

# BBVA Mexico

## 1Q23 Results

*Fixed Income*

# Disclaimer

This document has been drafted for information purposes and for the use of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México (BBVA México) investors to whom it is addressed, in order to facilitate their understanding of certain information regarding BBVA Mexico, and only refers to the businesses of BBVA in Mexico. For detailed financial information about BBVA Mexico please visit the Bank's website [www.bbva.mx](http://www.bbva.mx).

The information contained herein (hereinafter "Information") shall not be deemed to be considered in any case as financial advice, investment advice, tax/legal advice or otherwise nor an offer to sell or a solicitation to acquire or dispose of an interest in securities, nor a recommendation to buy or sell securities or enter into any transaction nor should it be relied upon to make any sort of Decision in any direction. BBVA Mexico does not assume any obligation whatsoever to communicate any changes to this document or to update its contents.

BBVA Mexico has obtained the information included in this document from sources considered to be reliable. However, notwithstanding the fact that reasonable measures were taken to assure that the Information contained herein is not mistaken or misleading, BBVA Mexico does not represent or warrant, either express or implicit, its accuracy, integrity or correctness.

Investors or potential investors who have access to this document should be aware that the securities, instruments or investments to which it may refer may not be appropriate for them due to their specific investment goals, financial positions or risk profiles, as these have not been taken into account to prepare this report. Therefore, investors should make their own investment Decisions considering said circumstances and obtaining such specialized advice as may be necessary.

BBVA Mexico accepts no liability of any type for any losses arising from the use of this report or its contents. In no case BBVA Mexico, its branches, and/or its directors, officers, employees and authorised personnel shall be held responsible for any damage, losses, claims, or any sort of expenses that could result from the use of this document or from its contents.

The Information must be treated as confidential and no part of this document may be (i) copied, photocopied or duplicated by any other form or means (ii) redistributed (iii) quoted or (iv) furnished to any other person or entity without the prior written consent of BBVA Mexico. It is understood that its recipients accept all of the warnings and conditions contained herein in its integrity. All the data contained in this document is set forth as an example and is due to change.

This document is the property of BBVA Mexico. Any denominations, designs, and logos are registered trademarks of BBVA Mexico.

# Index

01 Macroeconomic Environment

02 BBVA Mexico's Financial Performance

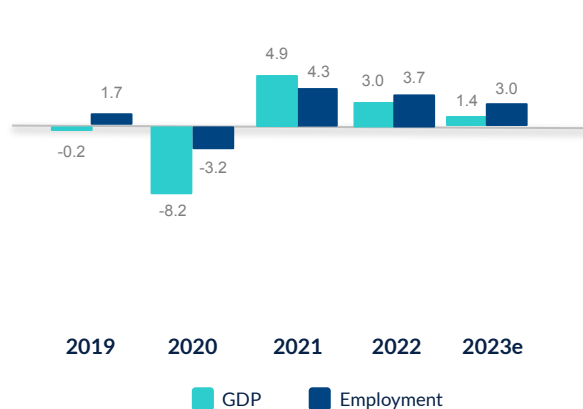
03 BBVA Mexico's Strategy

01

# Macroeconomic Environment

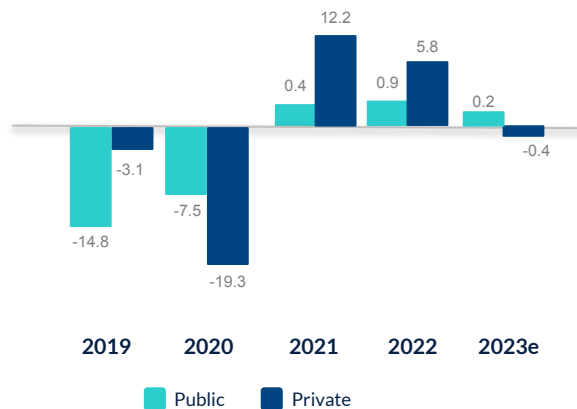
## GDP & FORMAL EMPLOYMENT

(YoY %)



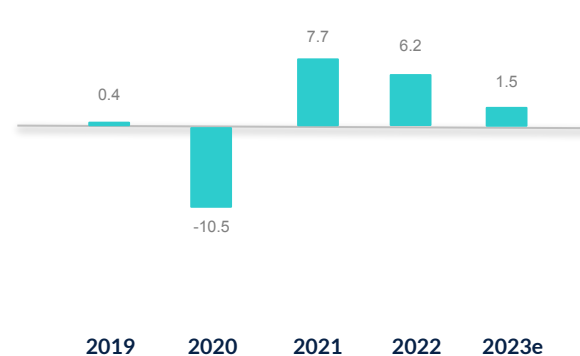
## TOTAL INVESTMENT

(YoY %)



## PRIVATE CONSUMPTION

(YoY %)



GDP growth forecast for 2023 improved from 0.6% to 1.4% (upward bias) based on a strong 1Q23 for private consumption and internal demand.

Investment in Mexico, the machinery and equipment segment keeps gaining momentum, driven by nearshoring which is expected to consolidate this year.

Positive performance driven by gains in real wage, formal employment, remittances and consumption credit. In the first quarter of the year, 423K jobs were created, the best result since 1998

02

# BBVA Mexico Financial Performance

# BBVA Mexico competitive strengths and key results

## Footprint

March 2023

### Branches

**1,735 #2**  
\*Main Peer 2,034

### ATMs

**14,160 #1**  
\*Main Peer 9,992

### Total Clients

**28.5 M**

## Leader in Loan Performance & Strong funding structure

### Lending

**+14.1%**  
YoY

### Deposits

**+2.7%**  
YoY

## Resilient P&L 3M23

### NII

**29.0 %**  
vs 3M22

### Expenses

**17.2 %**  
vs 3M22

### NAP

**40.9%**  
vs 3M22



## Market Share

### Performing Loans

Feb. 23

**BBVA 24.5%**

Next Peer 14.9%

### Deposits

Feb. 23

**BBVA 23.9%**

Next Peer 13.3%

## Sounds asset quality and profitability

March 2023

### NPL

**1.49%**

### Coverage Ratio

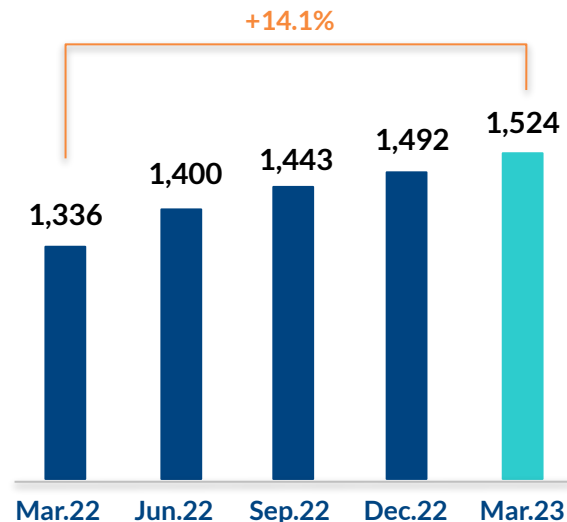
**213.0%**

### ROE

**30.1%**

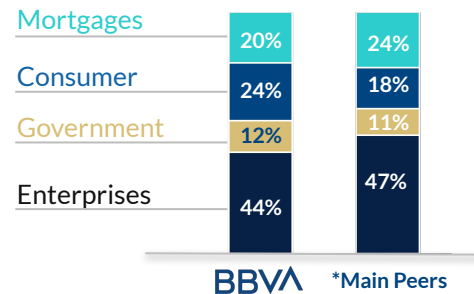
## Performing Loans

(Billion Pesos)



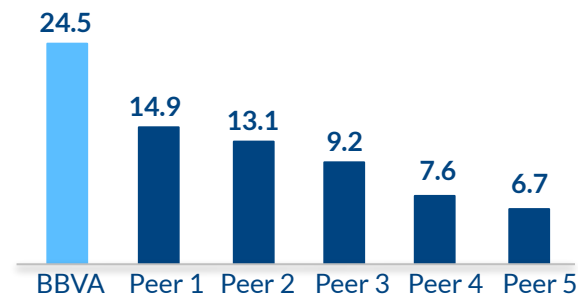
## Lending Mix

(Mar 23, %)



## Performing Loans Market Share

(Stage 1, 2, Feb-23, %)



Figures under local accounting standards with BBVA Mexico data.

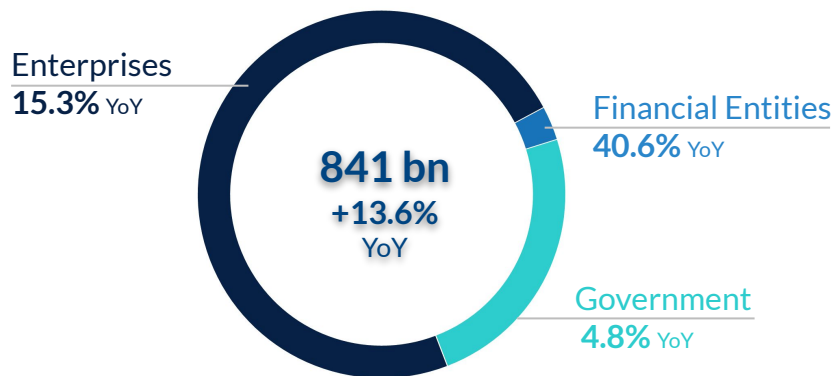
Note: Performing Loans as of March 23 are under the new criteria is the sum of stage 1, stage 2 and valued at fair value.

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 February 2023)

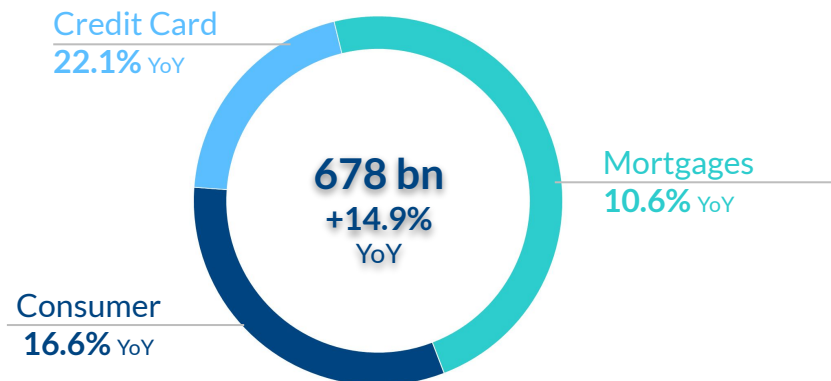


## Wholesale



Good performance due to economic recovery & Nearshoring effects

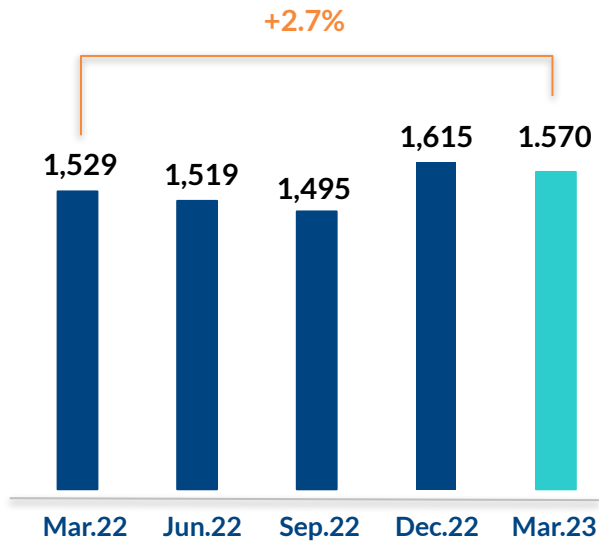
## Retail



Increase in profitable segments

## Deposits

(Demand + Time Deposits, billion pesos)



## Deposit Mix

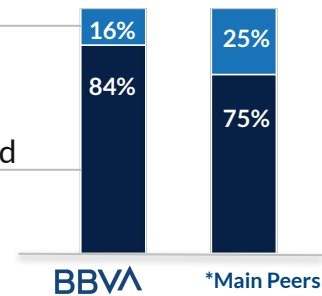
(%)

### Time

8.6% YoY

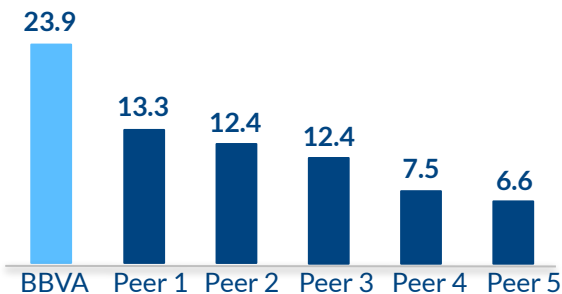
### Demand

+1.7% YoY



## Deposits Market Share

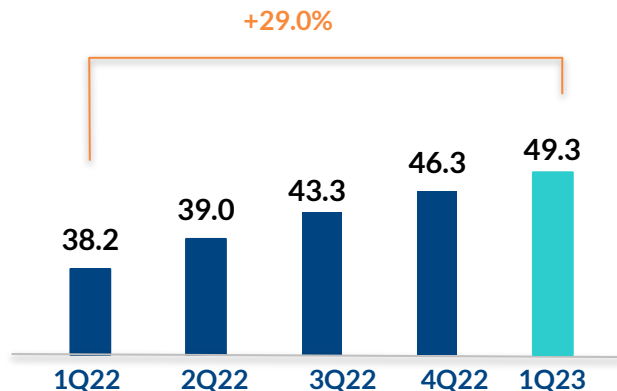
(Demand + Time deposits, Feb-23, %)



Source: CNBV (banks with subsidiaries with sofomes)

## Net Interest Income

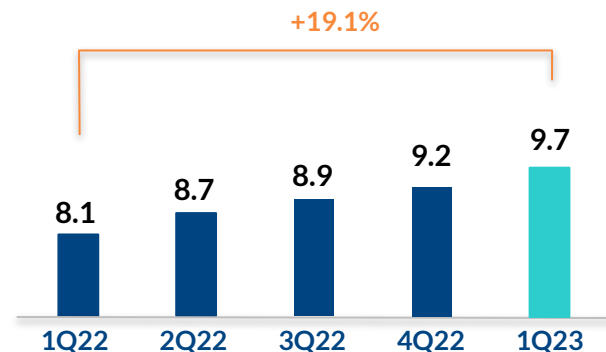
(billion pesos)



Growth in commercial activity,  
interest rates and  
profitable funding mix

## Net Fees & Commissions

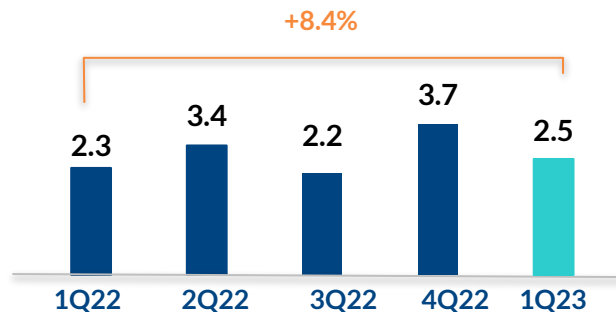
(billion pesos)



Higher transaction volumes  
(Credit Cards and Mutual Funds)

## Trading Income

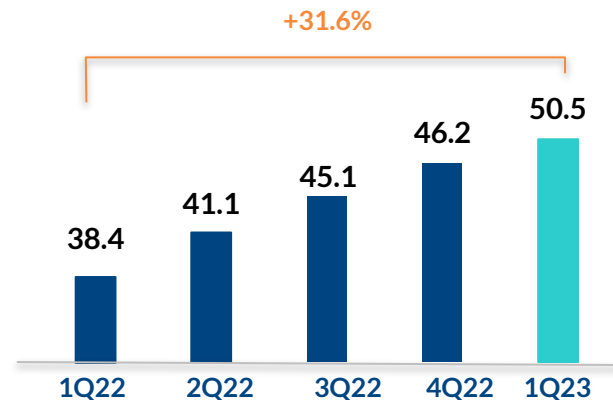
(billion pesos)



Positive results on Global Markets  
as well as in FX

## Gross Income

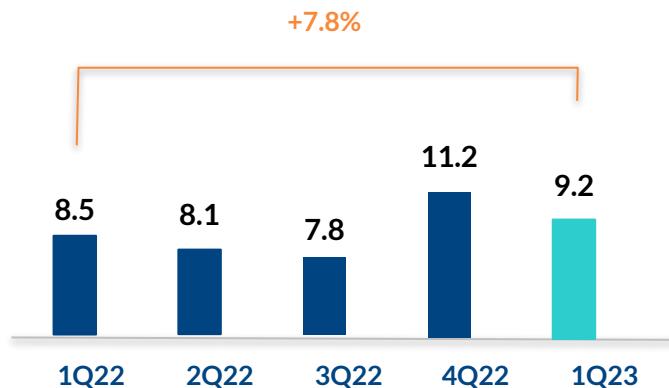
(billion pesos)



Good performance in total  
operating income

## Provisions for Loan Losses

(billion pesos)



Strict risk control

## NPL

(%)

1.49%

March 2023

## COVERAGE RATIO

(%)

213.0%

March 2023

## CoR

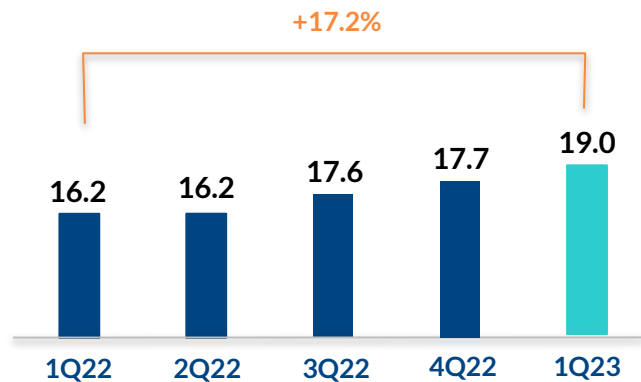
(%)

2.49%

March 2023

## Non-Interest Expenses

(billion pesos)



Higher technology investment and  
increase in wages (personnel)

## EFFICIENCY RATIO

(%)

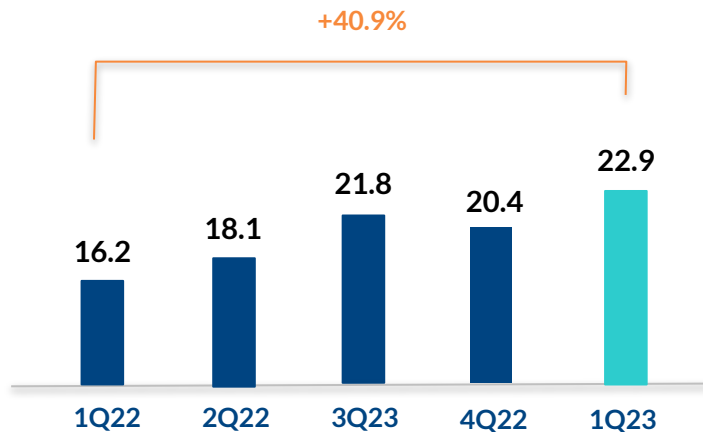
# 31.8%

March 2023

47.7%  
System\*

## Net Income

(billion pesos)



## ROE

(Accumulated, %)

# 30.1%

March 2023

18.4%  
System\*

High profitability levels

## BBVA MEXICO

(million pesos)

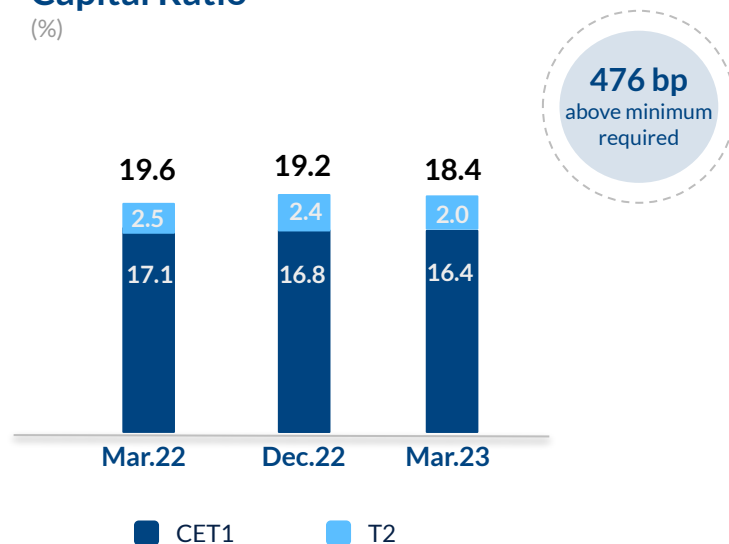
	3M22	3M23	Y-o-Y(%)
<b>Net Interest Income</b>	<b>38,241</b>	<b>49,336</b>	<b>+29.0</b>
Provisions for loan losses	(8,535)	(9,197)	+7.8
<b>Net Interest Income after provisions</b>	<b>29,706</b>	<b>40,139</b>	<b>+35.1</b>
Fees & Commissions	8,108	9,656	+19.1
Trading Income	2,324	2,519	+8.4
Other Income	(1,716)	(1,765)	+2.9
<b>Gross Income</b>	<b>38,422</b>	<b>50,549</b>	<b>+31.6</b>
Non-Interest Expenses	(16,188)	(18,979)	+17.2
<b>Net Operating Income</b>	<b>22,234</b>	<b>31,570</b>	<b>+42.0</b>
<b>Income Before Tax</b>	<b>22,269</b>	<b>31,594</b>	<b>+41.9</b>
<b>Net Attributable Profit</b>	<b>16,244</b>	<b>22,884</b>	<b>+40.9</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 more investment on technology and personnel expenses due to the increase in salaries and employees.



## Capital Ratio

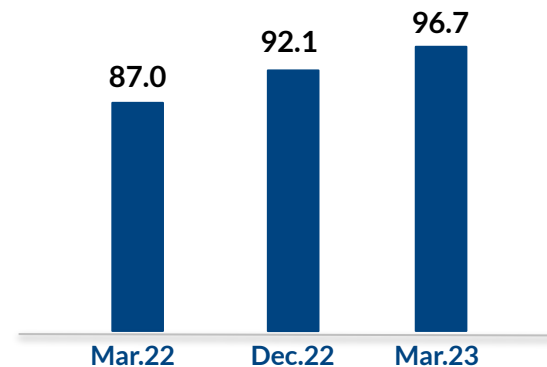
(%)



Proven capacity to generate  
organic capital

## Loans to Deposits

(%)



## CCL (Local LCR)

(%)

**185.60 %**  
Minimum required of 100%

## CFEN (Local NSFR)

(%)

**134.03 %**  
Minimum required of 100%

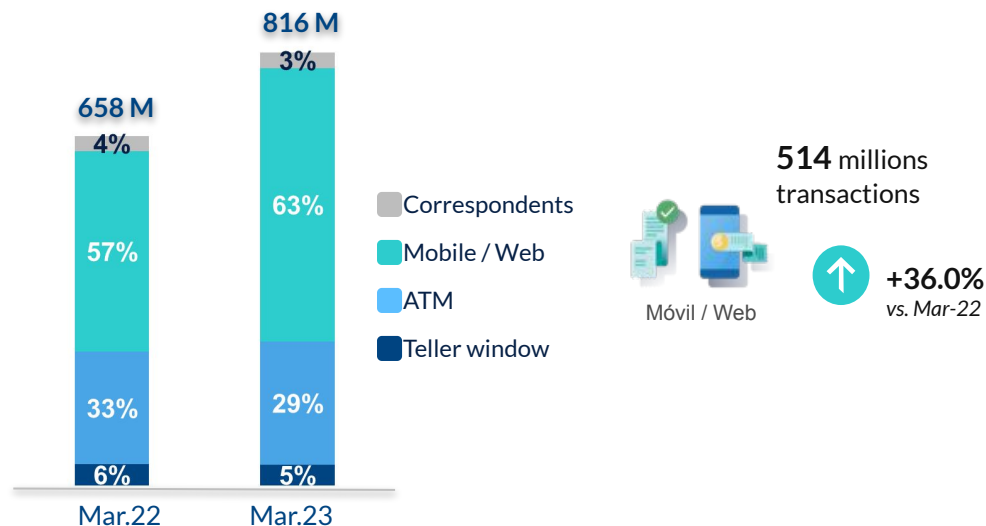
03

# BBVA Mexico's Strategy



## Total financial transactions, 3M23 (excludes POS)

% financial transactions



## Mobile Clients

millions



## Digital Sales

**74.0%**

**+12 bp**  
vs. Mar-22



Digital  
Accounts

**753k**

**+40%**  
vs. Mar-22



Consumer  
Credit

**232k**

**+17.3%**  
vs. Mar. 2022

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

## BBVA Mexico's participation in placement of issues

### First blue bond issuance in Mexico.

BBVA Mexico accompanied Desarrollos Hidráulicos de Cancún in the successful issuance of its first blue bond for 1.4 billion pesos, which will be used to finance projects that contribute to SDG 6: Clean Water and Sanitation, and SDG 9: Industry, Innovation and Infrastructure.

### BBVA Mexico issued a local bond.

BBVA Mexico reaffirms its commitment to the environment and climate change by issuing its third sustainable bond in the local market, the use of proceeds will be to finance sustainable transportation by investing in electric vehicles and renewable energies through the repowering of nine hydroelectric plants.



## Sustainability Support

Driving the transition to a sustainable future

Climate change  
27,449 mdp

Social  
5,034 mdp

Sustainable bond placement intermediary  
11,416 mdp

Mobilization of retail and wholesale funding (March 23)



## Society Support

Through the BBVA Mexico Foundation, the commitment to society is reaffirmed by awarding scholarships to "Chavos que inspiran", the program currently benefits more than 47 thousand scholarship recipients and 652 young people with disabilities.

Committed to financial education, workshops are given to promote the use of financial services and care for personal finances, benefiting more than 91 thousand people.

# 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 Mexico

## 1Q23 Results

*Fixed Income*

# ANNEX

BBVA

Creating Opportunities

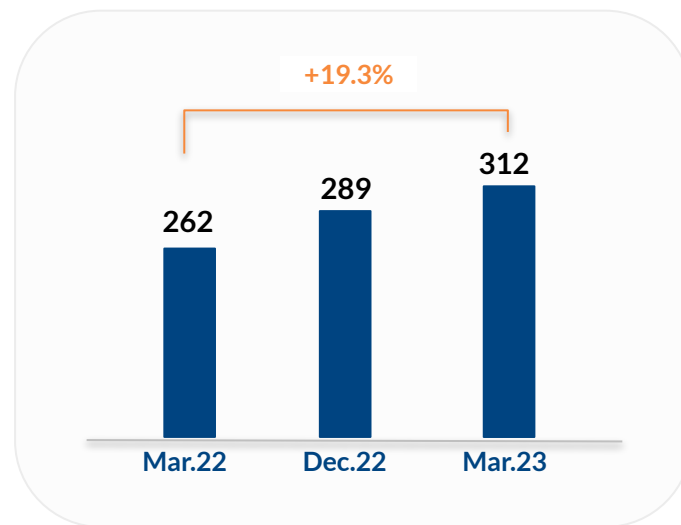


## Macroeconomic Expectations

	2019	2020	2021	2022	2023
GDP (% y/y)	-0.2	-8.2	4.9	3.0	1.4
Inflation (% eop)	2.8	3.2	7.4	7.8	4.8
Interest rate Bank funding (eop)	7.25	4.25	5.50	10.50	11.50
FX MXN / USD (eop)	19.1	19.9	20.9	19.6	19.5
Unemployment rate (% of labor force)	3.5	4.4	4.1	3.3	3.3
Private consumption (% y/y)	0.4	-10.5	7.7	6.2	1.7

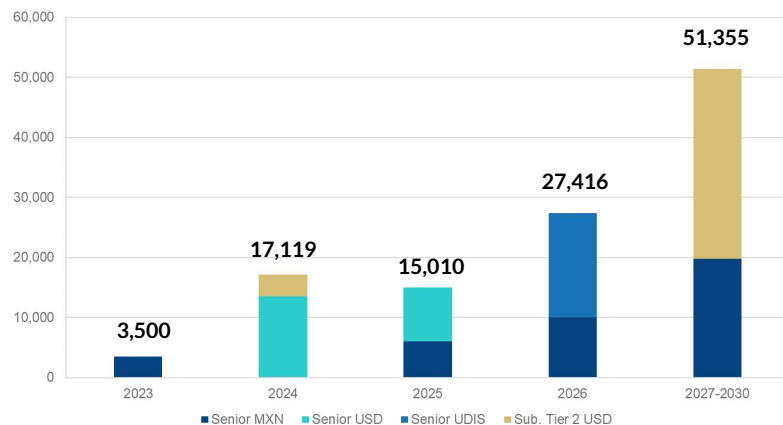
## ALCO Portfolio

(billion pesos)

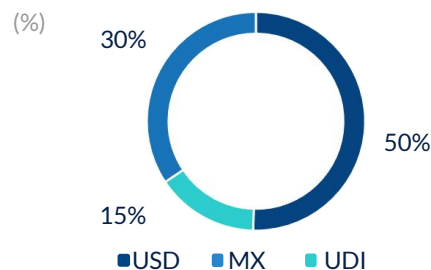


## Annual Maturity Profile

(Amounts in MXN)

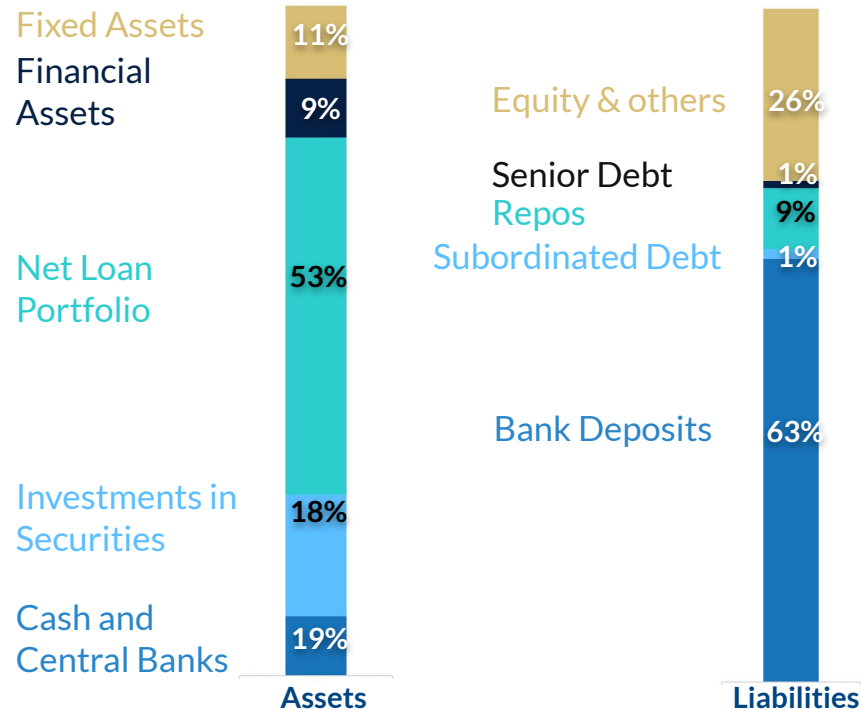


## Distribution by Currency



## Liquidity Balance Sheet

(As of December 2022)



BBVA Mexico Issuances										
Instruments	Amount	Original Currency	Issue Date	Due Date	Call Date	Term (years)	Rate		Ratings	
Senior Debt								S&P	Moody's	Fitch
BACOMER 07U	2,240	UDIS	30-ene-07	9-jul-26		19.4	4.36%		Baa1/Aaa.mx	AAA(mex)
Senior Notes Dlls 2024	750	USD	3-abr-14	10-abr-24		10.0	4.38%		Baa1	BBB
Senior Notes Dlls 2025	500	USD	15-sep-20	18-sep-25		5.0	1.88%		Baa1	BBB
BACOMER 18	3,500	MXN	27-sep-18	21-sep-23		5.0	TIIE28 + 19		Baa1/Aaa.mx	AAA(mex)
BACOMER 19-2	5,000	MXN	21-jun-19	11-jun-27		8.0	8.49%		Baa1/Aaa.mx	AAA(mex)
BACOMER 20-2	6,000	MXN	10-feb-20	5-feb-25		5.0	TIIE28 + 15		Baa1/Aaa.mx	AAA(mex)
BBVAMX 22X	10,000	MXN	23-jun-22	18-jun-26		4.0	TIIE Fondeo + 28	mxAAA	Baa1/Aaa.mx	AAA(mex)
BBVAMX 23V	8,689	MXN	20-feb-23	15-feb-27		4.0	TIIE ON + 32	mxAAA		AAA(mex)
BBVAMX 23	6,131	MXN	20-feb-23	11-feb-30		7.0	9.54%	mxAAA		AAA(mex)
BBVAMX 22X	10,000	MXN	23-jun-22	18-jun-26		4.0	TIIE Fondeo + 28	mxAAA	Baa1/Aaa.mx	AAA(mex)
Subordinated Debt										
Subordinated Debentures Tier 2 15NC10 2029	200	USD	6-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

## BBVA Mexico Long-term Senior Ratings

## Long-term Global Foreign Currency Ratings

S&amp;P

Stable outlook

BBB

Investment  
Grade

Fitch

Stable outlook

BBB

Moody's

Stable outlook

Baa1

Non  
Investment  
Grade

S&amp;P

AAA  
AA+  
AA  
AA-  
A+  
A  
A-  
BBB+  
BBB BBVA Mx  
BBB-  
BB+  
BB  
BB-  
B+  
B  
B-  
(...)

Fitch

AAA  
AA+  
AA  
AA-  
A+  
A  
A-  
BBB+  
BBB BBVA Mx  
BBB-  
BB+  
BB  
BB-  
B+  
B  
B-  
(...)

Moody's

Aaa  
Aa1  
Aa2  
Aa3  
A1  
A2  
A3  
Baa1 BBVA Mx  
Baa2  
Baa3  
Ba1  
Ba2  
Ba3  
B1  
B2  
B3  
(...)

**BBVA**