

# BBVA Mexico

## Financial Report and Achievements

January-June 2023





## Continued growth in total operating income

Total operating income  
**101,651 mp**

NII after provisions + total fees + trading income + other income

## Operational excellence

Efficiency ratio  
**32.2%**



Calculated as operating expenses / Income

## Adequate asset quality

Coverage Ratio  
**208.5%**

NPL ratio  
**1.51%**

## Adequate capital & comfortable liquidity levels

Capitalization ratio  
**18.9%**

LCR (local)  
**168.82%**

LCR = Liquidity Coverage Ratio (short-term ratio with local standards)



## TRANSFORMATION

### Continuous innovation

**BBVA Mexico** makes available to its more than **21 million mobile customers** the Bank of Mexico's functionality, **Dimo®** (mobile money), in the **BBVA Mx App**.



With this, it **seeks to reach more than 5 million customers** during the first year of operation, as well as to **increase financial inclusion and reduce the use of cash**.



## SUSTAINABILITY

### Sustainable transition

**BBVA Mexico** and the **Salud Digna system**, made up of more than 180 clinics in 32 states in the country, signed the **"Aliados por la Salud"** agreement, which seeks to support the **early detection of illnesses** and contribute to the **health of thousands of Mexicans**.



## Index

<b>Relevant information</b>	<b>4</b>
<b>Digital Strategy</b>	<b>5</b>
<b>Innovation</b>	<b>6</b>
<b>Responsible Banking</b>	<b>7</b>
<b>Analysis and Discussion of Results</b>	<b>9</b>
Commercial Activity	11
Loan portfolio at stage 1 and stage 2	11
Detail of credit stage 1 & stage 2	12
Asset Quality	13
Non-performing loans stage 3	13
Non-Performing Loans Movements Stage 3	14
Loan Portfolio Credit Quality Classification	14
Deposits	15
Results	16
Fees and Commissions	17
Trading income	18
Other Income (expenses) of the operation	18
<b>Capital and liquidity</b>	<b>20</b>
Estimated capital ratio of BBVA Mexico	20
<b>Ratings</b>	<b>24</b>
<b>Financial Statements</b>	<b>26</b>
Assets	26
Memorandum accounts	28
P&L	29
Cash Flow Statement	30
Changes in Stockholders Equity	31
Regulatory accounting pronouncement recently issued	32

## Relevant information

*BBVA México S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, hereinafter referred to as BBVA Mexico or the Bank or the Institution.*

### **Dividend payment**

During the second quarter of 2023, BBVA Mexico, realized the dividend payment approved at the Ordinary General Shareholders' Meeting corresponding to fiscal year 2022, at a rate of \$0.81406691744875 pesos per share.

### **Bonds in local market**

In June 2023, BBVA Mexico successfully issued its Tier 2 Preferred Subordinated Capital Notes for USD 1.0bn with a 8.45% coupon with a 15-year maturity option with an early call option in the year 10.

This issue represents the reopening of the Latin American market for capital hybrids, after almost two years of absence of emissions of this type. The demand exceeded 2.5 times the amount offered with wide diversification of investors in the international market.

The ratings to this issue by ratings agencies Moody's and Fitch Ratings, were Baa3 and BB respectively.

### **Local bonds maturity**

During the second quarter of 2023, no maturity of emissions was recorded.

## Digital Strategy

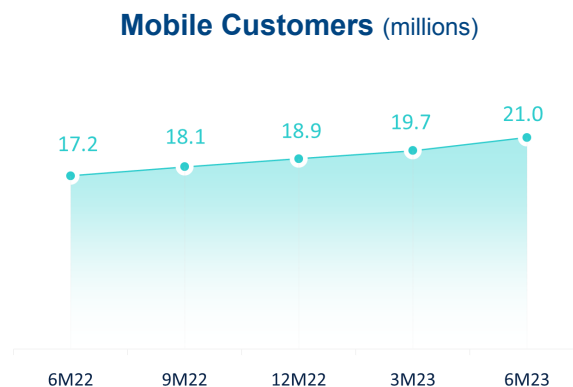
BBVA Mexico is a leader in innovation and technology, which is why it continues to develop new services and products that allow customers to carry out their daily financial operations in an agile and simple way through mobile applications.

As a result, the number of customers using digital channels as of June 2023 stood at 21 million mobile customers, an annual growth of 19.1%, with this, BBVA Mexico reached 70% of the total customer base as a digital user.

The impact of digital channels is reflected in the increasing level of transactionality of customers. During the first six months of 2023, 1,686 million financial transactions were carried out in the institution, equivalent to an annual increase of 22.8%. With this, transactions made through the mobile application and the website, represented 64% of the total (vs. 59% in June 2022).

Additionally, with the BBVA Spark unit, we have a new business model that generates proximity with the entrepreneurial ecosystem. BBVA Spark, born with the aim of providing a global service to high impact companies, companies with scalable business models based on technology and innovation.

The innovation and digital transformation strategy also reflects BBVA Mexico's commitment to continuous development, as well as its ability to adapt to the changing needs of the users of financial services, providing innovative financial solutions through secure and efficient digital channels.



## Innovation

### **BBVA Mexico reports that it is ready to operate with its more than 21 million mobile customers on the Dimo® platform.**

BBVA Mexico, has launched Dimo® (Mobile Money), a feature in its mobile application for its more than 21 million customers. The goal is to link more than 5 million customers during the first year. An average of 400 pesos per transaction is expected, resulting in approximately 10 billion pesos in payments during the first year.

DIMO® seeks to promote the reduction of the use of cash and strengthen the projects of the financial system in Mexico.

Dimo® also offers the advantage of making secure person-to-person transfers using only the beneficiary's mobile number, without the need for traditional banking information. By registering the cell number, the user will be able to know the identity of the beneficiary and he will receive a confirmation of payment. BBVA Mexico will continue to collaborate to strengthen the sector and promote the consolidation of digital banking.”

### **BBVA Mexico launches the new online workshop "Tus ventas, tu banco, tus ganancias".**

BBVA Mexico has added the online workshop "*Tus ventas, tu banco, tus ganancias*" to its educational offer, aimed at women entrepreneurs. The objective is to achieve financial balance in this segment, providing empowerment, security, autonomy, and promote the consolidation of new projects. They also seek to bridge the gender gap and promote a more equitable economic system.

The online workshop allows women entrepreneurs to learn about the benefits of the BBVA Mexico mobile app, learn about financial control and participate in fun activities that will help them better manage their time and money through a digital account.

BBVA Mexico, through its Financial Education Area, will continue to promote educational opportunities and partnerships that align with the strategic priorities of the financial group in which the financial health of the women's sector is sought and promote inclusive social development.

# Responsible Banking

## SUSTAINABLE STRATEGY

BBVA Group consolidated its commitment to the transition to a more sustainable future and aligned with one of its main strategic priorities, "helping the customers towards the transition to a sustainable future". The following progress has been recorded:

- At the Group level, the institution became one of the 43 founding members of the Net-Zero Banking Alliance (NZBA).
- As part of its commitment to sustainable finance, BBVA Mexico is a signatory to the Principles of Responsible Investment (PRI) and the Principles for Responsible Banking (PRB). The Group also adheres to the Equator Principles, to assess and manage social and environmental risks for financing large projects.
- With the aim of helping clients move toward sustainability, we work on the specialization of executives and collaborators, so that together they can promote sustainable finance.
- The bank announced the goal of decarbonization of our credit portfolio in 2030 for industries intensive in carbon dioxide (CO<sub>2</sub>) emissions. These are intermediate goals with a view to being carbon neutral by 2050.

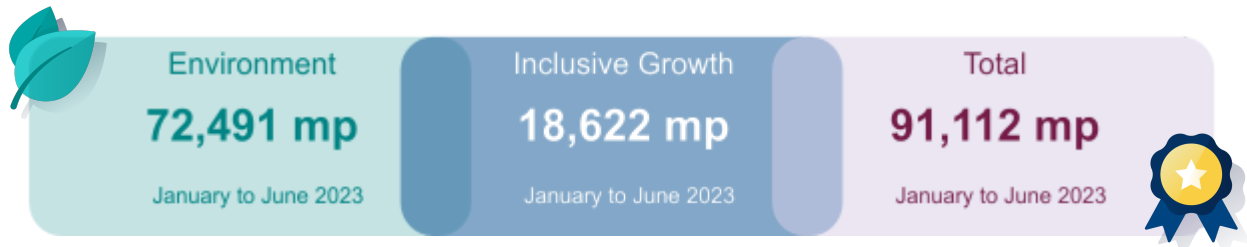
BBVA Mexico, as a relevant subsidiary of the BBVA Group, is a participant and protagonist of this commitment to sustainable development. In 2023, BBVA Mexico will continue to support its customers in their transition to sustainability. During the first half of the year, BBVA Mexico was included in the Ranking of the Most Responsible Companies in Mexico of the Corporate Reputation Business Monitor ("Merco"), occupying the first place in the financial sector. It was also recognized in the first edition of the Merco Talento ranking (which allows organizations to know their attractiveness as a place to work), occupying the first position in the financial sector and the second position in the general ranking among 200 Mexican companies.

## SUPPORT TO THE COMMUNITY

Commitment to society is an additional pillar of the financial institution. Through the Foundation, BBVA Mexico promotes children and young people from high school to university through the program 'Chavos que Inspiran' scholarship program, which has 47 active fellows and 652 young people with disabilities. On the other hand, through 'Aliados por la Salud', the Bank, in conjunction with "*Salud Digna*", will offer half a million half a million Pap Smear Tests and Cervical Cancer Screenings with the aim of taking care of Women's Health and trying to eradicate this condition.

## SUSTAINABLE FINANCING

BBVA Mexico continues with our commitment to sustainability, which is why we promote sustainable and social development.



*Information on sustainable financing for individuals, companies, as well as preliminary green and social bonds updated at the end of 2Q23*

### **BBVA Mexico supports Holcim Mexico to encourage its suppliers to move to sustainable models.**

BBVA Mexico and Holcim Mexico have signed a Supplier Credit agreement linked to sustainability. Holcim suppliers who demonstrate their transition to sustainable models and the incorporation of ESG (Environmental, Social and Governance) criteria will receive preferential conditions in factoring.

More than 2.200 suppliers will benefit from this initiative. The factoring line linked to sustainability, has an amount of approximately 2.300 million pesos and will be distributed among suppliers of Holcim Mexico, Geocycle and Concretos Apasco. This initiative promotes the Sustainable Development Goals (SDGs) and is aligned with BBVA Mexico's goal of mobilizing businesses for 300.000 million euros to curb climate change and drive inclusive growth.

The collaboration between BBVA México and Holcim México seeks to promote migration toward sustainable models in the supply chain, generating positive impacts on social and environmental conditions.

### **BBVA Mexico grants benefits to acquiring hybrid and electric cars.**

BBVA Mexico, with more than 34 years of experience in automotive financing, offers an attractive interest rate of 11.99% for the purchase of electric and hybrid cars, below the national average of 14.5%. In addition, it is financed up to 95% of the vehicle value, allowing buyers to pay only 5% of the initial payment.

The benefits of acquiring these vehicles include vehicle tax exemption, daily driving permits, fuel savings, lower maintenance costs, reduced noise and low pollutant emissions.

México is an important market for the automotive industry and BBVA México is committed to driving the trend toward "green cars" in line with the United Nations Sustainable Development Goals. The Bank also offers customers the possibility to simulate, request and receive approval for their automotive financing through the BBVA Mexico website.



# Analysis and Discussion of Results

## Executive Summary

- BBVA Mexico continues to grow its customer base, reaching a total of 29 million customers as of June 2023, of which about **70% are users of digital channels** that take advantage of the wide range of products as well as digital innovation.
- Mexico is in a process of economic dynamism that is reflected in the activity of the Bank during the six months of 2023. BBVA Mexico registered a **total portfolio** of over **1.5 trillion pesos**, with growth both in the business part and in the granting of credit to individuals and families, managing to consolidate its leadership position in the market, with a market share of 24.6% (According to the figures of the National Banking and Securities Commission (“CNBV”) at the end of May 2023).
- Commercial loan portfolio closed the first half of 2023, with an amount of 850 billion pesos, 8.8% higher than the previous year. The consolidation of the economic recovery and the **continuous boost to the productive sector** of the country, are reflected in the positive evolution of **business activity, which registered a balance 10.5% higher than the previous year.**
- The good dynamism of domestic demand and BBVA Mexico’s commitment to supporting families and individuals is also seen in the **growth of consumer credit, which registered an annual variation of 18.8%**. Thus, in the first half of 2023, BBVA Mexico granted 11.4% more new consumer loans (payroll, personal) than in the first half of the previous year. Furthermore, during the first half of the year, BBVA Mexico has given 30.6% more new cards than the previous year. Mortgage **Loans maintain a positive path with a balance 9.3% higher than the first half of the previous year.**
- One of BBVA Mexico’s strategic levers is **to continue supporting the economic recovery through boosting the country’s small businesses.** In the first quarter of 2023, the credit portfolio to this segment<sup>1</sup> exceeded 106 billion pesos, equivalent to a solid growth of 20.8% year-on-year.
- The continued promotion of customer savings is reflected in the bank deposits’ evolution (demand deposits + time deposits), which **shows an annual growth of 2.2%**. Registering a market share of 23.1%, according to public information of the CNBV at the end of May 2023.
- **Net income recorded in the first half of 2023 stood at 45,789 millions pesos**, driven by the positive evolution of recurring income (financial margin and fees).
- The strength of the risk models is reflected in the robust asset quality indicators with an **NPL ratio of 1.51%**.
- **BBVA Mexico maintains solvency and liquidity ratios above minimum required.** The total capital ratio as of June 2023, stood at 18.9% and the liquidity coverage ratio stood at 168.82%.

---

<sup>1</sup> Segmentation of SMEs under internal management criteria in BBVA Mexico.

# Main Magnitudes

Information as of June 2023

BBVA Mexico					
Main Magnitudes	2Q	3Q	4Q	1Q	2Q
Million Pesos	2022	2022	2022	2023	2023
<b>Financial Statement</b>					
Assets	2,767,305	2,791,676	2,753,601	2,808,249	2,815,137
Credit Portfolio Stage 1	1,358,144	1,401,002	1,449,354	1,480,398	1,515,785
Credit Portfolio Stage 2	36,927	37,038	37,875	38,746	35,989
Portfolio Valued at Reasonable Value	5,024	5,082	5,100	4,945	5,071
Credit Portfolio Stage 1, Stage 2 and Portfolio at Fair Value	1,400,095	1,443,122	1,492,329	1,524,089	1,556,845
Liabilities	2,481,224	2,494,280	2,453,568	2,500,434	2,498,463
Bank Deposits*	1,518,625	1,494,568	1,614,676	1,570,309	1,551,599
Equity	286,081	297,396	300,033	307,815	316,674
<b>Results</b>					
Net Interest Income	38,974	43,327	46,251	49,336	48,982
Total Operating Income	41,096	45,065	46,214	50,549	51,102
Expenses	(16,176)	(17,630)	(17,689)	(18,979)	(19,886)
Income Before Tax	24,967	27,456	28,690	31,594	31,446
Net Income	18,084	21,841	20,361	22,884	22,905
<b>Indicators in %</b>					
<b>Profitability</b>					
ROE	25.0	29.9	27.3	30.1	29.3
Efficiency	32.9	33.4	30.8	31.8	32.5
<b>Asset Quality</b>					
Credit Portfolio Coverage Ratio Stage 3	166.5	193.1	207.9	213.0	208.5
Non-Performing Loans Ratio	2.0	1.7	1.6	1.5	1.5
<b>Solvency and Liquidity</b>					
Total Capital Ratio	19.0	19.3	19.2	18.4	18.9
Core Equity Ratio	16.5	16.8	16.8	16.4	16.1
CCL	216.06	205.96	197.68	185.60	168.82
Leverage Ratio	10.0	10.3	10.4	10.5	10.6
<b>Figures in Units (#)</b>					
<b>Infrastructure</b>					
Employees	38,968	40,209	41,247	41,835	43,101
Branches	1,726	1,727	1,733	1,735	1,736
ATMs	13,672	13,783	14,019	14,160	14,232

\* Bank deposits include demand deposits and time deposits.

## Commercial Activity

### Loan portfolio at stage 1 and stage 2

During the first half of 2023, the economy reflects positive dynamics and consolidates the country's recovery. This, together with BBVA Mexico's strong commitment to boost economic development, can be reflected in the continued growth of credit, which has a balance of 1,556,845 million pesos, equivalent to an increase of 11.2% vs the six months of the previous year. This consolidates BBVA Mexico's leadership with a market share of 24.6%, according to the most recent figures published by the CNBV at the end of May 2023.

Commercial loans reached 850,117 million pesos, of which 75% of the portfolio consists of the business segment (including corporate and medium-sized companies), which recorded a balance 10.5% higher than the previous year. This, mainly driven by the growing opportunities in the country and the strengthening in the attraction of investment (nearshoring).

An important strategic line of business for BBVA Mexico is the support of small and medium-sized enterprises (SMEs) that have registered a balance of over 106 bp, equivalent to an annual growth of 20.8% and more than 48.7% new loans to this segment. Part of the initiatives to promote this segment has been the installation of the **Banca de Barrio model**, which since July 2020 to date has more than 3,900 specialized executives, increasing the customer base by 249 thousand with the installation of 160 thousand terminals points of sale to enhance business.

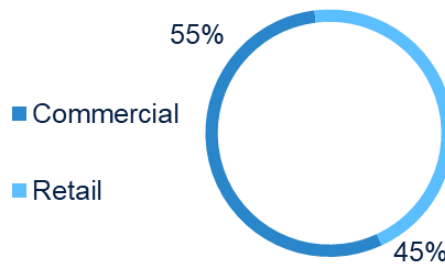
On the other hand, loans to individuals have presented a positive evolution in the year, both in the balance and in new credits. In the first half of 2023, credit card dynamism stood out, which reached balances of 155,293 million pesos (22.3% YoY), placing more than 1.1 million new plastics, which is 30.6% more than the same half of the previous year. For its part, payroll and personal loans closed with a balance of 182,401 million pesos overall, equivalent to an annual growth of 20.2%, which have been supported by the momentum in the innovation strategy and the dynamism of domestic consumption in the country.

Mortgage lending has maintained a steady growth trend over the past few years. This allows BBVA Mexico to remain the leader by granting one in four new mortgages in private banks, according to information from the CNBV at the end of May 2023.

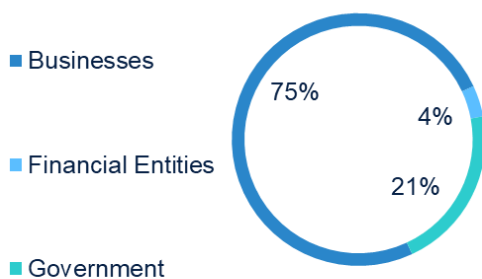
## Detail of credit stage 1 & stage 2

BBVA Mexico				Variation (%)	
Credit Portfolio Stage 1 and 2	June	March	June	vs Mar.	vs Jun.
Million Pesos	2022	2023	2023	2023	2022
<b>Credit Portfolio Stage 1</b>	<b>1,358,144</b>	<b>1,480,398</b>	<b>1,515,785</b>	<b>2.4</b>	<b>11.6</b>
Business	556,349	604,366	623,278	3.1	12.0
Financial Entities	26,445	33,360	35,751	7.2	35.2
Government	115,556	125,389	124,724	(0.5)	7.9
State-owned Entities	62,431	60,290	52,295	(13.3)	(16.2)
Government Entities	177,987	185,679	177,019	(4.7)	(0.5)
Commercial Loans	760,781	823,405	836,048	1.5	9.9
Consumer	317,568	357,775	374,878	4.8	18.0
Mortgage	279,795	299,218	304,859	1.9	9.0
<b>Credit Portfolio Stage 2</b>	<b>36,927</b>	<b>38,746</b>	<b>35,989</b>	<b>(7.1)</b>	<b>(2.5)</b>
Business	20,455	17,759	14,069	(20.8)	(31.2)
Commercial Loans	20,455	17,759	14,069	(20.8)	(31.2)
Consumer	6,480	9,848	10,181	3.4	57.1
Mortgage	9,992	11,139	11,739	5.4	17.5
<b>Credit Portfolio Stage 1 and 2</b>	<b>1,395,071</b>	<b>1,519,144</b>	<b>1,551,774</b>	<b>2.1</b>	<b>11.2</b>
Portfolio Valued at Fair Value	5,024	4,945	5,071	2.5	0.9
<b>Total Credit Portfolio</b>	<b>1,400,095</b>	<b>1,524,089</b>	<b>1,556,845</b>	<b>2.1</b>	<b>11.2</b>

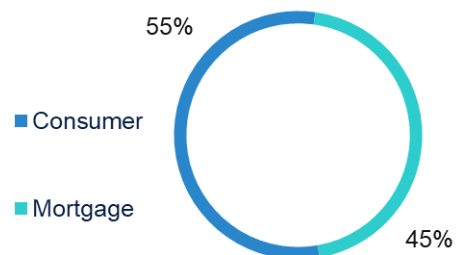
### Mix of the portfolio stage 1 y 2 (%)



### Commercial Loan Mix (%)



### Retail Loan Mix(%)



## Asset Quality

### Non-performing loans stage 3

The robust and strict risk models are reflected in the non performing loan portfolio balances. The total balance of the Stage 3 loan portfolio stood at 23,799 mp at the second quarter of the year, which is reflected in an NPL ratio of 1.51%.

Coverage ratio of Stage 3 portfolio stood at 208.5% during the 2Q23.

BBVA Mexico Credit Portfolio Stage 3 <i>Million Pesos</i>	Jun.	Mar.	Jun.	Variation (%)	
	2022	2023	2023	vs Mar. 2023	vs Jun. 2022
Business	11,635	7,614	7,907	3.8	(32.0)
Financial Entities	260	9	9	0.0	(96.5)
Commercial Loans	11,895	7,623	7,916	3.8	(33.5)
Consumer	8,915	9,326	9,831	5.4	10.3
Mortgage	7,080	6,093	6,052	(0.7)	(14.5)
<b>Credit Portfolio Stage 3</b>	<b>27,890</b>	<b>23,042</b>	<b>23,799</b>	<b>3.3</b>	<b>(14.7)</b>

#### NPL ratio (%)

**1.51%**

June 2023

#### Coverage ratio (%)

**208.5%**

June 2023

## Non-Performing Loans Movements Stage 3

NON-PERFORMING LOANS MOVEMENTS STAGE 3 TO JUNE 2023					
BBVA Mexico	Business and Financial Entities	Credit Card	Consumer	Mortgages	Total
Non-performing loans movements stage 3*					
Million Pesos					
<b>Final Balance (December 2022)</b>	<b>7,662</b>	<b>3,289</b>	<b>6,074</b>	<b>6,823</b>	<b>23,848</b>
<b>Inputs:</b>	<b>4,802</b>	<b>8,864</b>	<b>9,874</b>	<b>3,685</b>	<b>27,225</b>
Transfer of current loan (Stage 1 and 2)	4,600	8,470	9,515	3,575	26,160
Restructured	202	394	359	110	1,065
<b>Outputs:</b>	<b>(4,548)</b>	<b>(8,381)</b>	<b>(9,889)</b>	<b>(4,456)</b>	<b>(27,274)</b>
Transfer of current loan (Stage 1 and 2)	(743)	(970)	(660)	(2,298)	(4,671)
Cash Settlements	(2,297)	(14)	(134)	(92)	(2,537)
Restructured	(3)	-	(4)	(13)	(20)
Financial Penalties	(358)	(498)	(700)	(529)	(2,085)
Write-offs	(1,147)	(6,899)	(8,391)	(1,524)	(17,961)
<b>Final Balance (June 2023)</b>	<b>7,916</b>	<b>3,772</b>	<b>6,059</b>	<b>6,052</b>	<b>23,799</b>

## Loan Portfolio Credit Quality Classification

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

BBVA México										
Performing Loans Rating	Commercial		Mortgage		Consumer		Credit Card		TOTAL	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
June 2023										
Millions pesos										
<b>Risk Level</b>										
A1	770,274	1,716	290,357	212	62,115	577	91,728	1,836	1,214,474	4,341
A2	41,900	494	5,292	32	12,948	324	17,731	935	77,871	1,785
B1	6,593	121	4,235	37	71,165	2,384	9,118	647	91,111	3,189
B2	6,735	156	3,058	35	31,029	1,403	6,888	588	47,710	2,182
B3	12,335	494	2,455	42	9,171	508	7,016	719	30,977	1,763
C1	4,802	315	9,331	297	15,685	1,058	10,091	1,340	39,909	3,010
C2	5,763	840	2,309	144	17,693	1,859	8,476	1,903	34,241	4,746
D	3,599	997	2,340	607	6,639	1,405	4,939	2,614	17,517	5,623
E	6,705	4,753	3,267	1,686	10,892	7,052	3,076	2,581	23,940	16,072
Additional										6,918
<b>Total required</b>	<b>858,706</b>	<b>9,886</b>	<b>322,644</b>	<b>3,092</b>	<b>237,337</b>	<b>16,570</b>	<b>159,063</b>	<b>13,163</b>	<b>1,577,750</b>	<b>49,629</b>

Credit card for businesses and letters of credit are included in commercial.

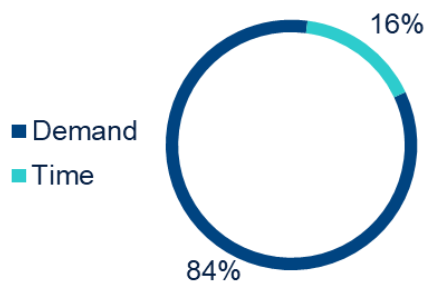
## Deposits

BBVA Mexico remains as the leading institution to enhance savings, promoting the constant use of financial instruments that allow customers to manage their resources. With this, bank deposits (demand deposits + time deposits) register a balance 2.2% higher than the previous year. Thus consolidating the leadership position in the Mexican market, by reaching a bank deposits market share of 23.1% (according to CNBV figures at the end of May 2023).

Demand deposits grew by 1.4% compared to the previous year, while time deposits closed with balances of 251,058 million. With this, our funding mix continues to strengthen, with the weight of low-cost deposits, representing 84% of the total. Likewise, the preference of clients for other products such as mutual funds has been driven by the high reference rates environment.

BBVA Mexico				Variation (%)	
Deposits	Jun.	Mar.	Jun.	vs Mar.	vs Jun.
Million Pesos	2022	2023	2023	2023	2022
Demand deposits	1,282,310	1,323,166	1,300,541	(1.7)	1.4
Time deposits	236,315	247,143	251,058	1.6	6.2
Customer Deposits	235,185	237,306	236,068	(0.5)	0.4
Money Market	1,130	9,837	14,990	52.4	1,226.5
Bonds	97,204	93,708	95,115	1.5	(2.1)
Deposits global account without movements	5,639	6,495	6,573	1.2	16.6
<b>Total deposits</b>	<b>1,621,468</b>	<b>1,670,512</b>	<b>1,653,287</b>	<b>(1.0)</b>	<b>2.0</b>

### Bank Deposits Mix (%)



\*Bank Deposits include demand and total time deposits

## Results

During the first half of 2023, BBVA Mexico recorded solid results, registering a net income of 45,789 million pesos, an increase of 33.4% more than the first half of the previous year, this result has been supported by the growing and constant recurring income.

Net income has been driven by an improvement in Net interest income derived from greater activity in the loan portfolio, as well as by an environment of higher interest rates as well as a higher level of transactionality that is reflected in a positive result of fees and commissions.

BBVA Mexico				Variation (%)			Variation (%)
Income Statement	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M
million pesos	2022	2023	2023	2023	2022	2023	2022
Net Interest Income	38,974	49,336	48,982	(0.7)	77,215	98,318	27.3
Provisions for loans losses	(8,126)	(9,197)	(10,006)	8.8	(16,661)	(19,203)	15.3
Net Interest Income after provisions for loans losses	30,848	40,139	38,976	(2.9)	60,554	79,115	30.7
Total Fees & Commissions	8,664	9,656	9,912	2.7	16,772	19,568	16.7
Trading Income	3,386	2,519	4,333	72.0	5,710	6,852	20.0
Other operating income	(1,802)	(1,765)	(2,119)	20.1	(3,518)	(3,884)	10.4
Total operating income	41,096	50,549	51,102	1.1	79,518	101,651	27.8
Non-interest expense	(16,176)	(18,979)	(19,886)	4.8	(32,364)	(38,865)	20.1
Net operating income	24,920	31,570	31,216	(1.1)	47,154	62,786	33.2
Share in net income of unconsolidated subsidiaries	47	24	230	858.3	82	254	209.8
Income before income tax and profit sharing	24,967	31,594	31,446	(0.5)	47,236	63,040	33.5
Net Taxes	(6,883)	(8,710)	(8,541)	(1.9)	(12,908)	(17,251)	33.6
<b>Net Income</b>	<b>18,084</b>	<b>22,884</b>	<b>22,905</b>	<b>0.1</b>	<b>34,328</b>	<b>45,789</b>	<b>33.4</b>

**NIM Total Assets (%)**

**7.1%**

June 2023

**ROE (%)**

**29.7%**

June 2023



## Net interest income

During the first half of the year, net interest income continues to show strength with a growth of 27.3% compared to the previous year, due to portfolio growth in profitable segments with higher margins, and from a higher rate environment related to 2022.

Provisions for loan losses registered a balance of 19,203 million pesos, 15.3% higher than the first semester of the previous year, reflecting the greater activity in retail segments. With this, net interest income after provisions reached 79,115 million pesos, 30.7% higher than the previous year.

BBVA Mexico				Variation (%)			Variation (%)
Net Interest Income	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M
Millions pesos	2022	2023	2023	2023	2022	2023	2022
Interest income	52,732	69,816	72,352	3.6	102,503	142,168	38.7
Interest expenses	(14,346)	(21,002)	(24,018)	14.4	(26,284)	(45,020)	71.3
Margin fees	588	522	648	24.1	996	1170	17.5
<b>Net Interest Income</b>	<b>38,974</b>	<b>49,336</b>	<b>48,982</b>	<b>(0.7)</b>	<b>77,215</b>	<b>98,318</b>	<b>27.3</b>
Provisions for loans losses	(8,126)	(9,197)	(10,006)	8.8	(16,661)	(19,203)	15.3
<b>Net Interest Income after provisions</b>	<b>30,848</b>	<b>40,139</b>	<b>38,976</b>	<b>(2.9)</b>	<b>60,554</b>	<b>79,115</b>	<b>30.7</b>

## Fees and Commissions

During the six months of 2023, commissions and fee income reached 19,568 million pesos, an increase of 16.7% supported by higher volumes and billing from credit card customers that have had a favorable performance in 2023. Likewise, investment fund fees have had a favorable performance in the year, also derived from higher volumes encouraged by an environment of high interest rates.

BBVA Mexico				Variation (%)			Variation (%)
Fees & Commissions	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M
Million pesos	2022	2023	2023	2023	2022	2023	2022
Bank fees	1,979	2,072	2,081	0.4	3,875	4,153	7.2
Credit and debit card	5,346	6,159	6,371	3.4	10,111	12,530	23.9
Investment funds	1,177	1,252	1,329	6.2	2,314	2,581	11.5
Others	162	173	131	(24.3)	472	304	(35.6)
<b>Commissions and fee income</b>	<b>8,664</b>	<b>9,656</b>	<b>9,912</b>	<b>2.7</b>	<b>16,772</b>	<b>19,568</b>	<b>16.7</b>

## Trading income

Trading income mainly reflects the activity of Global Markets and reached 6,852 million pesos in the first half of 2023, with a very favorable evolution compared to the previous year with growth of 20% and 72% compared to the last year.

BBVA Mexico				Variation (%)				Variation (%)	
Trading Income	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M		
Million pesos	2022	2023	2023	2023	2022	2023	2022		
Variable income	(9)	18	5	(72.2)	(3)	23	n.a.		
Fixed income and repos	(168)	891	220	(75.3)	(494)	1,111	n.a.		
<b>Securities</b>	<b>(177)</b>	<b>909</b>	<b>225</b>	<b>(75.2)</b>	<b>(497)</b>	<b>1,134</b>	<b>n.a.</b>		
FX	2,237	2,057	(5,178)	n.a.	1,161	(3,121)	n.a.		
Derivatives	(419)	(44)	3,545	n.a.	3,170	3,501	10.4		
Results from valuation	1,641	2,922	(1,408)	n.a.	3,834	1,514	(60.5)		
Variable income	(3)	13	(8)	n.a.	4	5	25.0		
Fixed income and repos	(97)	(467)	272	n.a.	(333)	(195)	(41.4)		
<b>Securities</b>	<b>(100)</b>	<b>(454)</b>	<b>264</b>	<b>n.a.</b>	<b>(329)</b>	<b>(190)</b>	<b>(42.2)</b>		
FX	2,620	1,630	2,547	56.3	4,784	4,177	(12.7)		
Derivatives	(775)	(1,579)	2,930	n.a.	(2,579)	1,351	n.a.		
Results from trading	1,745	(403)	5,741	n.a.	1,876	5,338	184.5		
<b>Trading Income</b>	<b>3,386</b>	<b>2,519</b>	<b>4,333</b>	<b>72.0</b>	<b>5,710</b>	<b>6,852</b>	<b>20.0</b>		

## Other Income (expenses) of the operation

Other operating income (expenses) recorded a loss of 3,884 million pesos in the first half of 2023, mainly as a result of the payment of IPAB fees which, as of January 1, 2022, began to be recorded under this segment.

BBVA Mexico				Variation (%)				Variation (%)	
Other Income ( Expenses)	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M		
Million pesos	2022	2023	2023	2023	2022	2023	2022		
Interest of loans to employees	223	250	259	3.6	444	509	14.6		
Result of operations of foreclosed assets	148	189	147	(22.2)	334	336	0.6		
Recovery for guarantee payments	30	17	30	76.5	50	47	(6.0)		
Legal and labor contingencies	(178)	(96)	(82)	(14.6)	(285)	(178)	(37.5)		
Write-offs	9	(64)	(197)	207.8	(16)	(261)	n.a.		
Result of portfolio recovery	(179)	(170)	(224)	31.8	(290)	(394)	35.9		
Donations	(278)	(222)	(313)	41.0	(512)	(535)	4.5		
Payments of IPAB fees	(1,755)	(1,763)	(1,764)	0.1	(3,463)	(3,527)	1.8		
Others	40	94	25	(73.4)	82	119	45.1		
<b>Other operating income</b>	<b>(1,802)</b>	<b>(1,765)</b>	<b>(2,119)</b>	<b>20.1</b>	<b>(3,518)</b>	<b>(3,884)</b>	<b>10.4</b>		

## Non-Interest Expenses

Operating expenses reached 38,865 million pesos, 20.1% higher than the first half of the previous year. This increase is mainly due to high levels of inflation, technology expenses related to the growth of the business itself. In terms of personnel expenses, also an increase due to salary adjustment and increase in employees. However, BBVA Mexico maintains a lower efficiency ratio (measured as expenses divided by income) located at 32.2% during the first half of 2023.

BBVA Mexico maintains a solid infrastructure network with 1,736 offices and 14,232 ATMs, and has 43,101 employees (4,133 more employees than the first half of the previous year). This infrastructure complements the powerful range of digital applications and services to meet the current and future needs of our customers, which in the first half of the year exceeds 29 million

BBVA Mexico				Variation (%)		Variation (%)	
Non-Interest Expenses	2Q	1Q	2Q	vs 1Q	6M	6M	vs 6M
Million pesos	2022	2023	2023	2023	2022	2023	2022
Administrative and operating expenses	11,883	13,782	14,594	5.9	23,682	28,376	19.8
Rents	1,433	1,899	2,005	5.6	2,843	3,904	37.3
Depreciation and amortization	2,040	2,144	2,170	1.2	4,045	4,314	6.7
Taxes	820	1,154	1,117	(3.2)	1,794	2,271	26.6
<b>Administrative and operating expenses</b>	<b>16,176</b>	<b>18,979</b>	<b>19,886</b>	<b>4.8</b>	<b>32,364</b>	<b>38,865</b>	<b>20.1</b>

### Efficiency ratio (%)

**32.2%**

as of June 2023

## Capital and liquidity

### Capital

The estimated capitalization ratio of BBVA Mexico was 18.9% at the end of June 2023, composed of 16.1% basic capital and 2.8% complementary capital.

BBVA México maintains a robust capital position, fully complying with all capital requirements and remaining well above regulatory minimums. BBVA México has been ratified by the local regulator as a multiple banking institution of local systemic importance, classified in Grade IV.

During the month of June 2021, the regulation known as Total Loss Absorption Capacity (TLAC) came into effect. As a result of the foregoing, the regulator has modified the General Provisions applicable to credit institutions, in order to reflect the adoption of the aforementioned international standard, incorporating a supplement to net capital that will be applicable to multiple banking institutions of local systemic importance.

The constitution of the aforementioned net capital supplement will gradually increase year after year, starting in December 2022 and ending in December 2025. Considering the above, the minimum total capital for BBVA Mexico is currently 13.625%.

At the end of June 2023, BBVA México placed Senior Subordinated Capital Notes (Tier 2) in the international market for USD1,0bn with a coupon of 8.45% maturing in 15 years with an early redemption option in the tenth year, at the discretion of the issuer. The ratings given to said issue by rating agencies Moody's and Fitch Ratings were Baa3 and BB respectively.

### Estimated capital ratio of BBVA Mexico

BBVA Mexico						
Capitalization	June		March		June	
Million pesos	2022		2023		2023	
	Credit Risk	Market operational & Credit Risk	Credit Risk	Market operational & Credit Risk	Credit Risk	Market operational & Credit Risk
Tier 1 capital		271,819		292,158		298,166
Tier 2 capital		41,769		36,023		51,410
Net capital		313,588		328,181		349,576
Risk-weighted assets	1,063,101	1,651,820	1,149,849	1,785,417	1,168,390	1,849,598
Tier 1 as % of risk-weighted assets	25.6%	16.5%	25.4%	16.4%	25.5%	16.1%
Tier 2 as % of risk-weighted assets	3.9%	2.5%	3.1%	2.0%	4.4%	2.8%
<b>Net capital ratio</b>	<b>29.5%</b>	<b>19.0%</b>	<b>28.5%</b>	<b>18.4%</b>	<b>29.9%</b>	<b>18.9%</b>

*\*Previous information. Figures are under review by the authority*

## Liquidity

Despite the complex environment, BBVA Mexico maintains sound liquidity levels for continued growth. The liquidity ratio, defined as loans to deposits, was 100% and the short-term indicator, defined as the Liquidity Coverage Coefficient (Local LCR) was 168.82%.

Important to mention that arising from disclosure requirements and looking to enhance a stable funding profile in relation to the composition of the assets and off-balance sheet activities, the Net Stable Funding Coefficient (Local NSFR) is 129.98% for the second quarter of the year.

Loans to deposits ratio (%)

**100.0%**

June 2023

LCR (%)

**168.82%**

June 2023  
*Previous information*

## Financial Indicators

BBVA Mexico	2Q	3Q	4Q	1Q	2Q
Financial Indicators	2022	2022	2022	2023	2023
<b>Infrastructure Indicators (#)</b>					
Branches	1,726	1,727	1,733	1,735	1,736
ATMs	13,672	13,783	14,019	14,160	14,232
Employees	38,968	40,209	41,247	41,835	43,101
<b>Profitability Indicators (%)</b>					
a) NIM Adjusted (Produced Assets)	5.0	5.6	5.5	6.4	6.1
b) NIM (Total Assets)	5.8	6.2	6.7	7.1	6.9
c) Operating Efficiency	2.4	2.5	2.6	2.7	2.8
d) Efficiency Ratio	32.9	33.4	30.8	31.8	32.5
e) Productivity Ratio	53.6	50.5	52.1	50.9	49.8
f) Return on Equity (ROE)	25.0	29.9	27.3	30.1	29.3
g) Return on Assets (ROA)	2.7	3.1	2.9	3.3	3.2
<b>Asset Quality Indicators (%)</b>					
h) Non - Performing Loans Ratio	2.0	1.7	1.6	1.5	1.5
i) Portfolio Coverage Ratio Stage 3	166.5	193.1	207.9	213.0	208.5
<b>Solvency Indicators (%)</b>					
j) Core Equity Tier 1 Ratio	16.5	16.8	16.8	16.4	16.1
k) Tier Ratio	16.5	16.8	16.8	16.4	16.1
l) Total Capital Ratio	19.0	19.26	19.2	18.4	18.9
m) Leverage Ratio	10.0	10.33	10.39	10.5	10.6
<b>Liquidity Indicators (%)</b>					
n) Liquidity Ratio (CNBV Requirement)	61.9	60.6	52.1	48.2	53.1
o) Liquidity (Performing Loans / Deposits)	91.9	96.2	92.1	96.7	100.0
p) Liquidity Coverage Ratio	216.1	206.0	197.7	185.6	168.8

### INFRASTRUCTURE

ATM's: Include those that have activity during the quarter.

### PROFITABILITY

- Net interest margin adjusted (NIM): Net interest income after provisions for loan losses (annualized) / Average productive assets  
Average productive assets: Cash + Investment in financial instruments + Repo debtors + securities lending + derivatives + loans stage 1 and 2 + Receivable benefits from securitization transaction + Valuation adjustments derived from hedges of financial assets.
- Net interest Margin (NIM): Net interest income (annualized) / Average total assets
- Operating efficiency: Expenses (annualized) / Average total assets.
- Efficiency ratio: Administrative and promotional expenses / Net interest income + commissions and fee income + trading income + other operating income (expense).
- Productivity ratio: Commissions and fees / Promotions and administrative expenses.
- 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: Balances of stage 3 end of period / total loan portfolio.  
i) Coverage ratio: Allowances for loan losses / Balances of stage 3 end of period

**SOLVENCY (BBVA México Information)**

- j) Core Equity Tier 1 ratio: CET1 Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013)  
k) Tier1 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 + Unrestricted Tradable Financial Instruments + Financial Instruments to collect or sell without restrictions

Liquid Liabilities: Demand deposits + interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term

- o) Liquidity: Liquidity: Portfolio with stage 1 and stage 2 credit risk + credit portfolio valued at fair value / Bank deposits (demand deposits + time deposits).  
p) Liquidity Coverage Ratio (Local LCR): Computable Liquid Assets / 30-day stressed Net Outflows (BBVA Mexico information). Quarterly average. Preliminary figure

Notes: Average data = ((Balances of the quarter + Balances of the previous quarter) / 2).

Annualized data = Balances of the quarter \* 4).

## Ratings

BBVA Mexico's Ratings			
	Long Term	Short Term	Outlook
<b>Standard and Poor's</b>			
Issuer Credit Rating - Foreign Currency	BBB	A-2	Stable
Issuer Credit Rating - Local Currency	BBB	A-2	Stable
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	bbb+		
<b>Moody's</b>			
Bank Deposits - Foreign Currency	Baa1	P-2	Stable
Bank Deposits - Domestic Currency	Baa1	P-2	Stable
National Scale Rating Bank Deposits	AAA.mx	MX-1	Stable
Baseline Credit Assessment (BCA/ABCA)	baa2/baa1		
<b>Fitch</b>			
Issuer Default Rating - Foreign Currency	BBB	F2	Stable
Issuer Default Rating - Local Currency	BBB	F2	Stable
National Scale Rating	AAA(mex)	F1+(mex)	Stable
Viability Rating (VR)	bbb		



# Issuances

BBVA Mexico										
Issuances										
Instruments	Amount	Original Currency	Issue Date	Due Date	Call Date	Term (years)	Rate	Ratings		
								S&P	Moody's	Fitch
<b>Senior Debt</b>										
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 Fondo + 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)
<b>Subordinated Debt</b>										
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
Subordinated Debentures Tier 2 15NC10 2038	1,000	USD	22-jun-23	29-jun-38	29-jun-33	15NC10	8.450%		Baa3	BB

# Financial Statements

## Balance Sheet

### Assets

BBVA México					
Assets	Jun.	Sep.	Dec.	Mar.	Jun.
Million pesos	2022	2022	2022	2023	2023
<b>CASH AND CASH EQUIVALENTS</b>	347,415	325,938	275,795	249,655	214,126
Margin call accounts	10,338	6,455	9,718	8,131	11,575
<b>INVESTMENTS IN FINANCIAL INSTRUMENTS</b>	528,566	512,630	533,782	510,031	607,665
Negotiable financial instruments	252,223	241,917	244,852	200,989	263,793
Financial instruments to collect or sell	198,067	195,487	195,031	189,690	215,636
Financial instruments to collect principal and interest (securities)(net)	78,276	75,226	93,899	119,352	128,236
Debtors from repurchase agreement	24,255	19,755	26,324	22,267	24,409
<b>Derivatives</b>	<b>215,616</b>	<b>244,382</b>	<b>216,165</b>	<b>217,342</b>	<b>201,076</b>
Trading	204,654	235,681	209,518	209,521	191,373
Hedging Transactions	10,962	8,701	6,647	7,821	9,703
Valuation adjustments derived from hedges of financial assets	(527)	(1,017)	(639)	(768)	(644)
<b>CREDIT PORTFOLIO WITH CREDIT RISK STAGE 1</b>	<b>1,358,144</b>	<b>1,401,002</b>	<b>1,449,354</b>	<b>1,480,398</b>	<b>1,515,785</b>
Commercial loans	760,781	782,623	809,063	823,405	836,048
Business or commercial activity	556,349	578,657	593,756	604,366	623,278
Financial entities	26,445	32,295	29,571	33,360	35,751
Government entities	177,987	171,671	185,736	185,679	177,019
Consumer	317,568	331,181	346,721	357,775	374,878
Mortgage	279,795	287,198	293,570	299,218	304,859
Middle and Residential	275,255	282,922	289,472	295,071	301,003
Low income	4,540	4,276	4,098	4,147	3,856
<b>CREDIT PORTFOLIO WITH CREDIT RISK STAGE 2</b>	<b>36,927</b>	<b>37,038</b>	<b>37,875</b>	<b>38,746</b>	<b>35,989</b>
Commercial loans	20,455	19,115	18,831	17,759	14,069
Business or commercial activity	20,455	19,115	18,831	17,759	14,069
Consumer	6,480	7,470	8,616	9,848	10,181
Mortgage	9,992	10,453	10,428	11,139	11,739
Middle and Residential	9,487	9,924	9,963	10,667	11,222
Low income	505	529	465	472	517
<b>CREDIT PORTFOLIO WITH CREDIT RISK STAGE 3</b>	<b>27,890</b>	<b>24,353</b>	<b>23,848</b>	<b>23,042</b>	<b>23,799</b>
Commercial loans	11,895	7,290	7,662	7,623	7,916
Business or commercial activity	11,635	7,281	7,653	7,614	7,907
Financial entities	260	9	9	9	9
Consumer	8,915	9,918	9,363	9,326	9,831
Mortgage	7,080	7,145	6,823	6,093	6,052
Middle and Residential	6,822	6,881	6,592	5,898	5,862
Low income	258	264	231	195	190
<b>LOAN PORTFOLIO VALUED AT FAIR VALUE</b>	<b>5,024</b>	<b>5,082</b>	<b>5,100</b>	<b>4,945</b>	<b>5,071</b>
<b>CREDIT PORTFOLIO</b>	<b>1,427,985</b>	<b>1,467,475</b>	<b>1,516,177</b>	<b>1,547,131</b>	<b>1,580,644</b>
Deferred accounts	(5,054)	(5,243)	(3,271)	(2,139)	(2,029)
Allowance for loan losses	(46,448)	(47,014)	(49,588)	(49,075)	(49,629)
<b>TOTAL LOANS, NET</b>	<b>1,376,483</b>	<b>1,415,218</b>	<b>1,463,319</b>	<b>1,495,917</b>	<b>1,528,986</b>
Acquired collection rights (net)	0	0	1	1	1
<b>TOTAL LOAN PORTFOLIO (NET)</b>	<b>1,376,483</b>	<b>1,415,218</b>	<b>1,463,319</b>	<b>1,495,918</b>	<b>1,528,987</b>
Other accounts receivable, net	182,450	182,171	139,189	217,456	136,775
Repossessed assets, net	1,364	1,677	1,611	1,531	1,449
Prepayments and other assets (net)	2,677	3,288	3,309	2,980	3,241
Property, furniture and equipment, net	34,625	34,657	36,289	36,023	36,501
Assets for rights of use of property, furniture and equipment (net)	4,425	4,696	5,009	5,392	5,551
Equity investments	1,154	1,183	1,183	1,212	1,178
Deferred taxes, net	34,413	36,592	38,096	36,664	38,594
Intangible assets (net)	4,051	4,051	4,451	4,415	4,654
<b>TOTAL ASSETS</b>	<b>2,767,305</b>	<b>2,791,676</b>	<b>2,753,601</b>	<b>2,808,249</b>	<b>2,815,137</b>

## Liabilities & Stockholders' Equity

BBVA México Liabilities & Stockholders' Equity Million pesos	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023
<b>TOTAL DEPOSITS</b>	1,621,468	1,599,816	1,710,211	1,670,512	1,653,287
Demand deposits	1,282,310	1,252,826	1,367,045	1,323,166	1,300,541
Time Deposits	236,315	241,742	247,631	247,143	251,058
Customer deposits	235,185	240,674	243,521	237,306	236,068
Money market	1,130	1,068	4,110	9,837	14,990
Bonds	97,204	99,279	88,819	93,708	95,115
Deposits global account without movements	5,639	5,969	6,716	6,495	6,573
<b>INTER BANK LOANS AND LOANS FROM OTHER ENTITIES</b>	39,276	38,173	39,162	38,323	39,084
Payable on demand	0	0	0	0	257
Short- term	6,664	5,963	6,528	5,946	5,262
Long- term	32,612	32,210	32,634	32,377	33,565
Creditors from repurchase agreements	237,711	284,664	187,057	228,610	300,407
Securities creditors	1	2	2	2	1
<b>COLLATERALS SOLD OR DELIVERED IN GUARANTEE</b>	54,683	46,851	54,734	53,628	39,586
Repurchase	25,992	16,626	15,304	21,573	4,577
Securities lending	28,691	30,225	39,430	32,055	35,009
<b>DERIVATIVES</b>	229,619	269,200	241,172	238,703	220,987
Trading	222,540	260,154	232,352	231,528	213,401
Hedge transactions	7,079	9,046	8,820	7,175	7,586
Valuation adjustments derived from hedges of financial liabilities	(2,684)	(5,170)	(4,771)	(3,472)	(3,955)
Lease liability	4,413	4,745	5,139	5,560	5,788
<b>OTHER PAYABLES</b>	208,779	196,169	155,775	216,472	170,143
Transaction settlement creditors	89,284	79,989	13,847	87,002	81,932
Creditors for margin accounts	2,265	2,100	342	190	25
Creditors from collaterals received in cash contributions payable	18,670	18,060	13,438	18,680	18,371
Accrued liabilities and other	2,904	2,261	2,797	2,708	3,654
Accrued liabilities and other	95,656	93,759	125,351	107,892	66,161
<b>FINANCIAL INSTRUMENTS THAT QUALIFY AS LIABILITIES</b>	70,748	39,587	38,623	35,289	50,943
Subordinated debt	70,748	39,587	38,623	35,289	50,943
Income tax liability	10,641	12,326	14,112	7,519	8,081
Liabilities for employee benefits	3,776	5,166	6,993	3,960	8,457
Deferred credits and advanced collections	2,793	2,751	5,359	5,328	5,654
<b>TOTAL LIABILITIES</b>	<b>2,481,224</b>	<b>2,494,280</b>	<b>2,453,568</b>	<b>2,500,434</b>	<b>2,498,463</b>
<b>SUBSCRIBED CAPITAL</b>	40,003	40,003	40,003	40,003	40,003
Paid- in capital	24,143	24,143	24,143	24,143	24,143
Share premium	15,860	15,860	15,860	15,860	15,860
<b>EARNED CAPITAL</b>	246,013	257,320	259,951	267,727	276,579
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	255,128	267,039	267,846	274,480	285,035
Other Integral Income	(16,016)	(16,620)	(14,796)	(13,654)	(15,357)
Valuation of financial instruments to collect or sell	(10,999)	(10,910)	(8,703)	(7,657)	(6,835)
Valuation of derivative financial instruments for cash flow hedges	(1,512)	(1,512)	(1,353)	(1,307)	(1,048)
Remeasurements of Defined Benefits to Employees	(3,505)	(4,198)	(4,740)	(4,690)	(7,474)
<b>EARNED CAPITAL</b>	286,016	297,323	299,954	307,730	316,582
Non- controlling interest in consolidated subsidiaries	65	73	79	85	92
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>286,081</b>	<b>297,396</b>	<b>300,033</b>	<b>307,815</b>	<b>316,674</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>2,767,305</b>	<b>2,791,676</b>	<b>2,753,601</b>	<b>2,808,249</b>	<b>2,815,137</b>

## Memorandum accounts

BBVA Mexico					
Memorandum accounts	Jun.	Sep.	Dec.	Mar.	Jun.
<i>Million pesos</i>	2022	2022	2022	2023	2023
Contingent assets and liabilities	1,239	1,361	2,524	198	210
Credit commitments	710,555	769,391	792,231	790,919	802,739
In trusts	608,710	634,701	672,475	825,597	816,729
Under mandate	192	191	200	212	214
Assets in trust or under mandate	608,902	634,892	672,675	825,809	816,943
Assets in custody or under administration	267,360	269,525	264,323	306,201	297,837
Collaterals received by the institution	71,439	66,639	77,156	67,482	72,986
Collaterals received and sold or pledged as collateral by the institution	57,702	47,381	55,253	53,661	39,995
Investment banking transactions on behalf of third parties, net	1,959,340	1,954,601	2,035,619	2,209,451	2,331,658
Accrued interest on non- performing loans	2,527	2,449	2,195	2,192	2,197
Other record accounts	3,699,265	3,709,129	3,772,334	3,761,845	3,677,046

"The historical balance of the capital stock as of June 30, 2023 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

BBVA Mexico Income Statement <i>Million pesos</i>	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Interest Income	53,320	60,430	66,648	70,338	73,000
Interest Expenses	(14,346)	(17,103)	(20,397)	(21,002)	(24,018)
Net interest income	38,974	43,327	46,251	49,336	48,982
Provisions for loan losses	(8,126)	(7,796)	(11,162)	(9,197)	(10,006)
Net interest income after provisions for loan losses	30,848	35,531	35,089	40,139	38,976
Commissions and fees charged	14,942	15,435	17,235	16,675	17,431
Commissions and fees paid	(6,278)	(6,530)	(8,012)	(7,019)	(7,519)
Total Fees & Commissions	8,664	8,905	9,223	9,656	9,912
Trading income	3,386	2,178	3,665	2,519	4,333
Other operating income	(1,802)	(1,549)	(1,763)	(1,765)	(2,119)
Non-interest expense	(16,176)	(17,630)	(17,689)	(18,979)	(19,886)
Net operating income	24,920	27,435	28,525	31,570	31,216
Share in net income of unconsolidated subsidiaries and affiliates	47	21	165	24	230
Income before income tax and profit sharing	24,967	27,456	28,690	31,594	31,446
Net Taxes	(6,883)	(5,615)	(8,329)	(8,710)	(8,541)
<b>Net Income</b>	<b>18,084</b>	<b>21,841</b>	<b>20,361</b>	<b>22,884</b>	<b>22,905</b>
Other integral income for the period:					
Valuation of financial instruments to collect or sell	(2,810)	89	2,207	1,046	822
Valuation of derivative financial instruments for cash flow hedges	(278)	0	159	46	259
Remeasurement of defined benefits to employees	(749)	(693)	(540)	50	(2,784)
Other comprehensive income for the period	(3,837)	(604)	1,826	1,142	(1,703)
<b>Integral result</b>	<b>14,247</b>	<b>21,237</b>	<b>22,187</b>	<b>24,026</b>	<b>21,202</b>
Net Income attributable to:					
Controlling Interest	18,092	21,849	20,367	22,890	22,912
Non-controlling interest	(8)	(8)	(6)	(6)	(7)
	18,084	21,841	20,361	22,884	22,905
Net Income attributable to:					
Controlling Interest	14,252	21,245	22,196	24,032	21,209
Non-controlling interest	(5)	(8)	(9)	(6)	(7)
	14,247	21,237	22,187	24,026	21,202
Basic Earnings per Ordinary share (pesos per share)	1.19	3.70	5.04	1.51	1.51

"This consolidated income statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement."

Eduardo Osuna Osuna

CEO

Luis Ignacio De La Luz  
Dávalos

CFO

Adolfo Arcos González

Head of Internal Audit

Ana Luisa Miriam Ordorica  
Amezcuca

Head of Accounting

## Cash Flow Statement

<b>BBVA México</b>	
<b>Cash Flow Statement</b>	
<b>from January 1st to June 30th 2023</b>	
<i>Million pesos</i>	
Income before taxes	63,040
Adjustments associated with items of investing activities:	
Losses or reversal of losses due to impairment of long-lived assets	24
Depreciation of property, furniture and fixtures	1,317
Amortization of installation expenses	979
Amortization of intangible assets	838
Participation in the net result of other entities	(254)
	2,904
<b>Operating activities</b>	
Change in margin call accounts	(2,492)
Change in investments in financial instruments (securities) (net)	(75,973)
Change in debtors from repurchase agreement	1,915
Change in derivatives (assets)	18,146
Change in loan portfolio (net)	(90,354)
Change in other accounts receivable (net)	1,549
Change in foreclosed assets (net)	161
Change in other operating assets (net)	59
Change in deposits	(25,849)
Change in interbank loans and other loans from other entities	273
Change in creditors from repurchase agreements	113,350
Change in securities lending (liability)	(1)
Change in collaterals sold or delivered in guarantee	(15,148)
Change in derivative financial instruments (liability)	(18,952)
Change in other operating liabilities	76,053
Change in hedging instruments (of hedge items related to operation activities)	(3,559)
Change in assets/liabilities for employee benefits	(1,823)
Change in other accounts payable	(54,061)
Income tax payments	(24,620)
Net cash flows used in operating activities	(35,382)
<b>Investment activities</b>	
Proceeds from the disposal of property, furniture and fixtures	23
Payments for the acquisition of property furniture and fixtures	(2,549)
Payments for acquisition of intangible assets	(1,047)
Net cash flows used in investment activities	(3,573)
<b>Financing activities</b>	
Cash Dividend Payments	(28,600)
Payments associated with financial instruments that qualify as liabilities	17,079
Net cash flows from financing activities	11,521
Net increase or decrease in cash and cash equivalents	(50,476)
Effects of changes in the value of cash and cash equivalents	(11,193)
Cash and cash equivalents at the beginning of the period	275,795
Cash and cash equivalents at the end of the period	214,126

"This consolidated cash flow statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement."

Eduardo Osuna Osuna

Luis Ignacio De La Luz  
Dávalos

Adolfo Arcos González

Ana Luisa Miriam Ordorica  
Amezcu

CEO

CFO

Head of Internal Audit

Head of Accounting

## Changes in Stockholders Equity

BBVA Mexico	Subscribed Capital		Earned Capital				Total participation of the controlling company	noncontrolling interest	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				Remeasurement of defined benefits to employees
<i>Million pesos</i>										
<b>Balances as of December 31st, 2022</b>	24,143	15,860	6,901	267,846	(8,703)	(1,353)	(4,740)	299,954	79	300,033
OWNER MOVEMENTS										
Dividend Decree	-	-	-	(28,600)	-	-	-	(28,600)	-	(28,600)
<b>Total</b>	-	-	-	<b>(28,600)</b>	-	-	-	<b>(28,600)</b>	-	<b>(28,600)</b>
INTEGRAL RESULT										
Net result				45,789				45,789	13	45,802
Other comprehensive results										
Valuation of financial instruments to collect or sell					1,868			1,868		1,868
Result from valuation of cash flow hedging instruments						305		305		305
Remeasurement of defined employee benefits							(2,734)	(2,734)		(2,734)
<b>Total</b>	-	-	-	<b>45,789</b>	<b>1,868</b>	<b>305</b>	<b>(2,734)</b>	<b>45,228</b>	<b>13</b>	<b>45,241</b>
<b>Balances as of June 30th, 2023</b>	<b>24,143</b>	<b>15,860</b>	<b>6,901</b>	<b>285,035</b>	<b>(6,835)</b>	<b>(1,048)</b>	<b>(7,474)</b>	<b>316,582</b>	<b>92</b>	<b>316,674</b>

"This consolidated variation in stakeholders' equity statement is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

The Board of Directors, under the responsibility of the managers who subscribe to 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

## **Regulatory accounting pronouncement recently issued**

For more detail, please refer to the 2Q23 Financial Report (in Spanish) where you can find the explanations and effects.

\* \* \*



# BBVA Mexico

## Financial Results and Achievements

January-June 2023

### Contact

Investor Relations

[investorrelations.mx@bbva.com](mailto:investorrelations.mx@bbva.com)

<http://investors.bbva.mx>

