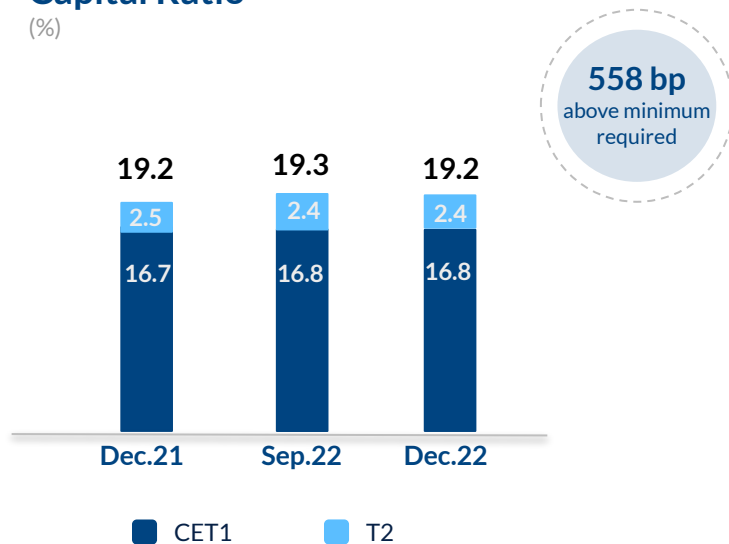
(million pesos)	12M21	12M22	Y-o-Y(%)
<b>Net Interest Income</b>	<b>134,307</b>	<b>166,793</b>	<b>+24.2</b>
Provisions for loan losses	(26,382)	(35,619)	+35.0
<b>Net Interest Income after provisions</b>	<b>107,925</b>	<b>131,174</b>	<b>+21.5</b>
Fees & Commissions	29,948	34,900	+16.5
Trading Income	8,100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

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



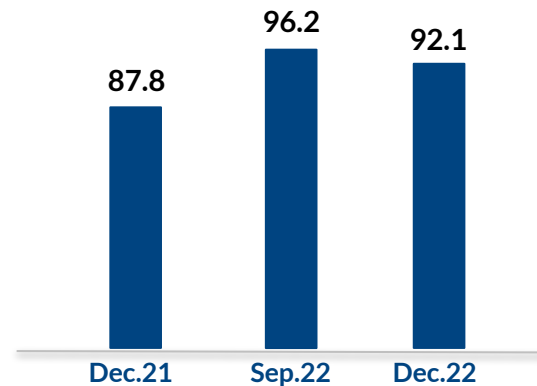
## Capital Ratio

(%)



## Loans to Deposits

(%)



Proven capacity to generate organic capital

## CCL (Local LCR)

(%)

**197.68 %**  
Minimum required of 100%

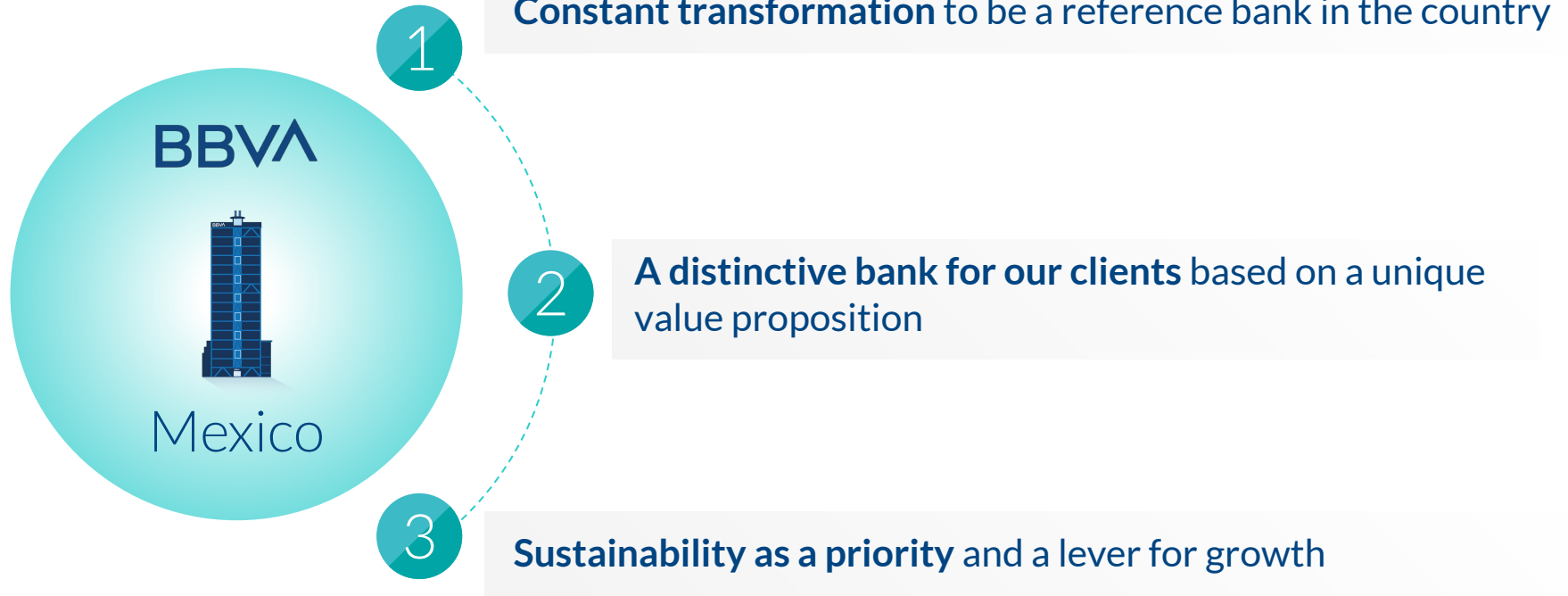
## CFEN (Local NSFR)

(%)

**134.65 %**  
Minimum required of 100%

03

# BBVA Mexico's Strategy



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

### Commercial Activity



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

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



### Digital Innovation & Business Model



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

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

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

### Sustainable Finance



Promote the transition towards a **sustainable future**

**Climate Change**  
**117,405**  
mp

**Social**  
**44,020**  
mp

**Sustainable bonds**  
**book runner**  
**65,708 mp**

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



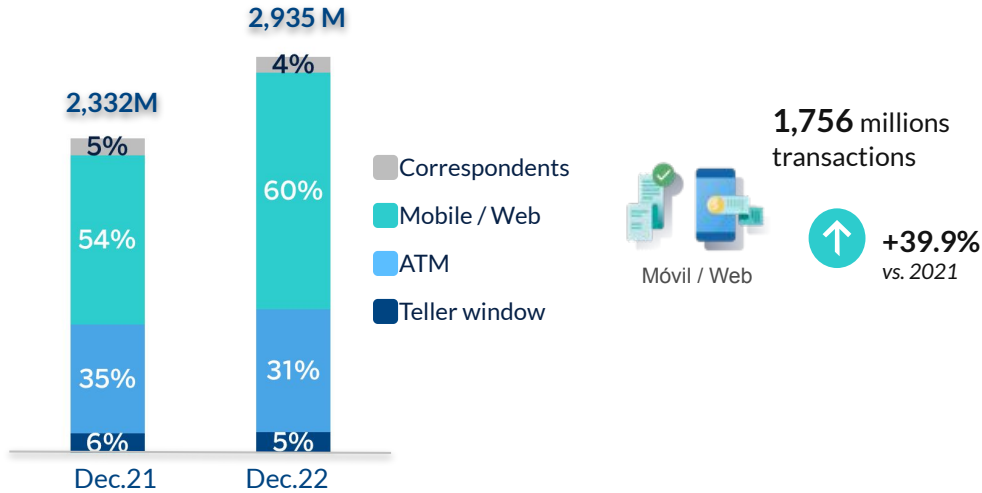
### Society

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

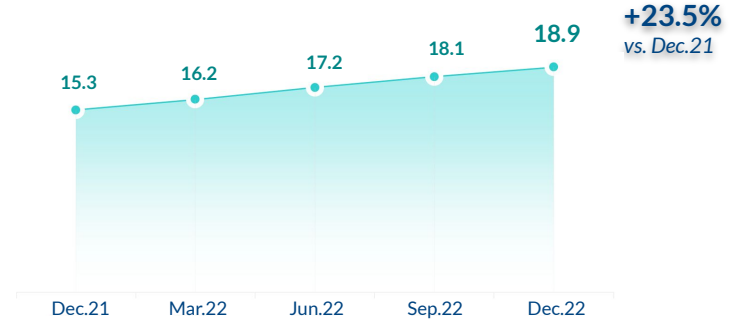
**Financial Education**, workshops to promote the use of financial services and take care of personal finances, **benefiting more +91k participants**.

## Total financial transactions, 12M22 (excludes POS)

% financial transactions



## Mobile Clients millions



### Digital Sales

**74.8%**

**+5.0pp**  
vs. Dic-21



Digital Accounts

**1.6M**  
**+8%**  
vs. 2021



Consumer Credit

**841k**  
**+40%**  
vs. 2021

**FCR:**  
**75%**  
claims cleared

# Concluding Remarks

## Solid Institution

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

BBVA

Creating Opportunities

# BBVA Mexico

## 4Q22 Results

*Fixed Income*

# ANNEX

**BBVA**

Creating Opportunities

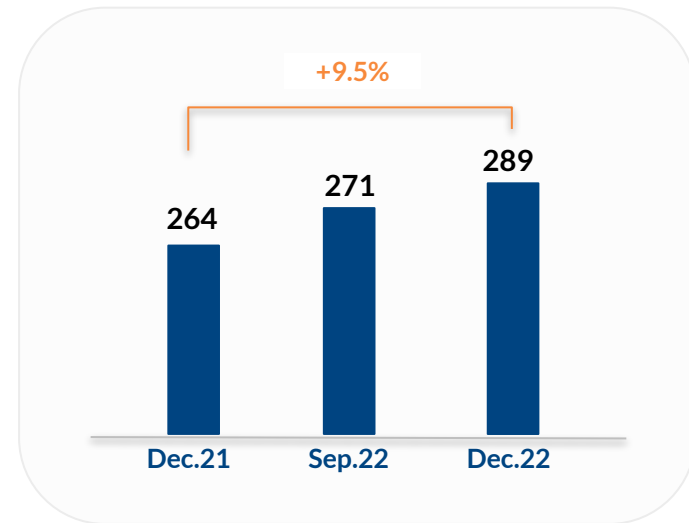


## Macroeconomic Expectations

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

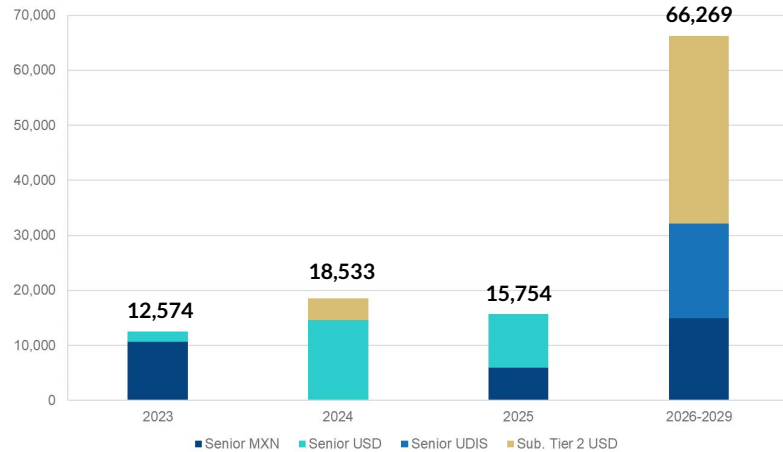
## ALCO Portfolio

(billion pesos)

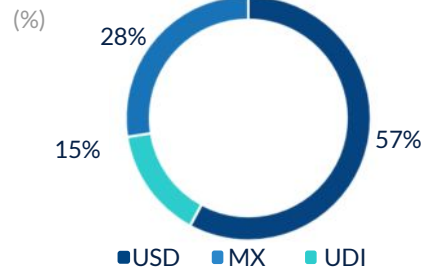


## Annual Maturity Profile

(Amounts in MXN)

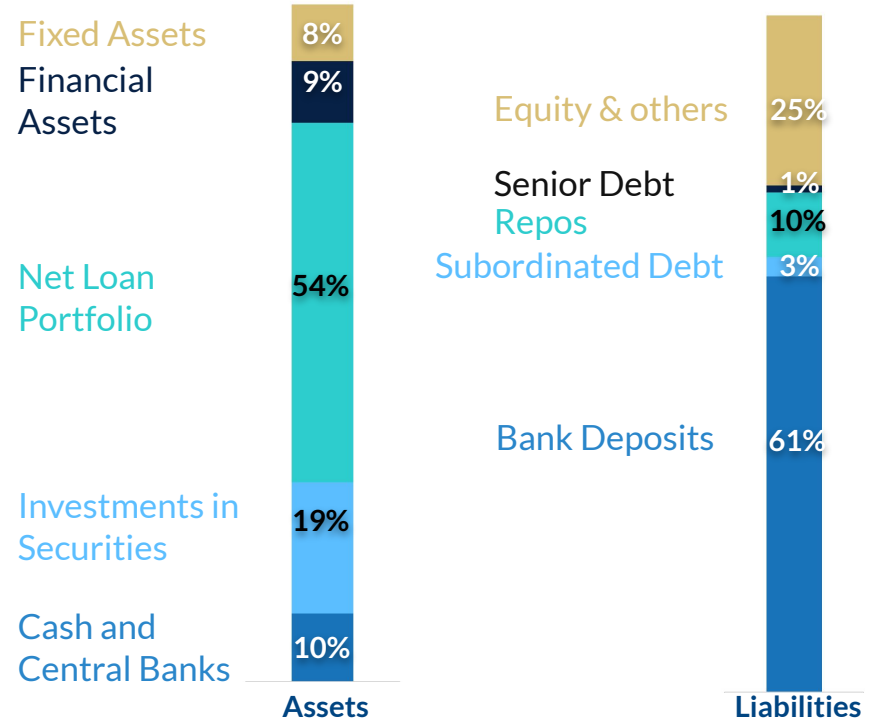


## Distribution by Currency



## Liquidity Balance Sheet

(As of December 2022)



## BBVA México

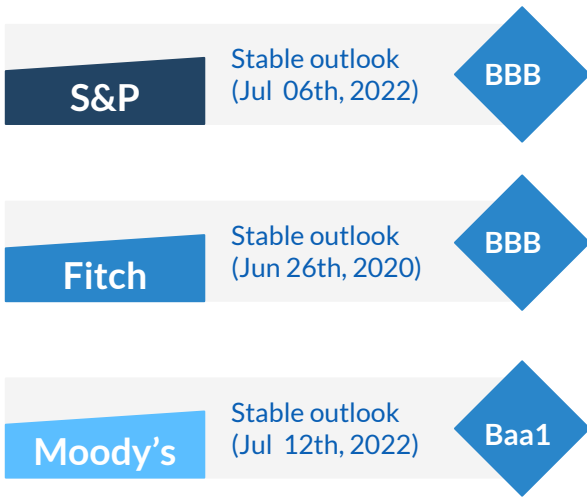
### Emisiones

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

### Deuda Subordinada

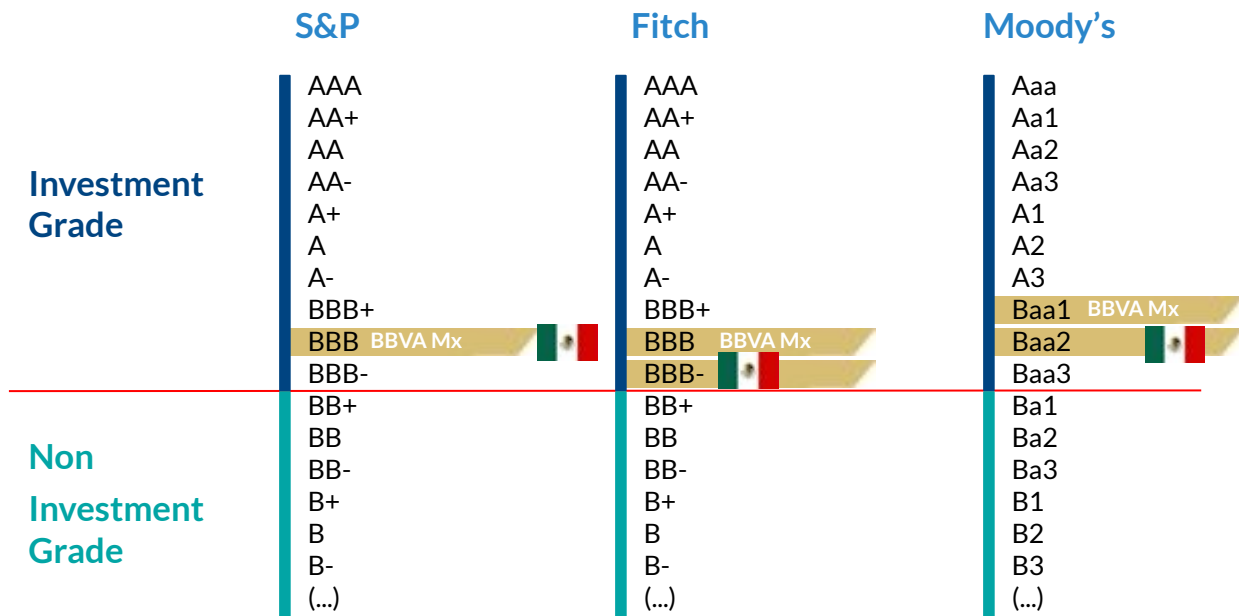
Obligaciones Subordinadas Tier 2 15NC10 2029	200	USD	06-nov-14	12-nov-29	12-nov-24	15NC10	5.35%	BB	Baa3	BB
Obligaciones Subordinadas Tier 2 15NC10 2033	1,000	USD	17-ene-18	18-ene-33	18-ene-28	15NC10	5.125%	BB		BB
Obligaciones Subordinadas Tier 2 15NC10 2034	750	USD	05-sep-19	13-sep-34	19-sept-29	15NC10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

**BBVA Mexico Long-term Senior Ratings**



**Long-term Global Foreign Currency Ratings**

(updated as of November 1, 2021)



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Creating Opportunities

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