PRICING SUPPLEMENT

As of September 29, 2026

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes referred to herein (the "**Notes**") are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering document has been prepared on the basis that any offer of Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This offering document is not a prospectus for the purposes of the Prospectus Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs"**). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024. This offering document has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exception from the prohibition on offers of notes to the public under the POATRs.

NOTICE TO PERSONS IN THE UNITED KINGDOM – In the UK, this document is only being distributed to and is only directed at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as

"**relevant persons**"). Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

PURSUANT TO CIRCULAR 3/2012 ISSUED BY BANCO DE MÉXICO AND PUBLISHED IN THE FEDERAL OFFICIAL GAZETTE (*DIARIO OFICIAL DE LA FEDERACIÓN*) ON MARCH 2, 2012, AND AS AMENDED FROM TIME TO TIME, INCLUDING THE AMENDMENT PUBLISHED ON NOVEMBER 14, 2018, IN THE FEDERAL OFFICIAL GAZETTE THROUGH CIRCULAR 16/2018, NO RELATED PARTY OF THE ISSUER, AS DEFINED IN ARTICLE 73 OF THE MEXICAN BANKING LAW, MAY ACQUIRE, DIRECTLY OR INDIRECTLY, ANY NOTES TO BE ISSUED PURSUANT TO THE OFFERING MEMORANDUM.

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, acting through its Texas Agency

Issue of U.S.$1,000,000,000
8.350% Fixed Reset Subordinated Preferred Tier 2 Capital Notes due 2042

under the U.S.$10,000,000,000 Medium-Term Notes Program

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the section entitled "Description of the Notes" in the Offering Memorandum, dated April 24, 2026 and the supplements to it, dated May 22, 2026 and September 24, 2026 (collectively, the "**Offering Memorandum**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**").

1.	Issuer:		BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, acting through its Texas Agency
2.	(a)	Title:	U.S.$1,000,000,000 8.350% Fixed Reset Subordinated Preferred Tier 2 Capital Notes due 2042
	(b)	Series Number:	7
	(c)	Tranche Number:	1
3.	Specified Currency or Currencies:		U.S. dollars (**U.S.$**)

4.	Aggregate Nominal Amount:		U.S.$1,000,000,000
5.	Issue Price:		100.000% of the Aggregate Nominal Amount, plus accrued interest from the Issue Date
6.	(a)	Minimum Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(b)	Calculation Amount:	U.S.$1,000
7.	(a)	Issue Date:	October 6, 2026
	(b)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		April 6, 2042
9.	Interest Basis:		Fixed Reset Rate (see paragraph 14 below)
10.	Change of Interest Basis:		N/A
11.	Investor Put/Issuer Call Option:		Issuer Call Option (see paragraphs 16, 18 and 19 below)
12.	Status of the Notes:		Subordinated
	(a)	Status of Senior Notes:	N/A
	(b)	Status of Subordinated Notes:	Tier 2 Subordinated
	(c)	Date of Board approval for issuance of Notes obtained:	Resolution dated November 22, 2023

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		N/A
14.	Fixed Reset Note Provisions:		Applicable
	(a)	Initial Fixed Reset Interest Rate:	8.350% per annum payable in arrears on each Interest Payment Date up to, but excluding, the Fixed Reset Date.
	(b)	Interest Payment Date(s):	April 6 and October 6 of each year up to and including the Maturity Date. If any Interest Payment Date would otherwise fall on a date that is not a

		Business Day, the required payment of interest shall be made on the next succeeding Business Day, with the same force and effect as if made on such Interest Payment Date, and no further interest shall accrue as a result of the delay. For purposes hereof, the term "**Business Day**" is defined in the Indenture for the Notes as any day other than a Saturday or a Sunday, or a day on which banking institutions in The City of New York, New York or Mexico City, Mexico are authorized or required by law or executive or administrative order to remain closed.
(c)	Initial Fixed Reset Interest Period:	From, and including, the Issue Date to, but excluding, April 6, 2037 (the "**Fixed Reset Date**").
(d)	Regular Record Date(s):	March 27 and September 26 of each year
(e)	Fixed Coupon Dollar Amount to, but excluding, the Fixed Reset Date:	U.S.$41.75 per Calculation Amount
(f)	Fixed Day Count Fraction:	30/360
(g)	Fixed Reset Date:	April 6, 2037
(h)	Subsequent Reset Date(s):	N/A
(i)	Reset Determination Date:	Two Business Days prior to the Fixed Reset Date
(j)	Reset Reference Rate:	Treasury Yield (as defined in the Offering Memorandum)
(k)	Reset Margin:	+308.2 basis points
(l)	Calculation Agent:	Unless the Issuer has validly called all outstanding Notes for redemption on or prior to the Fixed Reset Date, the Issuer will appoint a calculation agent with respect to the Notes prior to the Reset Determination Date preceding the Fixed Reset Date.

15.	Floating Rate Note Provisions:	N/A

PROVISIONS RELATING TO REDEMPTION

16.	Tax Redemption:	Applicable (in whole, but not in part)
17.	Make-Whole Redemption:	N/A
18.	Special Event Redemption:	Applicable (in whole, but not in part)
	Notice Periods:	Minimum period: 10 days Maximum period: 60 days
19.	Subordinated Notes Optional Redemption:	Applicable (in whole or in part)
	(a) Subordinated Notes Optional Redemption Date:	Any date from (and including) October 6, 2036 (the "**Optional Call Date**") to (and including) the Fixed Reset Date
	(b) Notice Periods:	Minimum period: 10 days Maximum period: 60 days
20.	Early Redemption Amount payable on redemption for taxation reasons, on an event of default or upon the occurrence of a Special Event Redemption or Subordinated Notes Optional Redemption:	U.S.$1,000 per Calculation Amount (*plus* accrued and unpaid interest due on, or with respect to, the Notes, plus additional amounts, if any, up to, but excluding, the date of redemption.)
21.	Final Redemption Amount:	U.S.$1,000 per Calculation Amount (*plus* accrued and unpaid interest due on, or with respect to, the Notes, plus additional amounts, if any, up to, but excluding, the date of redemption.)
22.	Investor Put:	N/A

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Registered Notes: Regulation S Global Note(s) registered in the name of a nominee for DTC Rule 144A Global Note(s) registered in the name of a nominee for DTC

24.	Additional Notes:	N/A
25.	Additional Events of Default:	N/A
26.	Other Terms:	For the purposes of the Notes: "**Write-Down Amount**" means an (i) amount of the then-outstanding principal amount of the Notes that would be sufficient, together with any concurrent pro rata Write-Down or conversion of any other Tier 2 capital instruments issued by the Bank then outstanding (after taking into account the effect of the conversion or Write-Down of any loss-absorbing Tier 1 capital instruments issued by the Bank and then outstanding, if applicable), to return its Fundamental Capital ratio to the levels of then-applicable Fundamental Capital ratio required by the CNBV in accordance with Section IX, b) of Annex 1-S of the General Rules Applicable to Mexican Banks or any successor regulation, which as of the date hereof is, including the Capital Conservation Buffer, 7% plus the amount required to restore any Countercyclical Capital Supplement and any Systemically Important Bank Capital Supplement to the minimum amounts required under the Mexican Capitalization Requirements on such Write-Down Date; or (ii) if any Write-Down of the then-outstanding principal amount, together with any concurrent *pro rata* Write-Down or conversion of any other Tier 2 capital instruments issued by the Bank then outstanding (after taking into account the effect of the conversion or Write-Down of any loss-absorbing Tier 1 capital instruments issued by the Bank and then outstanding, if applicable), would be insufficient to return the Bank's Fundamental Capital ratio to the aforementioned amount described in clause (i) above, then the amount necessary to

reduce the then-outstanding principal amount of each outstanding Note to zero.

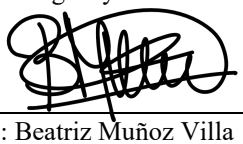
As required under the Mexican Capitalization Requirements, a full Write-Down (whereby the principal amount of the Notes has been written down to zero) shall be completed (1) after giving effect to the Write-Down or conversion of any loss absorbing Tier 1 capital instruments issued by the Bank and then outstanding, if applicable, and (2) before any public funds are contributed or any public assistance is provided to the Bank in the terms of Article 148, Section II, Subsections a) and b) of the Mexican Banking Law, including, among others, in the form of (i) subscription of shares, (ii) granting of loans, (iii) payment of the Bank's liabilities, (iv) granting of guaranties and (v) the transfer of assets and liabilities.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on Euronext Dublin (the "**Global Exchange Market**") and for listing on the Official List of Euronext Dublin of the Notes described herein pursuant to the listing of the U.S.$10,000,000,000 Medium-Term Note Program of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México.

[*Remainder of Page Intentionally Left Blank*.]

Signed on behalf of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, acting through its Texas Agency:

By: 

Name: Beatriz Muñoz Villa
Title: Chief Financial Officer

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	Application has been made for the Notes to be admitted to the Official List of Euronext Dublin.
(ii)	Admission to trading:	Application has been made for the Notes to be admitted to trading on the Global Exchange Market.
(iii)	Estimate of net proceeds (gross proceeds less commissions):	U.S.$996,500,000
(iv)	Estimate of total expenses related to admission to trading:	€1,000

2. **RATINGS**

Ratings*:	The Notes to be issued are expected to be rated: Baa3 / BB+ (Moody's / Fitch).

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4.	**USE OF PROCEEDS**	The Bank intends to use the net proceeds to strengthen its capital ratios, for refinancing its existing indebtedness and for general corporate purposes.

5. **YIELD**

Indication of yield:	8.350% per annum in respect of the Initial Fixed Rate period.

* Ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any security.

		The yield above is in relation to the Fixed Reset Date and is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	144A Note: US05533UAJ79 Reg. S Note: USP162AHAA04
(ii)	CUSIP:	144A Note: 05533UAJ7 Reg. S Note: P162AHAA0
(iii)	Issuer Legal Entity Identifier Code:	549300WIWQK5Q9MCUN92
(iv)	Clearing System(s):	DTC
(v)	Names and addresses of additional Agent(s) (if any):	The Bank of New York Mellon will act as trustee, registrar, transfer agent and paying agent. The Bank of New York Mellon 240 Greenwich Street, Floor 7 East New York, New York 10286 United States of America
(vi)	Delivery:	Delivery free of payment

7. **DISTRIBUTION**

(i)	If syndicated, names and addresses of Dealers and underwriting commitments:	Barclays Capital Inc. 745 Seventh Avenue New York, New York 10019 United States of America Underwriting commitment: U.S.$250,000,000 BBVA Securities Inc. Two Manhattan West 375 9th Avenue New York, New York 10105 United States of America Underwriting commitment: U.S.$250,000,000

		Citigroup Global Markets Inc. 388 Greenwich Street New York, New York 10013 United States of America Underwriting commitment: U.S.$250,000,000 J.P. Morgan Securities LLC 270 Park Avenue New York, New York 10017 United States of America Underwriting commitment: U.S.$250,000,000
(ii)	Arranger(s):	N/A
(iii)	Stabilizing Manager(s) (if any):	N/A
(iv)	If non-syndicated, name and address of Dealer(s):	N/A
(v)	Total commissions and concessions:	0.35% of the Aggregate Nominal Amount
(vi)	U.S. Selling Restrictions:	Reg. S Compliance Category 2, Rule 144A
(vii)	Prohibition of Sales to EEA Retail Investors:	Applicable
(viii)	Prohibition of Sales to UK Retail Investors:	Applicable

THE NOTES WILL BE UNSECURED AND WILL NOT BE INSURED OR GUARANTEED BY ANY OF THE BANK'S SUBSIDIARIES OR AFFILIATES, INCLUDING THE BANK'S PARENT COMPANY OR BY THE SAVINGS PROTECTION AGENCY (*INSTITUTO PARA LA PROTECCIÓN AL AHORRO BANCARIO*, OR "IPAB") OR ANY OTHER MEXICAN GOVERNMENTAL AGENCY, AND THE NOTES ARE NOT CONVERTIBLE, BY THEIR TERMS, INTO ANY OF THE BANK'S DEBT SECURITIES, SHARES OR ANY OF THE BANK'S EQUITY CAPITAL OR ANY DEBT SECURITIES, SHARES OR EQUITY CAPITAL OF ANY OF ITS SUBSIDIARIES OR AFFILIATES. THE NOTES WILL BE GOVERNED BY NEW YORK LAW; HOWEVER, CERTAIN REGULATORY AND TAX MATTERS AFFECTING THE NOTES WILL BE GOVERNED BY THE LAWS OF MEXICO AS DESCRIBED UNDER "DESCRIPTION OF THE NOTES—GOVERNING LAW; CONSENT TO JURISDICTION" IN THE OFFERING MEMORANDUM.

THE ISSUER HAS THE OPTION, BUT NOT THE OBLIGATION, TO REDEEM THE NOTES, SUBJECT TO CERTAIN CONDITIONS SET OUT IN THE OFFERING

MEMORANDUM, ON ANY DATE FROM (AND INCLUDING) THE OPTIONAL CALL DATE TO (AND INCLUDING) THE FIXED RESET DATE, OR AT ANY TIME UPON THE OCCURRENCE OF A WITHHOLDING TAX EVENT (AS DEFINED IN THE OFFERING MEMORANDUM) OR UPON THE OCCURRENCE OF A SPECIAL EVENT (AS DEFINED IN THE OFFERING MEMORANDUM) AFFECTING THE NOTES. SEE "DESCRIPTION OF THE NOTES—OTHER TERMS AND CONDITIONS APPLICABLE TO THE SENIOR AND SUBORDINATED NOTES—SUBORDINATED NOTES OPTIONAL REDEMPTION AND SPECIAL EVENT REDEMPTION OF SUBORDINATED NOTES" AND "—REDEMPTION OF NOTES PRIOR TO MATURITY SOLELY FOR TAXATION REASONS" IN THE OFFERING MEMORANDUM. PRINCIPAL AND INTEREST ON THE NOTES WILL BE DEFERRED AND WILL NOT BE PAID UNDER CERTAIN CIRCUMSTANCES. IF A TRIGGER EVENT (AS DEFINED IN THE OFFERING MEMORANDUM) OCCURS, THE PRINCIPAL AMOUNT OF THE NOTES WILL BE WRITTEN-DOWN AS DESCRIBED IN THE OFFERING MEMORANDUM. IF A WRITE-DOWN OCCURS, THE WRITTEN-DOWN PRINCIPAL, AND ANY INTEREST ACCRUED WITH RESPECT THERETO DURING ANY SUSPENSION PERIOD, WILL BE CANCELLED. THE DEFERRAL OF INTEREST IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN THE SUBORDINATED NOTES INDENTURE AND THE OFFERING MEMORANDUM WILL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THE SUBORDINATED NOTES INDENTURE. SEE "DESCRIPTION OF THE NOTES—TRIGGER EVENT AND WRITE-DOWN" IN THE OFFERING MEMORANDUM. IF A CAPITAL RATIOS EVENT OR A MEXICAN REGULATORY EVENT (IN EACH CASE, AS DEFINED IN THE OFFERING MEMORANDUM) OCCURS, THE ISSUER WILL SUSPEND PAYMENT OF INTEREST ON THE NOTES OR PAYMENT OF PRINCIPAL AT MATURITY UNTIL THE END OF THE RELATED SUSPENSION PERIOD (AS DEFINED IN THE OFFERING MEMORANDUM), SUBJECT TO THE OCCURRENCE OF A WRITE-DOWN IN THE EVENT THAT DURING SUCH SUSPENSION PERIOD A TRIGGER EVENT SHALL HAVE OCCURRED. SEE "DESCRIPTION OF THE NOTES—TREATMENT OF INTEREST AND PRINCIPAL DURING A SUSPENSION PERIOD" IN THE OFFERING MEMORANDUM.

SUPPLEMENT, DATED SEPTEMBER 24, 2026

TO BASE OFFERING MEMORANDUM, DATED APRIL 24, 2026
As supplemented by the Supplement, dated May 22, 2026



BBVA México, S.A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México,
acting directly or through its Texas Agency

U.S.$10,000,000,000 Medium-Term Note Program

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States, or Mexico (the "**Bank**"), acting through its Texas Agency unless the applicable pricing supplement specifies that the Bank is acting directly (the "**Issuer**"), has prepared this supplement (this "**Supplement**") to supplement and be read in conjunction with the base offering memorandum, dated April 24, 2026 (along with the Supplement dated May 22, 2026, the "**Offering Memorandum**"), which constitutes listing particulars for the purposes of listing of Notes on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**").

The Offering Memorandum does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Offering Memorandum and this Supplement have not been reviewed or approved by any regulator which is a competent authority under the Prospectus Regulation. Application has been made to Euronext Dublin for the approval of this document as supplementary listing particulars. Copies of this Supplement and the Offering Memorandum will be available on the website of Euronext Dublin.

Terms defined in the Offering Memorandum shall have the same meaning when used in this Supplement. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in the Offering Memorandum, the statements in this Supplement will prevail.

The purpose of this Supplement is to:

- Incorporate by reference into the Offering Memorandum the Unaudited Condensed Consolidated Interim Financial Statements as of June 30, 2026 and for the six months ended June 30, 2026 and 2025, together with the Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information with respect thereto (the "**Second Quarter Financial Statements**").

- Incorporate by reference into the Offering Memorandum the Management's Discussion and Analysis of Financial Condition and Results of Operations and Recent Developments as of June 30, 2026 and for the six months ended June 30, 2026 and 2025 included herein.

- Incorporate by reference into the Offering Memorandum the recent developments set forth under "Recent Developments" in this Supplement.

- Replace the sentence under sub-section "Significant Change in Financial or Trading Position" of the "General Information" section of the Offering Memorandum with the following statement:

  "There has been no significant change in the financial or trading position of the Bank since June 30, 2026."

For the avoidance of doubt, if any documents incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Offering Memorandum, except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Bank (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Except as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum has arisen or been noted, as the case may be, since the date of publication of the Offering Memorandum.

We have not and will not register the Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any securities laws of any state or any other jurisdiction. The Notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A ("Rule 144A") under the Securities Act and to certain non-U.S. persons in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act. You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or any state securities laws. See "Plan of Distribution" and "Transfer Restrictions" in the Offering Memorandum.

Neither the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") nor the U.S. Securities and Exchange Commission, nor any state or foreign securities commission or regulatory authority, has approved or disapproved of the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of an offering of the Notes or the accuracy, adequacy or completeness of this Supplement or the Offering Memorandum. Any representation to the contrary is a criminal offense.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES,* OR "RNV") MAINTAINED BY THE CNBV AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY PRIVATELY BE OFFERED OR SOLD TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR QUALIFIED INVESTORS IN MEXICO SOLELY PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. WE WILL NOTIFY AND FILE CERTAIN DOCUMENTATION WITH THE CNBV OF THE TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED FOR INFORMATIONAL PURPOSES ONLY TO THE CNBV TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY TO, AND RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS SUPPLEMENT OR THE OFFERING MEMORANDUM. THIS SUPPLEMENT IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV, AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

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Unless otherwise indicated or the context otherwise requires, references to the "**Bank**," "**we**," "**us**" and "**our**" are to BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States, and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Supplement relating to our plans, forecasts and expectations regarding future events, strategies and projections are estimates. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our results of operations and financial position, (ii) statements of plans, objectives or goals, including those related to our operations, and (iii) statements of assumptions underlying such statements. Words such as "may," "might," "will," "would," "shall," "should," "consider," "can," "could," "believe," "anticipate," "continue," "expect," "estimate," "plan," "intend," "assume," "foresee," "seek," "predict," "project," "potential," or the negative of these terms, and other similar terms are used in this Supplement to identify such forward-looking statements. Forward-looking statements included in this Supplement are based on our current expectations and projections related to future events and trends that affect or would affect our business.

Forward-looking statements include risks, uncertainties and assumptions, since these refer to future events and, therefore, do not represent any guarantee of future results. Therefore, our financial condition, results of operations, strategies, competitive position and market environment may significantly differ from our estimates as a result of a number of factors, including, but not limited to:

- changes in economic, political, social and other conditions in Mexico and elsewhere;
- material adverse effects as a result of geopolitical and/or military conflicts, such as the current conflicts in the Middle East, Ukraine, and other developments and other global uncertainties;
- changes in exchange rates, market interest rates or inflation rates;
- financing plans and limitations on our access to sources of financing on competitive terms;
- changes in general economic, business, social, political, public health or other conditions in Mexico, the United States or elsewhere;
- changes in public sector lending in Mexico;
- reductions in investor confidence as a result of a sovereign debt crisis or fiscal instability in Mexico;
- the ability or willingness of our customers to meet their payment obligations;
- the monetary, foreign exchange, liquidity and interest rate policies of *Banco de México*;
- disruptions in the financial services industry globally or in Mexico;
- possible disruptions to commercial activities due to natural and man-made disasters, including health epidemics, pandemics, weather events, terrorist activities and armed conflicts;
- limitations on financing as a result of stricter international or local climate regulations;
- material changes to, or withdrawals from, or renegotiations of free trade agreements to which Mexico is a party, including the United States—Mexico—Canada Agreement, which has replaced the North American Free Trade Agreement;
- disruptions in trade resulting from the implementation and enforcement of trade embargoes, asset freezes, restrictions on financial transactions, travel bans, sanctions and tariffs and non-tariff measures by the United States or other entities;
- competition in the banking and financial services industry in Mexico;

- profitability of our businesses;
- credit and other risks of lending, such as increases or decreases in defaults by borrowers, and changes required to loan loss reserves and amounts;
- changes and risks faced by other financial institutions;
- failure to meet capital or other requirements;
- additional capital requirements relating to our classification as a systemically important local bank and to countercyclical risks;
- limitations on our ability to freely determine interest rates;
- changes in reserve or capital requirements, changes in the laws or regulations applicable thereto, or the interpretation of how such reserve or capital requirements are to be calculated;
- our inability to hedge against market risks, including, but not limited to, interest rate and exchange rate movements;
- changes in requirements to make contributions to or for the receipt of support from programs organized by the Mexican government;
- inability to timely and duly enforce our claims on collateral provided by borrowers;
- changes in our or Mexico's domestic and international credit ratings;
- changes in regulations relating to the products we offer or otherwise;
- changes in capital markets in general that may affect policies or attitudes towards investing in Mexico or securities issued by companies in Mexico;
- any failure or weakness in our operating controls or procedures or our risk management policies;
- changes in consumer spending and saving habits;
- a deterioration of labor relations with our employees and changes in the laws or regulations applicable thereto that would result in additional costs relating to employee benefits;
- our ability to implement new technologies and to safeguard against cyber-attacks and other breaches of our information technology systems;
- interruptions or failures in our technology systems;
- actions taken by the Mexican Antitrust Commission (*Comisión Nacional Antimonopolio*), CNBV or the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) with respect to our business and the Mexican banking industry generally;
- actions taken by the United States Financial Crimes Enforcement Network and other government agencies of the United States, with respect to our business and the Mexican banking industry generally;
- any adverse administrative or legal proceedings against us;
- organized criminal activities and other geopolitical events;

- any failure to detect money laundering or other illegal or improper activities;
- increased compliance costs resulting from stricter financial regulations relating to anti-money laundering and capital adequacy requirements;
- cyber-attacks and their impact on our reputation, operations and results;
- the impact of acquisitions and divestitures;
- restrictions on foreign currency convertibility and remittance outside of Mexico;
- actions and/or sanctions resulting from our failure to maintain required Capital Ratios;
- the impact of transactions with our parent Grupo Financiero BBVA México, S.A. de C.V. ("**GFBM**") and its subsidiaries or affiliates;
- the effect of changes in accounting principles, new legislation, intervention by regulatory authorities, government directives or monetary or fiscal policy in Mexico; and
- the other factors discussed under "Risk Factors" in the Offering Memorandum.

Therefore, our actual performance may be adversely affected and may significantly differ from the expectations set forth in these forward-looking statements, which do not represent a guarantee of our future performance. Accordingly, you should not place undue reliance on the estimates and forward-looking statements included in this Supplement to make an investment decision.

Additional factors affecting our business may arise periodically and we cannot predict such factors, nor can we assess the impact of all these factors on our business or the extent to which such factors or combination of factors could cause our results to materially differ from those contained in any forward-looking statement. Although we consider the plans, intentions, expectations and estimates reflected in, or suggested by, forward-looking statements included in this Supplement to be reasonable, we cannot provide any assurance that our plans, intentions, expectations and estimates will be achieved. Additionally, historical trends in our statements should not be interpreted as a guarantee that these trends will continue in the future.

Forward-looking statements included herein are made only as of the date of this Supplement. Except as required by law, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances.

RECENT DEVELOPMENTS

On June 3, 2026, we issued U.S.$1,000 million aggregate principal amount of 5.400% Senior Notes due 2031 in the international capital markets.

At a meeting held on February 27, 2026, our shareholders approved the distribution of dividends in the aggregate amount of Ps.67,000 million and authorized each of the Chairman, Vice Chairman and Secretary of our Board of Directors to take the following actions individually: (i) decide on the payment of dividends to shareholders on a pro rata basis; (ii) determine the amount of each dividend payment, which shall not exceed the total amount of distributable dividends authorized by our shareholders' meeting; (iii) announce the dividend payment dates; and (iv) determine the proportion of dividend payment for each of our outstanding shares. Of the Ps.67,000 million in dividends approved by our shareholders, Ps.16,750 million were paid during the first quarter of 2026 and an additional Ps.16,750 million were paid during the second quarter of 2026, resulting in aggregate dividend payments of Ps.33,500 million during the first half of 2026, all of which were distributed from the "Results from prior years" account.

On July 29, 2026, the Bank announced that Jaime Serra Puche, Chairman of the Board of Directors of GFBM and the Bank for the past eight years, and board member for 19, will step down upon reaching the age of 75. In addition, the Bank announced that Eduardo Osuna Osuna, the Bank's current Chief Executive Officer (CEO), will become the new Chairman. On September 1, 2026, José Luis Elechiguerra became the new CEO of the Bank and Hugo Martín Cervantes Raab became the General Director-Legal Services of the Bank and new secretary non-member of our Board of Directors, as well as the secretary non-member of our risk committee, audit committee, executive committee and related party transactions committee.

On August 19, 2026, the U.S. District Court for the Southern District of New York (the "District Court") entered an order granting preliminary approval of a settlement agreement dated August 12, 2026 (the "Settlement Agreement") among the parties to the class action in which the Bank and other financial institutions were named as defendants, as described under "Risk Factors—Risks Relating to Our Business—We are subject to litigation and other legal, administrative and regulatory proceedings" in the Offering Memorandum. Under the terms of the Settlement Agreement, the defendants, including the Bank, have agreed to pay an aggregate amount of U.S.$86.4 million, to be allocated by agreement among the defendants. The Bank expects to fund the payment of its portion of the settlement amount from reserves previously established by the Bank in connection with the class action. The Settlement Agreement is subject to final approval by the District Court, which is expected before the end of 2026. The Settlement Agreement does not constitute an admission of liability or wrongdoing by the Bank. Although preliminary approval of the Settlement Agreement does not constitute a guarantee that the District Court will grant final approval of the settlement, as of the date of this Supplement, the Bank has no reason to believe that such final approval will not be granted by the District Court.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2026.

The following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Second Quarter Financial Statements and the notes thereto, each included elsewhere in this Supplement.

	As of June 30, 2026	
	Actual	
	(millions of U.S.$)[1]	(millions of Ps.)
Indebtedness		
Securities issued	10,702	187,334
Subordinated obligations outstanding	4,737	82,929
Total indebtedness	15,439	270,263
Stockholders' equity		
Paid-in capital[2]	2,285	40,003
Retained earnings	21,820	381,969
Total paid-in capital and retained earnings	24,105	421,972
Total capitalization[3]	39,544	692,235

(1) Translated at the rate of Ps.17.5053 to U.S.$1.00, which was the rate published by *Banco de México* in the Federal Official Gazette on June 30, 2026.

(2) As of June 30, 2026, our authorized capital stock consisted of 9,107,142,859 Series "F" shares and 8,749,999,999 Series "B" shares. Of these shares, 7,737,078,937 Series "F" shares and 7,433,664,076 Series "B" shares were issued and outstanding.

(3) Total capitalization is equal to total indebtedness (securities issued and subordinated obligations outstanding) plus total paid-in capital and retained earnings.

Except as disclosed in this Supplement, there has been no material change in the Bank's capitalization since June 30, 2026.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The selected unaudited condensed consolidated interim financial information presented below should be read in conjunction with "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Second Quarter Financial Statements, our Financial Statements and other financial information included elsewhere in this Supplement and the Offering Memorandum.

Unaudited Financial Information

The selected unaudited condensed consolidated interim financial information for the six months ended June 30, 2026 and 2025 presented below has been derived from and should be read in conjunction with the Second Quarter Financial Statements included elsewhere in this Supplement. Such interim financial information, unless otherwise specified, is presented in nominal pesos.

	For the Six Months Ended June 30,		
	2026[(1)]	2026	2025
	(millions of U.S.$)	(millions of Ps.)	
Statement of Comprehensive Income:			
Interest income	9,970	174,527	170,490
Interest expense	(2,746)	(48,062)	(56,420)
Financial margin	7,224	126,465	114,070
Allowance for loan losses	(2,252)	(39,430)	(28,359)
Financial margin adjusted for loan losses	4,972	87,035	85,711
Commissions and fees collected	2,746	48,066	44,746
Commissions and fees paid	(1,291)	(22,605)	(20,458)
Financial intermediation income	471	8,241	9,356
Other operating income (expense)	(119)	(2,076)	(4,002)
Administrative and promotional expenses	(2,941)	(51,485)	(47,298)
Operating income	3,837	67,176	68,055
Interest in net income of other entities	26	450	327
Income before income tax	3,863	67,626	68,382
Income tax	(1,108)	(19,399)	(18,939)
Net income	2,755	48,227	49,443
Other comprehensive income			
Valuation of negotiable financial instruments	3	46	-
Valuation of financial instruments to collect or sell	(39)	(676)	6,975
Valuation of derivative financial instruments designated as cash flow hedges	76	1,329	3
Remeasurement of employee defined benefits	(206)	(3,601)	(4,889)
Comprehensive income	2,589	45,325	51,532
Net income attributable to:			
Controlling and non-controlling interest	2,755	48,227	49,464
Non-controlling interest	-	-	(21)
	2,755	48,227	49,443
Comprehensive income attributable to:			
Controlling and non-controlling interest	2,589	45,325	51,553
Non-controlling interest	-	-	(21)
	2,589	45,325	51,532

	As of June 30,		As of December 31,
	2026[1]	2026	2025
	(millions of U.S.$)	(millions of Ps., except for percentages)	
Balance Sheet Data:			
Cash and cash equivalents	15,221	266,440	231,067
Margin accounts (derivative financial instruments)	625	10,946	12,128
Investments in financial instruments	41,895	733,381	662,598
Total loan portfolio before allowance for loan losses[2]	125,462	2,196,255	2,088,306
Allowance for loan losses	(4,060)	(71,066)	(63,458)
Deferred income tax assets	2,514	44,013	38,090
All other assets[3]	25,134	439,974	468,630
Total assets	206,791	3,619,943	3,437,361
Deposits (excluding securities issued)	116,520	2,039,713	2,025,098
Securities issued	10,702	187,334	159,610
Subordinated obligations outstanding	4,737	82,929	85,338
Interbank and other borrowings	1,043	18,264	17,682
Total funding[4]	133,002	2,328,240	2,287,728
All other liabilities[5]	50,262	879,851	749,499
Total liabilities	183,264	3,208,091	3,037,227
Total stockholders' equity[6]	23,527	411,852	400,134
Profitability and Efficiency:			
Return on average assets[7]	2.79%	2.79%	2.94%
Return on average stockholders' equity[8]	24.17%	24.17%	25.82%
Net interest margin[9]	7.31%	7.31%	6.94%
Efficiency ratio[10]	32.57%	32.57%	32.70%
Capitalization:			
Stockholders' equity as a percentage of total assets	11.38%	11.38%	11.64%
Tier 1 capital as a percentage of risk-weighted assets[11]	16.15%	16.15%	16.48%
Total capital as a percentage of risk-weighted assets[11]	19.56%	19.56%	20.15%
Credit Quality Data:			
Stage 1 and Stage 2 loans[12]	122,525	2,144,836	2,043,826
Stage 3 loans[12]	2,080	36,412	34,155
Total loans	124,605	2,181,248	2,077,981
Loans graded "C," "D" and "E"[13]	10,806	189,167	150,253
Allowance for loan losses	(4,060)	(71,066)	(63,458)
Loan Recovery and Write-offs:			
Average past due loan portfolio[14]	2,016	35,284	32,703
Total past due loan portfolio written-off	(1,687)	(29,534)	(52,957)
Total past due loan portfolio written-off as a percentage of average total loan portfolio before allowance for loan losses[14]	1.93%	1.93%	2.48%

(1) Translated at the rate of Ps.17.5053 to U.S.$1.00, which was the rate published by *Banco de México* in the Federal Official Gazette on June 30, 2026.

(2) Total loan portfolio before allowance for loan losses includes stage 1, stage 2 and stage 3 loan portfolio, loan portfolio measured at fair value, deferred items and collection rights purchased (net).

(3) All other assets include: Repurchase agreements debtors, derivative financial instruments, valuation adjustments related to financial assets hedged, other accounts receivable (net), foreclosed assets (net), prepayments and other assets, property and equipment (net), right of use assets related to property and equipment (net), permanent investments, intangible assets (net), and rights to use intangible assets (net).

(4) Total funding includes: deposits (excluding securities issued), securities issued, subordinated obligations outstanding and interbank and other borrowings.

(5) All other liabilities include: creditors on repurchase/resale, securities lending, collateral sold or pledged, derivative financial instruments, valuation adjustments to financial liabilities hedged, lease liabilities, other accounts payable, income tax liability, liability for employee benefits, deferred credits and early collections.

(6) Pursuant to publications in the Federal Official Gazette dated September 9, 2025, the CNBV announced the obligation, effective January 1, 2026, for banks and other financial institutions in Mexico to adopt new accounting standards regarding the valuation of equity investments that are not intended to be traded in the short term, but are classified as trading financial instruments. The aim of these new accounting standards is to reduce volatility in profit or loss arising from unrealized valuation effects, while also aiming to reduce the differences between Mexican Banking GAAP and IFRS.

As a result, starting on January 1, 2026, a reclassification in the amount of Ps.80 million, net of taxes, was made within stockholders' equity. This amount, which represents the cumulative valuation effect, was previously reflected under "valuation of financial instruments to collect and sell" and is now reflected under "valuation of negotiable financial instruments."

Given the immateriality of the amount of the reclassification, the Bank has chosen not to restate any previously issued financial statements. As a result, the valuation of equity investments included in stockholders' equity as of June 30, 2025 is not comparable with the valuation of equity investments included in stockholders' equity as of any prior date.

(7) As of December 31, 2025, return on average assets is equal to net income for the period divided by average assets for the latest five quarters. As of June 30, 2026, return on average assets is equal to annualized net income for the six months ended June 30, 2026 divided by average assets for the latest five quarters.

(8) As of December 31, 2025, return on average stockholders' equity is equal to net income for the period divided by average stockholders' equity for the latest five quarters. As of June 30, 2026, return on average stockholders' equity is equal to annualized net income for the six months ended June 30, 2026 divided by average stockholders' equity for the latest five quarters.

(9) As of December 31, 2025, net interest margin is equal to financial margin (unadjusted for credit risks) for the period divided by average assets for the latest five quarters. As of June 30, 2026, net interest margin is equal to annualized financial margin (unadjusted for credit risks, annualized) for the six months ended June 30, 2026 divided by average assets for the latest five quarters.

(10) Efficiency ratio is equal to total administrative and promotional expenses as a percentage of the aggregate of financial margin and non-interest income (commissions and fees collected, commissions and fees paid, financial intermediation income and other operating income (expense)). For this purpose, financial margin and non-interest income are calculated before allowance for loan losses.

(11) Source: *Banco de México*.

(12) For information on the different loan stages, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio" in the Offering Memorandum.

(13) See "Selected Statistical Information—Grading of Loan Portfolio" in the Offering Memorandum.

(14) Average charge-offs (net of recoveries) as a percentage of loan portfolio (net) before allowance for loan losses. The average for the six months ended June 30, 2026 is calculated for the period from December 31, 2025 and June 30, 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information presented in this section should be read in conjunction with the Second Quarter Financial Statements included elsewhere in this Supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Offering Memorandum. The Second Quarter Financial Statements have been prepared in accordance with Mexican Banking GAAP, which differs in significant respects from U.S. GAAP and IFRS. For a discussion of significant differences between Mexican Banking GAAP and U.S. GAAP and Mexican Banking GAAP and IFRS, see "Annex A—Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Significant Differences Between Mexican Banking GAAP and IFRS," respectively, in the Offering Memorandum. No reconciliation of any of our Financial Statements to U.S. GAAP has been prepared for this Supplement or the Offering Memorandum. Any such reconciliation could result in material quantitative differences. See "Presentation of Certain Financial and Other Information" in the Offering Memorandum.

Results of Operations

The unaudited condensed consolidated interim financial information presented in this section for the six months ended June 30, 2026 and 2025 should be read in conjunction with the Second Quarter Financial Statements and the notes thereto included elsewhere in this Supplement. Such interim financial information, unless otherwise specified, is presented in nominal pesos.

Financial Margin

The following table sets forth the components of our financial margin:

	For the Six Months Ended June 30,	
	2026	2025
	(millions of Ps.)	
Interest Income:		
Interest and returns on loan portfolios	137,521	133,426
Interest and returns on financial instruments	24,404	23,726
Interest on cash and cash equivalents	3,788	5,719
Interest and premiums on repurchase/resale agreements and securities lending	3,906	2,983
Interest on margin accounts	29	125
Interest on hedging financial instruments	2,839	2,683
Fee income on loan originations and other interest income	1,664	1,667
Other	376	161
Total interest income	**174,527**	**170,490**
Interest Expense:		
Interest on deposits	(28,070)	(30,581)
Interest on interbank and other borrowings	(655)	(709)
Interest on derivative financial instruments for trading	–	(938)
Interest on hedging financial instruments	(599)	(943)
Interest on subordinated obligations	(1,646)	(3,157)
Interest and premiums on repurchase/resale agreements and securities lending	(13,629)	(17,577)
Expenses on loan originations	(1,669)	(1,289)
Other	(1,794)	(1,226)
Total interest expense	**(48,062)**	**(56,420)**
Financial margin	**126,465**	**114,070**

Financial margin for the six months ended June 30, 2026 was Ps.126,465 million, compared to Ps.114,070 million for the six months ended June 30, 2025, an increase of Ps.12,395 million, or 10.86%. This increase was primarily due to a decrease in funding costs, as a result of lower interest rates, complemented by improvements in the funding mix, resulting in higher income from the loan portfolio.

Interest Income

Interest income was Ps.174,527 million for the six months ended June 30, 2026, compared to Ps.170,490 million for the six months ended June 30, 2025, an increase of Ps.4,037 million, or 2.37%. This increase was primarily due to strong growth in lending activity.

Interest and returns on loan portfolios was Ps.137,521 million for the six months ended June 30, 2026, compared to Ps.133,426 million the six months ended June 30, 2025, an increase of Ps.4,095 million, or 3.07%. This increase was primarily attributable to sustained growth in wholesale and retail portfolio.

Interest and returns on financial instruments was Ps.24,404 million for the six months ended June 30, 2026, compared to Ps.23,726 million for the six months ended June 30, 2025, an increase of Ps.678 million, or 2.86%, resulting from a higher average investment volume, combined with a portfolio shift toward instruments with higher yields or longer maturities, both of which offset the decline in interest rates during the period.

Interest on cash and cash equivalents was Ps.3,788 million for the six months ended June 30, 2026, compared to Ps.5,719 million for the six months ended June 30, 2025, a decrease of Ps.1,931 million, or 33.76%, primarily driven by the effect of offsetting Ps.1,247 million of interest on cash and cash equivalents against interest on subordinated obligations, as well as decreases in the interest rates between the two periods.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.3,906 million for the six months ended June 30, 2026, compared to Ps.2,983 million for the six months ended June 30, 2025, an increase of Ps.923 million, or 30.94%, due to a rise in reverse repurchase/resale transactions, and a more active strategy for deploying short-term liquidity.

Interest on margin accounts was Ps.29 million for the six months ended June 30, 2026, compared to Ps.125 million for the six months ended June 30, 2025, a decrease of Ps.96 million, or 76.80%, resulting from lower interest rates.

Interest on hedging financial instruments was Ps.2,839 million for the six months ended June 30, 2026, compared to Ps.2,683 million for the six months ended June 30, 2025, an increase of Ps.156 million, or 5.81%, resulting from changes in the notional amount and composition of hedging derivatives, as well as the impact of falling interest rates on swaps and other hedges.

Fee income on loan originations was Ps.1,664 million for the six months ended June 30, 2026, compared to Ps.1,667 million for the six months ended June 30, 2025, a decrease of Ps.3 million, or 0.18%, resulting from a decrease in wholesale originations.

Interest Expense

Interest expense was Ps.48,062 million for the six months ended June 30, 2026, compared to Ps.56,420 million for the six months ended June 30, 2025, a decrease of Ps.8,358 million, or 14.81%, mainly attributable to a lower interest rate environment.

Interest on deposits was Ps.28,070 million for the six months ended June 30, 2026, compared to Ps.30,581 million for the six months ended June 30, 2025, a decrease of Ps.2,511 million, or 8.21%, mainly explained by an effective funding cost management.

Interest on interbank and other borrowings was Ps.655 million for the six months ended June 30, 2026, compared to Ps.709 million for the six months ended June 30, 2025, a decrease of Ps.54 million, or 7.62%. This decrease resulted primarily from lower funding costs due to the reduction in benchmark interest rates, as well as a shift toward cheaper funding sources.

Interest on derivative financial instruments for trading was Ps.0 million for the six months ended June 30, 2026, compared to Ps.938 million for the six months ended June 30, 2025, a decrease of Ps.938 million, or 100.00%. This decrease was primarily attributable to a decrease in volatility during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025.

Interest on hedging financial instruments was Ps.599 million for the six months ended June 30, 2026, compared to Ps.943 million for the six months ended June 30, 2025, a decrease of Ps.344 million, or 36.48%. This decrease was primarily due to decreases in interest rates between the two periods, as well as a decrease in the exchange rate between the peso and the U.S. dollar between the two periods, which resulted in a restructuring of costly swaps.

Interest on subordinated obligations was Ps.1,646 million for the six months ended June 30, 2026, compared to Ps.3,157 million for the six months ended June 30, 2025, a variance of Ps.1,511 million, or 47.86%. This variance was mainly driven by the effect of offsetting Ps.1,247 million from interest from cash and cash equivalents. Without this effect, interest on subordinated obligations was Ps.2,893 million for the six months ended June 30, 2026 compared to Ps.3,157 million for the six months ended June 30, 2025, a decrease of Ps.264 million, or 8.36%, which is explained by a decrease in the exchange rate between the peso and the U.S. dollar between the two periods.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.13,629 million for the six months ended June 30, 2026, compared to Ps.17,577 million for the six months ended June 30, 2025, a decrease of Ps.3,948 million, or 22.46%. This decrease was primarily attributable to a combination of lower funding rates and lower average repo balances.

Expenses on loan originations was Ps.1,669 million for the six months ended June 30, 2026, compared to Ps.1,289 million for the six months ended June 30, 2025, an increase of Ps.380 million, or 29.48%. This increase was attributable to an increase in loans.

Allowance for Loan Losses

Allowance for loan losses was Ps.71,066 million as of June 30, 2026, compared to Ps.63,458 million as of December 31, 2025, an increase of Ps.7,608 million, or 11.99%. This increase was attributable to the recalibration of risk models, which required higher provisioning for the retail portfolio, particularly in the commercial and mortgage segments.

Non-Interest Income

The following table sets forth the components of our non-interest income:

	For the Six Months Ended June 30,	
	2026	**2025**
	(millions of Ps.)	
Commissions and Fees:		
Bank fees	4,351	4,707
Cash management and fund transfers	(997)	(855)
Credit & debit cards	17,652	16,414
Investment funds	4,376	3,937
Effective credit card reward points	(3,603)	(3,078)
Promotion fund collateral	(1,494)	(1,217)
Insurance[(1)]	2,113	2,081
Credit placement	(1,042)	(723)
Appraisals	(163)	(179)
Purchase sale of securities	(59)	(33)
Other	4,327	3,234
Total commissions and fees	**25,461**	**24,288**
Trading Income:		
Valuation Result:		
Derivatives for trading purposes	8,363	(11,275)
Derivatives for hedging purposes	(11)	(99)
Embedded derivatives	(247)	(95)
Currency	(2,556)	1,537
Investments in financial instruments	(127)	3,605

	For the Six Months Ended June 30,	
	2026	2025
	(millions of Ps.)	
Total valuation result	**5,422**	**(6,327)**
Purchase-sale result:		
Derivatives for trading purposes	(4,770)	9,584
Derivatives for hedging purposes	(335)	(19)
Embedded derivatives	542	(919)
Currency	5,289	5,327
Investments in financial instruments	2,093	1,710
Total purchase-sale result	**2,819**	**15,683**
Financial intermediation income	**8,241**	**9,356**
Total non-interest income	**33,702**	**33,644**

(1) These are services provided through GFBM affiliates.

Total commissions and fees were Ps.25,461 million for the six months ended June 30, 2026, compared to Ps.24,288 million for the six months ended June 30, 2025, an increase of Ps.1,173 million, or 4.83%, as a result of increased customer transactional activity.

Bank fees were Ps.4,351 million for the six months ended June 30, 2026, compared to Ps.4,707 million for six months ended June 30, 2025, a decrease of Ps.356 million, or 7.56%, as a result of a higher migration of clients towards the Bank's digital platforms, which offer bonuses and lower costs, as part of the Bank's strategy to compete with new fintechs.

Cash management and fund transfers were Ps.997 million for the six months ended June 30, 2026, compared to Ps.855 million for the six months ended June 30, 2025, an increase of Ps.142 million, or 16.61%, as a result of an increase in the use of our digital platforms, which increased our processing costs.

Credit & debit card fees were Ps.17,652 million for the six months ended June 30, 2026, compared to Ps.16,414 million for the six months ended June 30, 2025, an increase of Ps.1,238 million, or 7.54%, due to an increase in the number of credit cards issued during the period, as well as an increase in the volume of transactions of existing credit cards.

Investment funds were Ps.4,376 million for the six months ended June 30, 2026, compared to Ps.3,937 million for the six months ended June 30, 2025, an increase of Ps.439 million, or 11.15%, primarily driven by higher volumes in asset management accounts.

Total purchase-sale result was Ps.2,819 million for the six months ended June 30, 2026, compared to Ps.15,683 million for the six months ended June 30, 2025, a decrease of Ps.12,864 million, or 82.03%, due to lower results in both valuation and trading, primarily due to movements in interest rates between the two periods.

Financial intermediation income was Ps.8,241 million for the six months ended June 30, 2026, compared to Ps.9,356 million for the six months ended June 30, 2025, a decrease of Ps.1,115 million, or 11.92%. This decrease resulted from lower gains from trading financial instruments, primarily attributable to movements in the exchange rate and interest rate.

Administrative and Promotional Expenses

The following table sets forth the components of our administrative and promotional expenses:

	For the Six Months Ended June 30,	
	2026	**2025**
	(millions of Ps.)	
Salaries and employee benefits	(24,433)	(23,095)
Administrative expenses	(14,151)	(12,476)
Rent, depreciation and amortization	(9,724)	(8,970)
Taxes other than income taxes	(3,178)	(2,757)
Total administrative and promotional expenses	**(51,485)**	**(47,298)**

Total administrative and promotional expenses for the six months ended June 30, 2026 were Ps.51,485 million, compared to Ps.47,298 million for six months ended June 30, 2025, an increase of Ps.4,187 million, or 8.85%, due to higher salaries and employee benefits due the increased activity.

Salaries and employee benefits expenses were Ps.24,433 million for the six months ended June 30, 2026, compared to Ps.23,095 million for the six months ended June 30, 2025, an increase of Ps.1,338 million, or 5.79%. This increase is mainly attributable to higher headcount, especially in positions related to engineering in order to address our digital strategy focus, as well as increases in salaries.

Administrative expenses were Ps.14,151 million for the six months ended June 30, 2026, compared to Ps.12,476 million for the six months ended June 30, 2025, an increase of Ps.1,675 million, or 13.43%. This increase was primarily due to higher costs in advertising, sponsorships and media.

Rent, depreciation and amortization expenses were Ps.9,724 million for the six months ended June 30, 2026, compared to Ps.8,970 million for the six months ended June 30, 2025, an increase of Ps.754 million, or 8.41%, primarily due to an increase in overall rental rates.

Taxes other than income taxes reached Ps.3,178 million for the six months ended June 30, 2026, compared to Ps.2,757 million for the six months ended June 30, 2025, an increase of Ps.421 million, or 15.27%, due to a rise in personnel headcount and, consequently, in taxes associated with salaries and labor compensations.

Total Income Taxes

Total income taxes for the six months ended June 30, 2026 were Ps.19,399 million, compared to Ps.18,939 million for six months ended June 30, 2025, an increase of Ps.460 million, or 2.43%. The effective tax rate for the six months ended June 30, 2026 was 28.88%, while the effective tax rate for six months ended June 30, 2025 was 27.83%.

Net Income

As a result of the factors described above, net income was Ps.48,227 million for the six months ended June 30, 2026, compared to Ps.49,443 million for the six months ended June 30, 2025, a decrease of Ps.1,216 million, or 2.46%.

Financial Position

The following discussion compares our consolidated financial position as of June 30, 2026, and the year ended December 31, 2025.

Assets

As of June 30, 2026, the Bank had total assets of Ps.3,619,943 million, compared to Ps.3,437,361 million as of December 31, 2025, representing an increase of Ps.182,582 million, or 5.31%. This increase in our total assets was attributable to a larger credit portfolio, as well as an increase in investments in financial instruments.

Total Performing Loans

As of June 30, 2026, the Bank's total current loan portfolio was Ps.2,144,836 million, compared to Ps.2,043,826 million as of December 31, 2025, an increase of Ps.101,010 million, or 4.94%. This increase was mainly attributable to a growth in enterprises and consumer segments. As of June 30, 2026, with respect to Stage 1 and Stage 2 loans, commercial loans, consumer loans and mortgage loans represented 54.61%, 26.68% and 18.71% of total current loans, respectively.

Total Past Due Loans

As of June 30, 2026, the Bank's total past due loans were Ps.36,412 million, compared to Ps.34,155 million as of December 31, 2025, an increase of Ps.2,257 million, or 6.61%. This was mainly due to an increase in the consumer segment.

As of June 30, 2026, past due consumer loans, past due mortgage loans and past due commercial loans represented 46.83%, 25.98% and 27.19%, respectively, of the total balance of the past due loan portfolio.

Liabilities

As of June 30, 2026, the Bank's liabilities were Ps.3,208,091 million, compared to Ps.3,037,227 million as of December 31, 2025, an increase of Ps.170,864 million, or 5.63%. This increase was mainly attributable to higher volumes in repurchase agreements as well as an increase in a short-term development fund.

Deposits Funding

As of June 30, 2026, the Bank's total deposits were Ps.2,227,047 million, compared to Ps.2,184,708 million as of December 31, 2025, an increase of Ps.42,339 million, or 1.94%. This increase was primarily attributable to our strong offering of savings products, which has resulted in sustained confidence from Mexican savers.

Interbank and Other Borrowings

As of June 30, 2026, the Bank's interbank and other borrowings totaled Ps.18,264 million, compared to Ps.17,682 million as of December 31, 2025, an increase of Ps.582 million, or 3.29%. This increase resulted from increase in short-term development fund lines.

Subordinated Obligations Outstanding

As of June 30, 2026, the Bank had Ps.82,929 million of subordinated bonds issued and outstanding, which represented 2.58% of our total liabilities as of that date, compared to Ps.85,338 million as of December 31, 2025, a decrease of Ps.2,409 million, or 2.82%. This decrease was attributable to the appreciation of the peso against the U.S. dollar between the two dates.

Stockholders' Equity

As of June 30, 2026, stockholders' equity was Ps.411,852 million, compared to Ps.400,134 million as of December 31, 2025, an increase of Ps.11,718 million, or 2.93%. This increase was primarily due to an increase in retained earnings.

As reported to the CNBV, the Liquidity Coverage Ratio (LCR) for the quarter ended June 30, 2026 was 149.17% compared to 158.3% for the quarter ended December 31, 2025. The decrease in the ratio was primarily due

to an increase in our credit portfolio combined with deposits that have remained relatively stable between the two periods.

Dividends

Pursuant to the approval of the ordinary general meeting of shareholders dated February 27, 2026, during six months ended June 30, 2026, the Bank paid cash dividends of Ps.33,500 million, where Ps.16,750 million, or Ps.1.10409885564911 per outstanding share, was paid during the first quarter of 2026, and Ps.16,750 million, or Ps.1.10409885564911 per outstanding share, was paid during the second quarter of 2026. For further information regarding our dividends, see "Dividends" in the Offering Memorandum.

Foreign Currency Position

As of June 30, 2026, our foreign currency-denominated assets, including derivative transactions, totaled U.S.$28.7 billion (Ps.503,007 million), representing 13.9% of our total assets. At that date, our foreign currency-denominated liabilities, including derivative transactions, totaled U.S.$26.8 billion (Ps.468,495 million), representing 12.9% of our total liabilities and stockholders' equity. As part of our asset liability management strategy, we closely monitor our exposure to foreign currencies to minimize the effect of exchange rate movements on our income.

Risk-Based Capital

As of June 30, 2026, our Capital Ratios were (i) 19.56% in the case of Total Net Capital (*capital neto*), (ii) 16.15% in the case of Tier 1 Capital (*capital básico*) and (iii) 16.15% in the case of Fundamental Capital (*capital básico fundamental*). For additional information on our Capital Ratios, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk-Based Capital" in the Offering Memorandum. The table below presents our risk-weighted assets and Capital Ratios as of June 30, 2026 and 2025, calculated, as required by regulations, on an unconsolidated basis.

	As of June 30,	
	2026	**2025**
	(millions of Ps., except for percentages)	
Tier 1	392,704	363,350
Tier 2	82,907	87,749
Total Capital	475,611	451,098
Risk-weighted assets:		
Credit risk	1,534,296	1,492,143
Market risk	582,582	469,091
Operational risk	314,121	286,537
Total risk-weighted assets	**2,430,998**	**2,247,771**
Capital ratios (credit, market and operational risk):		
Tier 1 Capital to risk-weighted assets	16.15%	16.16%
Tier 2 Capital to risk-weighted assets	3.41%	3.90%
Total Capital to risk-weighted assets	**19.56%**	**20.07%**

Source: *Banco de México*

Off-Balance Sheet Arrangements

Off-balance sheet loan commitments to customers totaled Ps.1,267,814 million as of June 30, 2026, compared to Ps.1,093,731 million as of December 31, 2025.

TAXATION

Prospective investors should refer to the section "Taxation" in the Offering Memorandum for a discussion of certain United States and Mexican federal income tax consequences of owning the Notes issued under the Program.

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo financiero BBVA México and subsidiaries

Interim Condensed Consolidated Financial Statement (unaudited)
For the six and three month period ended as of June 30, 2026 and 2025

Construyendo un mejor entorno de negocios

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

To the Board of Directors and Shareholders of
BBVA México S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Introduction

We have reviewed the accompanying Interim Condensed Consolidated Statement of Financial Position of BBVA México S.A., Institución de Banca Múltiple and Subsidiaries, Grupo Financiero BBVA México as at June 30, 2026 and the related Interim Condensed Consolidated Statements of Comprehensive Income, Changes in Stockholders' Equity and Cash Flows for the three and six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this interim financial information in accordance with the Accounting Criteria, applicable to Credit Institutions, issued by National Banking and Securities Commission of Mexico (hereinafter the "Commission" or "CNBV") included in the current General Provisions Applicable to Credit Institutions in Mexico. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects the financial position of the entity as at June 30, 2026, and of its financial performance and its cash flows for the three and six-month period then ended in accordance with the Accounting Criteria established by the Commission.

Mancera S.C.
Member of
Ernst & Young Global Limited

C.P.A. Brenda Miroslava Vázquez Calderón

Mexico City, Mexico. August 25th, 2026

BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated Statement of Financial Position
As of June 30, 2026 and December 31, 2025
(Amounts in millions of Mexican Pesos)

Assets	June 2026 (Unaudited)	December 2025
Cash and cash equivalents (Note 4)	$ 266,440	231,067
Margin accounts (derivative financial instruments)	10,946	12,128
Investments in financial instruments: (Note 5)		
Negotiable financial instruments	321,842	273,587
Financial instruments to collect and sell	233,272	241,997
Financial instruments to collect principal and interest (Securities) (net)	178,267	147,014
	733,381	662,598
Repurchase agreements debtors(Note 6)	41,246	126,693
Derivative financial instruments: (Note 7)		
Trading	180,066	165,979
Hedging	6,363	4,789
	186,429	170,768
Valuation adjustments related to financial assets hedged	(288)	(57)
Loan portfolio with stage 1 credit risk:		
Commercial:		
Business or commercial activity	908,694	862,942
Financial entities	60,203	52,856
Governmental entities	192,058	176,928
	1,160,955	1,092,726
Consumer	557,224	536,785
Mortgage:		
Medium class and residential	382,566	374,264
Low income	1,897	2,180
	384,463	376,444
Total loan portfolio with stage 1 credit risk	2,102,642	2,005,955
Loan portfolio with stage 2 credit risk:		
Commercial:		
Business or commercial activity	10,440	10,242
Financial entities	–	–
	10,440	10,242
Consumer	14,966	13,615
Mortgage:		
Medium class and residential	16,406	13,656
Low income	382	358
	16,788	14,014
Total loan portfolio with stage 2 credit risk	42,194	37,871
Loan portfolio with stage 3 credit risk:		
Commercial:		
Business or commercial activity	9,899	8,373
Financial entities	3	19
	9,902	8,392
Consumer	17,052	16,811
Mortgage:		
Medium class and residential	9,326	8,810
Low income	132	142
	9,458	8,952
Total loan portfolio with stage 3 credit risk	36,412	34,155
Loan portfolio measured at fair value	15,287	11,081
Loan portfolio (Note 8)	2,196,535	2,089,062
(+/-)Deferred items	(280)	(756)
(-)Less:		
Allowance for Expected Credit Losses (Note 9)	(71,066)	(63,458)
Loan portfolio (net)	2,125,189	2,024,848
Collection rights purchased (net)	–	–
Total loan portfolio (net)	2,125,189	2,024,848
Other accounts receivable (net) (Note 10)	154,560	113,835
Foreclosed assets (net)	2,000	1,841
Prepayments and other assets	3,056	2,218
Property and equipment (net)	38,319	38,922
Right of use assets related to property and equipment (net)	4,647	4,810
Permanent investments	1,671	1,622
Assets for deferred income tax (net) (Note 13)	44,013	38,090
Intangible assets (net)	8,203	7,808
Rights to use intangible assets (net)	131	170
Total assets	$ 3,619,943	3,437,361

Liabilities and stockholders' equity	June 2026 (Unaudited)	December 2025
Deposits (Note 11)		
Demand deposits	$ 1,675,547	1,679,511
Time deposits:		
General public	337,200	314,181
Money market	19,149	23,635
Debt securities issued	187,334	159,610
Global deposit account without transactions	7,817	7,771
	2,227,047	2,184,708
Interbank and other borrowings:		
Short term	8,520	7,977
Long term	9,744	9,705
	18,264	17,682
Repurchase agreement creditors (Note 6)	267,419	169,785
Securities lending	2	3
Collateral sold or pledged:		
Repurchase/resale (creditor balance)	49,211	107,846
Securities lending	90,213	75,458
	139,424	183,304
Derivative financial instruments (Note 7)		
Trading	232,740	207,293
Hedging	6,677	7,577
	239,417	214,870
Valuation adjustments to financial liabilities hedged	(1,395)	(53)
Lease liabilities	5,164	5,447
Other accounts payable:		
Creditors on settlement of transactions (Note 14)	121,537	78,705
Creditors on margin accounts	178	216
Creditors on cash received as collateral	22,919	12,169
Tax payable	5,633	4,757
Sundry creditors & other accounts payable	46,419	42,110
	196,686	137,957
Financial instruments qualifying as liabilities (Note 12):		
Subordinated obligations outstanding	82,929	85,338
Income tax liability	11,479	12,326
Liabilities for employee benefits	14,354	18,468
Deferred credits and prepayments	7,301	7,392
Total liabilities	3,208,091	3,037,227
Stockholders' equity (Note 15)		
Paid-in capital:		
Capital stock	24,143	24,143
Additional paid-in capital	15,860	15,860
	40,003	40,003
Earned capital:		
Statutory reserves	6,901	6,901
Retained earnings	381,969	367,242
Other comprehensive income:		
Valuation of negotiable financial instruments	126	–
Valuation of financial instruments to collect and sell	901	1,657
Valuation of derivative financial instruments designated as cash flow hedges	1,329	–
Remeasurements of defined benefit obligations	(19,377)	(15,776)
	(17,021)	(14,119)
	371,849	360,024
Total controlling interest	411,852	400,027
Total non-controlling interest	–	107
Total stockholders' equity	411,852	400,134
Total liabilities and stockholders' equity	$ 3,619,943	3,437,361

(Continued)

BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Interim Condensed Consolidated statement of financial position
As of June 30, 2026 and December 31, 2025

(Amounts in millions of Mexican pesos)

Memorandum accounts		**June 2026**	**December 2025**
		(Unaudited)	
Contingent assets and liabilities	$	266	227
Credit commitments		1,267,814	1,093,731
Assets in trust or under mandate:			
In trust		795,003	783,579
Under mandate		1,201	548
		796,204	784,127
Property in custody or under administration		448,137	464,637
Collaterals received by the Entity		171,933	242,740
Collateral received and sold or delivered by the Entity		143,883	186,018
Investment banking operations on behalf of third parties, net		3,746,095	3,490,943
Uncollected accrued interest derived from loan portfolio with stage 3 credit risk		3,930	3,565
Other registration accounts		5,407,811	5,091,173

The historical balance of capital stock as of June 30, 2026 and December 31, 2025 is $4,248

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of financial position was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of financial position was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries

Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated statement of comprehensive income
For the six and the three month periods ended June 30, 2026 and 2025

(Amounts in millions of Mexican pesos)

		2026		2025	
		From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income (Note 16)	$	174,527	87,457	170,490	84,657
Interest expense (Note 16)		(48,062)	(23,278)	(56,420)	(27,578)
Financial margin (Note 16)		126,465	64,179	114,070	57,079
Credit Losses Expense (Note 9)		(39,430)	(18,127)	(28,359)	(14,614)
Financial margin adjusted for loan losses		87,035	46,052	85,711	42,465
Commissions and fees collected (Note 17)		48,066	24,419	44,746	22,590
Commissions and fees paid (Note 17)		(22,605)	(11,603)	(20,458)	(10,631)
Financial intermediation income (Note 18)		8,241	3,020	9,356	4,951
Other operating income (expense)		(2,076)	(2,359)	(4,002)	(2,023)
Administrative and promotional expenses		(51,485)	(25,302)	(47,298)	(23,600)
Operating income		67,176	34,227	68,055	33,752
Interest in net income of other entities		450	94	327	277
Income before income tax		67,626	34,321	68,382	34,029
Income tax (Note 13)		(19,399)	(9,647)	(18,939)	(9,301)
Net income	$	48,227	24,674	49,443	24,728
Other comprehensive income:					
Valuation of negotiable financial instruments		46	(44)	–	–
Valuation of financial instruments to collect and sell		(676)	1,141	6,975	1,910
Valuation of derivative financial instruments designated as cash flow hedges		1,329	1,329	3	–
Remeasurement of employee defined benefits		(3,601)	(3,870)	(4,889)	(4,940)
		(2,902)	(1,444)	2,089	(3,030)
Comprehensive income	$	45,325	23,230	51,532	21,698
Net income attributable to:					
Controlling and non-controlling interest		48,227	24,674	49,464	24,738
Non-controlling interest		–	–	(21)	(10)
	$	48,227	24,674	49,443	24,728
Comprehensive income attributable to:					
Controlling and non-controlling interest		45,325	23,230	51,553	21,708
Non-controlling interest		–	–	(21)	(10)
	$	45,325	23,230	51,532	21,698
Basic earnings per common share (pesos per share)	$	3.18	1.63	3.26	1.63

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of comprehensive income was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the income and expenses derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of comprehensive income was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Subsidiaries

Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Interim Condensed Consolidated statement of changes in stockholders' equity

For the six month periods ended June 30, 2026 and 2025

(Amounts in millions of Mexican pesos)

	Paid in capital			Earned capital							
	Capital stock	Additional paid-in capital	Statutory reserves	Retained earnings	Valuation of negotiable financial instruments	Valuation of financial instruments to collect and sell	Valuation of financial instruments designated as cash flows hedge	Remeasurements of defined benefit obligations	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2025	$ 24,143	15,860	6,901	367,242	–	1,657	–	(15,776)	400,027	107	400,134
Amendment to CNBV Accounting Criteria (See note 2)	–	–	–	–	80	(80)	–	–	–	–	–
Initial balances as of January 1, 2026	$ 24,143	15,860	6,901	367,242	80	1,577	-	(15,776)	400,027	107	400,134
Owner's movements	–	–	–	–	–	–	–	–	–	–	–
Declaration of dividends	–	–	–	(33,500)	–	–	–	–	(33,500)	–	(33,500)
Dividend Payment from Adquira Mexico	–	–	–	–	–	–	–	–	–	(30)	(30)
Divestment in Adquira Mexico	–	–	–	–	–	–	–	–	–	(77)	(77)
Comprehensive income											
Net income	–	–	–	48,227	–	–	–	–	48,227	–	48,227
Other comprehensive income:	–	–	–	–	–	–	–	–	–	–	–
Valuation of negotiable financial instruments	–	–	–	–	46	–	–	–	46	–	46
Valuation of financial instruments to collect and sell	–	–	–	–	–	(676)	–	–	(676)	–	(676)
Valuation of financial instruments designated as cash flows hedges	–	–	–	–	–	–	1,329	–	1,329	–	1,329
Remeasurements of defined benefit obligations	–	–	–	–	–	–	–	(3,601)	(3,601)	–	(3,601)
Total	–	–	–	14,727	46	(676)	1,329	(3,601)	11,825	(107)	11,718
Balances as of June 30, 2026 (unaudited)	$ 24,143	15,860	6,901	381,969	126	901	1,329	(19,377)	411,852	–	411,852
Balances as of January 1, 2025	$ 24,143	15,860	6,901	328,296	-	(5,543)	(3)	(8,337)	361,317	111	361,428
Owner's movements	–	–	–	–	–	–	–	–	–	–	–
Declaration of dividends	–	–	–	(30,000)	–	–	–	–	(30,000)	–	(30,000)
Dividend Payment from Adquira Mexico	–	–	–	–	–	–	–	–	–	(38)	(38)
Comprehensive income											
Net income	–	–	–	49,443	–	–	–	–	49,443	21	49,464
Other comprehensive income:	–	–	–	–	–	–	–	–	–	–	–
Valuation of negotiable financial instruments	–	–	–	–	–	–	–	–	–	–	–
Valuation of financial instruments to collect and sell	–	–	–	–	–	6,975	–	–	6,975	–	6,975
Valuation of financial instruments designated as cash flows hedges	–	–	–	–	–	–	3	–	3	–	3
Remeasurements of defined benefit obligations	–	–	–	–	–	–	–	(4,889)	(4,889)	–	(4,889)
Total	–	–	–	19,443	–	6,975	3	(4,889)	21,532	21	21,553
Balances as of June 30, 2025 (unaudited)	$ 24,143	15,860	6,901	347,739	–	1,432	–	(13,226)	382,849	94	382,943

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of changes in stockholders' equity was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the movements in the stockholders' equity accounts derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of changes in stockholders' equity was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México and subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated statement of cash flows
For the six month periods ended June 30 2026 and 2025
(Amounts in millions of Mexican pesos)

		June 30 2026 (Unaudited)	June 30 2025 (Unaudited)
Operating activities:			
Income before income taxes	$	67,626	68,382
Adjustments for items associated with investing activities:			
Losses or reversal of losses due to impairment of long-lived assets		121	180
Depreciation of property and equipment		1,365	1513
Amortization of installation expenses		1,216	921
Amortization of intangible assets		1,151	905
Equity in net income of other entities		(450)	(327)
		3,403	3,192
Changes in operating items:			
Change in margin accounts (derivative financial instruments)		1,029	(1,923)
Change in investments in financial instruments (securities) (net)		(73,867)	50,096
Change in debtors on repurchases/resales		85,446	(34,153)
Change in derivative financial instruments (assets)		(14,087)	9,904
Change in loan portfolio (net)		(107,557)	(77,857)
Change in other accounts receivable (net)		(40,991)	47,382
Change in foreclosed assets (net)		(160)	(226)
Change in other operating assets (net)		(1,056)	(1,035)
Change in deposits		49,667	124,785
Change in interbank and other borrowings		684	1,665
Change in creditors on repurchases/resales		97,635	(143,408)
Change in Securities lending		(1)	(1)
Change in collateral sold or pledged		(43,881)	(20,945)
Change in derivative financial instruments (liabilities)		25,447	14,149
Change in other operating liabilities		54,326	11,889
Change in derivative financial instruments hedged (of hedged items related to operating activities)		(1,689)	(5,561)
Change in assets/liabilities from employee benefits		(8,487)	(3,198)
Change in other accounts payable		4,342	(53,912)
Payments of income tax		(24,846)	(6,962)
Net cash flows from operating activities		72,983	(17,737)
Investment activities:			
Proceeds for disposal of property, plant and equipment		48	106
Payments for acquisition of property, plant and equipment		(1,877)	(1,699)
Proceeds for disposal of subsidiaries		77	–
Proceeds from the disposal of associates, joint ventures and other permanent investments		2	–
Payments for acquisition of intangible assets		(1,689)	(1,688)
Net cash flows from investing activities		(3,439)	(3,281)
Financing activities:			
Cash dividend payments		(33,500)	(30,000)
Cash dividend payments Adquira Mexico (minority interest)		(30)	(38)
Proceeds from issuance of financial instruments qualifying as liabilities		11	19,259
Net cash flows from financing activities		(33,519)	(10,779)
Net increase or decrease in cash and cash equivalents		36,025	(31,797)
Effects from changes in the value of cash and cash equivalents		(652)	(1,511)
Cash and cash equivalents at the beginning of period		231,067	270,189
Cash and cash equivalents at the end of the period	$	266,440	236,881

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of cash flow was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the cash inflows and cash outflows derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of cash flow was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2)

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

(1) Activity and operating regulatory environment-

BBVA México, S. A., Institución de Banca Múltiple and Subsidiaries, Grupo Financiero BBVA México (hereinafter and indistinctively, the "Institution" or the "Bank") is a direct subsidiary of Grupo Financiero BBVA México, S. A. de C. V. the "Financial Group") and indirect subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA"), which is governed, among others, by the Banking Law (*Ley de Instituciones de Crédito*) (the "Banking Law"), and the General Regulations Applicable to Banking Institutions (*Disposiciones de Carácter General Aplicables a las Instituciones de Crédito*) (the "Banking Regulations") that regulates any matters under the supervision of the National Banking and Securities Commission (hereinafter, the "Commission" or "CNBV"), and focuses, among others, on accepting deposits, receiving and making loans, transactions with securities and derivative financial instruments and the execution of trust agreements. It has its address at Avenida Paseo de la Reforma No. 510, Colonia Juárez, Cuauhtémoc, Mexico City, C.P. 06600.

The powers vested in the Commission -as the entity regulating credit institutions-, include reviewing the Institution's financial information and ordering any amendments thereto, if any.

The main regulatory aspects require that the Multiple Banking Institutions maintain a minimum capitalization ratio in relation to market, credit and operational risks, compliance with certain acceptance limits of deposits, obligations and other types of funding that may be denominated in foreign currency, as well as the establishment of minimum limits of paid capital and capital reserves, with which the Institution satisfactorily complies.

(2) Authorization, basis of presentation and changes to the Institution accounting policies-

Authorization

On August 25, 2026, Eduardo Osuna Osuna, Chief Executive Officer, Beatriz Muñoz Villa, Chief Financial Officer, Adolfo Arcos González, Head of Internal Audit, and Ana Luisa Miriam Ordorica Amezcua, Head of Corporate Accounting, authorized the issuance of the accompanying interim condensed consolidated financial statements and the notes thereto (hereinafter, the "financial statements").

Basis of preparation

The interim condensed consolidated financial statements for the three and six months ended June 30, 2026, have been prepared in accordance with Mexican Financial Reporting Standards B-9 Interim Financial Reporting issued by the CNBV. The Bank has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual consolidated financial statements as of 31 December 2025.

New standards, interpretations and amendments adopted by the Institution

I. Amendment to CNBV Accounting Criteria

In September 2025, the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or CNBV), through the issuance of a Resolution amending the general provisions applicable to credit institutions, introduced adjustments to incorporate the accounting recognition of the valuation of equity investments that are not intended to be traded in the short term but are classified as trading financial instruments, with the objective of reducing volatility in profit or loss arising from unrealized valuation effects. The resolution becomes effective on January 1, 2026.

The Institution's management implemented the amendment with no material effects. A reclassification was made within the "Other Comprehensive Income" ("OCI") caption of Stockholders' Equity for $80, net of deferred taxes, corresponding to the cumulative valuation effect previously recognized under "Valuation of financial instruments to collect and sell," which was transferred to "Valuation of negotiable financial instruments." Due to materiality of the amount involved, the Bank did not consider restate prior issued financial statements as of December 31st, 2025.

II. Improvements to Mexican Financial Reporting Standards (NIF) 2026

In December 2025, the Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, or CINIF) issued the document entitled "Improvements to NIF 2026," which includes targeted amendments to certain existing standards.

Amendments resulting in the accounting changes are detailed below:

NIF B-11, "Disposal of Long-Lived Assets and Discontinued Operations"

It is established that the presentation of cash flows related to these operations must be prospective. This means that statements of cash flows for prior comparative periods should not be restated, aligning this criterion with that of the statement of financial position. Disclosure requirements have been adjusted to maintain consistency between presentation and the notes.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2025. Any resulting accounting changes, as applicable, must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's management evaluated the effects of adopting this 2026 NIF improves and conclude that the amendments had no impact on Bank's interim condensed financial statements.

NIF C-10, "Derivative Financial Instruments and Hedging Relationships"

Clarifies that certain contracts, such as forward contracts, may qualify as derivative financial instruments if they can be settled without physical delivery of the underlying asset. However, contracts entered into for the acquisition or use of goods for the entity's own operations (e.g., machinery or inventory) are not considered derivatives unless the entity has elected to measure them at fair value from inception to avoid accounting mismatches.

It is clarified that only financial instruments entered into with third parties, whether at the consolidated group level or at the individual entity level, and provided that the risk is effectively transferred, may qualify as hedging instruments. In accordance with the rules for the consolidation of financial statements, financial instruments entered into with entities within the same economic group must be eliminated in the consolidated financial statements.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2025. Any resulting accounting changes, as applicable, must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's management evaluated the effects of adopting this 2026 NIF improves and conclude that the amendments had no impact on Bank's interim condensed financial statements.

Amendments:

NIF A-1, "Conceptual Framework for Financial Reporting Standards"

The Conceptual Framework is strengthened by refining the definition of earned capital, thereby providing greater clarity and conceptual consistency.

NIF B-4, "Statement of Changes in Equity"

The presentation of the Statement of Changes in Equity is enhanced by incorporating terminology used within the NIF and by refining the definition of earned capital.

NIF B-6, "Statement of Financial Position"

Clarifications are included in the wording, and additional guidance is incorporated in the section relating to the classification of short-term liabilities.

The Institution's management evaluated the effects of adopting this 2026 NIF improves and conclude that the amendments had no impact on Bank's interim condensed financial statements.

Clarifications to various NIF

Clarifications to the NIF have been made as a result of a review carried out with the objective of supporting their understanding.

- **NIF C-10, "Derivative Financial Instruments and Hedging Relationships"**

The definition of trading derivative financial instruments has been added to the NIF Glossary and incorporated into the list of definitions used in NIF C-10.

- **NIF C-20, "Financial Instruments to Collect Principal and Interest"**

The requirement for evidence supporting a change in the strategy for managing financial instruments is clarified in order to justify the reclassification of such instruments to a new business model category.

- **NIF D-4, "Income Taxes"**

The scope has been amended to clarify that the provisions of this NIF apply to all for-profit entities subject to taxes calculated on taxable income determined on a net basis of revenues, less costs and expenses.

The Institution's management evaluated the effects of adopting this 2026 NIF improves and conclude that the amendments had no impact on Bank's interim condensed financial statements.

III. Improvements to NIF 2025 Effective as of January 1, 2026

NIF C-19, "Financial Instruments Payable"

Certain requirements are introduced for the derecognition of a financial liability when it is settled in cash through an electronic payment system, including: (i) that the entity does not have the ability to withdraw, stop, or cancel the payment instruction; (ii) that the entity does not have practical access to the cash to be used to settle the transaction; and (iii) that the settlement risk associated with the payment system is insignificant.

Additionally, disclosures are required when financial instruments payable include contingent features that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to the achievement of environmental, social, or governance (ESG) objectives, in order to enable users of the financial statements, as investors and/or issuers of such instruments, to understand the uncertainty of future cash flows.

NIF C-19, "Financial Instruments Payable" (Continuance)

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's management evaluated the effects of adopting this 2025 NIF improves and conclude that the amendments had no impact on Bank's interim condensed financial statements.

NIF C-20, "Financial Instruments to Collect Principal and Interest"

Disclosures are required when financial instruments held to collect principal and interest include contingent features that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to the achievement of environmental, social, or governance (ESG) objectives, in order to enable users of the financial statements, as investors and/or issuers of such instruments, to understand the uncertainty of future cash flows.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

Loan portfolio are recognized according to Criterion B-6 issued by the CNBV. The recognition, measurement, presentation, and disclosure rules applicable to the initial and subsequent recognition of such assets are set forth in that criterion and shall not be included for NIF C-20 purposes. Therefore, the amendments had no impact on the Institution's interim condensed financial statements.

IV. NIF Effective January 1, 2028

NIF B-1, "Basis for Preparation of Financial Statements"

The objective of this Financial Reporting Standard (NIF) is to establish the general principles that serve as the basis for the preparation of financial statements, including the general requirements for their preparation and presentation; the criteria for selecting, changing, and disclosing accounting policies; as well as the treatment and disclosure of changes in accounting estimates and the correction of errors.

The provisions contained in this NIF become effective for fiscal years beginning on or after January 1, 2028; early adoption is permitted for fiscal year 2027, in which case such adoption must be disclosed.

NIF B-3, "Statement of Comprehensive Income"

The objective of this Financial Reporting Standard (NIF) is to establish the requirements for the presentation of the statement of comprehensive income, including the minimum content requirements and disclosure standards, in order to ensure that such statement provides relevant and useful information to users of the financial statements for decision-making purposes in relation to an entity, and that statements of comprehensive income are comparable with those of other entities and with those of the same entity over time. In preparing the statement of comprehensive income, in addition to this NIF, an entity must apply the requirements for financial statements set forth in NIF B-1, *Basis for the Preparation of Financial Statements*.

The provisions contained in this NIF project become effective for fiscal years beginning on or after January 1, 2028. Early adoption is permitted as of January 1, 2027, provided that it is applied together with the corresponding amendments to NIF B-1, *Basis for the Preparation of Financial Statements*.

The Institution's management is in the process of evaluating the effects of adopting the improvements to NIF B-1 and B-3 that become effective in 2028.

V. Sustainability Information Standards ("Normas de Información de Sostenibilidad" or "NIS")

NIS A-1, "General Standards for Sustainability Information Disclosure"

Establishes the conceptual framework and underlying principles supporting the development and application of these standards in the preparation and disclosure of the entity's sustainability information. This SIS became effective for fiscal years beginning on or after January 1, 2025.

NIS B-1, "Basic Sustainability Indicators"

Establishes the standards for determining the Basic Sustainability Indicators ("Indicadores Básicos de Sostenibilidad" or "IBSO") associated with environmental, social (human capital-related), and governance factors, as well as their disclosure as part of sustainability financial information.

This NIS became effective for fiscal years beginning on or after January 1, 2025, with early adoption permitted provided it is applied jointly with NIS A-1. Management of the Institution analyzed the criteria issued by the CNBV and determined that compliance with the NIS is not mandatory; therefore, no impact from their application has been identified. Furthermore, for non-regulated entities (non-significant subsidiaries) that issue their Financial Statements under Mexican Financial Reporting Standards ("Normas de Información Financiera" or "NIF"), the related impacts are considered immaterial.

(3) Fair value of financial instruments-

Fair value hierarchy

a. Financial instruments recognized at fair value

The financial instruments recognized at fair value, as well as the valuation methods, assumptions and inputs used to determine the fair value of instruments classified within level 2 and 3 as of June 30, 2026 (unaudited):

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Observable input data	Unobservable input data
Assets (Prepaid)							
Negotiable financial instruments							
Fixed Income	87,246	228,242	3,642	319,130	Price provided by Valmer[1]		
Variable Income	2,590	–	122	2,712	Price provided by Valmer[1]		
Financial instruments to collect and sell							
Fixed Income	226,818	5,673	781	233,272	Price provided by Valmer[1]		
Variable Income	–	–	–	–	Price provided by Valmer[1]		
Derivatives for trading purposes							
Forwards	–	48,090	1,642	49,732	- - Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	2	8,701	2,060	10,763	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	–	118,125	1,446	119,571	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Discounted cash flows. - Swaptions: Black and LGM - Constant maturity swaps: SABR		

[1] Valmer: The institution's Price provider; Valuación Operativa y Referencias de Mercado, S.A. de C.V. (Valmer).

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Fair value hierarchy (continuance)

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Derivatives for hedging purposes							
Swaps	–	6,363	–	6,363	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	
Loan portfolio valued at fair value	–	7,406	7,881	15,287	To value the complement due to the effect of implied options, the methodologies and input data used in the options are applied, depending on their type: - Bond options: Black 76 - Equity options: Local Volatility, Black 76, Binomial Tree - Currency options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR, and LG	Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Observed volatilities in the market - Issuer credit spread levels - Quoted dividends - Quoted correlations in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Implicit correlations between assets - Long-term implied volatilities - Implied dividends
Liabilities							
Derivatives for trading purposes							
Forwards	–	46,437	308	46,745	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	–	56,469	12,406	68,875	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	–	113,281	3,839	117,120	- Discounted cash flows. - Swaptions: Black and LGM		
Derivatives for hedging purposes							
Swaps	–	6,677	–	6,677	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Fair value hierarchy (continuance)

The financial instruments recognized at fair value, as well as the valuation methods, assumptions and inputs used to determine the fair value of instruments classified within level 2 and 3 as of December 31, 2025:

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Assets							
Negotiable financial instruments							
Fixed Income	85,864	178,354	4,351	268,569	Price provided by Valmer		
Variable Income	4,653	–	365	5,018	Price provided by Valmer		
Financial instruments to collect and sell							
Fixed Income	235,274	5,943	780	241,997	Price provided by Valmer		
Derivatives for trading purposes							
Forwards	–	49,466	1,311	50,777	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	–	7,080	1,021	8,101	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	–	105,625	1,476	107,101	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Discounted cash flows. - Swaptions: Black and LGM - Constant maturity swaps: SABR		
Derivatives for hedging purposes							
Swaps	–	4,789	–	4,789	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	
Loan portfolio valued at fair value	–	6,658	4,423	11,081	To value the complement due to the effect of implied options, the methodologies and input data used in the options are applied, depending on their type: - Bond options: Black 76 - Equity options: Local Volatility, Black 76, Binomial Tree - Currency options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR, and LG	Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Observed volatilities in the market - Issuer credit spread levels - Quoted dividends - Quoted correlations in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Implicit correlations between assets - Long-term implied volatilities - Implied dividends

BBVA México, S.A., Institución de Banca Múltiple,
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Fair value hierarchy (conclude)

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Liabilities							
Derivatives for trading purposes							
Forwards	–	51,333	230	51,563	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	–	40,097	7,512	47,609	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	–	104,031	4,090	108,121	- Discounted cash flows. - Swaptions: Black and LGM		
Derivatives for hedging purposes							
Swaps	–	7,577	–	7,577	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	

a.1. Valuation Techniques

The main techniques used for the valuation of instruments classified at Level 2 and 3, as well as the main unobservable inputs, are described below:

- Comparable prices (similar asset prices): prices of comparable instruments and benchmarks are used to calculate its yield from the entry price or current rating making further adjustments to account for differences that may exist between valued asset and it is taken reference. It can also be assumed that the price of an instrument is equivalent to the other.
- Net asset value: this technique employs certain assumptions to use net present value as representative of fair value, which is equal to the total value of the assets and liabilities of a fund published by the managing entity.
- Black 76: variant of Black Scholes model, whose main application is the valuation of bond options, cap / floors and swaptions where the behavior of the forward and not the spot itself, is directly modeled.
- Black Scholes: The Black Scholes model postulates log-normal distribution for the prices of securities, so that the expected return under the risk neutral measure is the risk-free interest rate. Under this assumption, the price of vanilla options can be obtained analytically, so that inverting the Black- Scholes formula, the implied volatility for process of the price can be calculated.
- Local volatility: In the local volatility models, volatility, instead of being static, evolves over time according to the level of moneyness of the underlying, capturing the existence of smiles. The volatility smile of an option is the observed empirical relationship between its implied volatility and its strike price. These models are appropriate in the options whose value depends on the historical evolution of the underlying that uses Monte Carlo simulation for its valuation.

a.2. Quantitative information on unobservable inputs

Quantitative information of the unobservable input data used to calculate Level 3 valuations is presented below:

		June 30, 2026 (unaudited)			
Derivatives for trading purposes	**Significant Unobservable Inputs**	**Min**	**Average**	**Max**	**Units**
Interest Rate Swaps	Interest Rate Curves	2.95	3.92	9.18	%
Equity Swaps	Equity Repo Margin	0.64	1.57	1.90	%
Equity Forwards	Equity Repo Margin	(0.37)	0.63	1.90	%
Options on Equity Underlying	Equity Volatilities	14.56	23.55	34.03	vegas
	FX Volatilities	6.31	7.84	9.96	vegas
	Equity/Equity and Equity/FX Correlations	(47.73)	(16.48)	89.58	%
	Equity Dividends	0.01	0.29	0.62	USD
	Equity Repo Margin	(1.33)	(0.33)	1.90	%
Options on Interest Rate Underlying	Interest Rate Volatilities	0.36	0.54	0.69	vegas

		December 31, 2025			
Derivatives for trading purposes	**Significant Unobservable Inputs**	**Min**	**Average**	**Max**	**Units**
Interest Rate Swaps	Interest Rate Curves	3.04	3.32	3.53	%
Equity Swaps	Equity Repo Margin	0.65	1.57	1.90	%
Equity Forwards	Equity Dividends	0.15	0.68	1.72	MXN
	Equity Repo Margin	(0.40)	0.62	1.90	%
Options on Equity Underlying	Equity Volatilities	12.79	20.94	24.95	vegas
	Equity/Equity and Equity/FX Correlations	(29.87)	(17.44)	(1.99)	%
	Equity Dividends	0.04	4.25	12.48	MXN
	Equity Repo Margin	(4.63)	(0.54)	1.90	%
Options on Interest Rate Underlying	Interest Rate Volatilities	0.36	0.54	0.69	vegas

a.3. Adjustments to the valuation for risk of default

The fair value of liabilities should reflect the entity's default risk, which includes, among other components, its own credit risk. In view of the above, the Group makes valuation adjustments for credit risk on the fair value of its assets and liabilities.

Adjustments are calculated by estimating the exposure at default, the probability of default and the loss given default, which is based on the levels of recoveries, for all derivative products on any underlying, deposits and repurchase agreements at a legal entity level (all counterparties under the same master agreement) with which BBVA México has exposure.

In the specific case of derivative financial instruments, credit valuation adjustments ("CVA") and debit valuation adjustments ("DVA") are included in the valuation, both assets and liabilities, to reflect the impact on the fair value of the counterparty's credit risk and the Group's own credit risk, respectively.

As a general rule, the calculation of CVA is the sumproduct of the positive expected exposure at date t, the probability of default between t-1 and t, and the LGD. Similarly, DVA is calculated as the sumproduct of the negative expected exposure at date t, the probability of default of BBVA between t-1 and t, and BBVA's LGD. Both calculations are performed over the entire period of the potential exposure. Calculation of the expected positive and negative exposure is done through a Montecarlo simulation of the market variables involved in all trades' valuation under the same legal netting set.

The information needed to calculate the probability of default and the loss given default of a counterparty comes from the credit markets. The counterparty's credit default swaps are used if liquid quotes are available. If a market price is not available, BBVA has implemented a mapping process based on the sector, rating and geography of the counterparty to assign probabilities of default and loss given default calibrated directly to market.

a.4. Reconciliation of the initial and final balance of Level 3 Financial Instruments

The movement of the balances of financial assets and liabilities recorded at fair value classified in Level 3 that appear in the attached consolidated balance sheets is shown below:

	June 2026 (unaudited)		December 2025	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	$ 9,304	$ (11,832)	$ 7,945	$ (7,411)
Changes in fair value recognized in profit and loss:				
Realized	(35)	(591)	(942)	(752)
Unrealized	(196)	284	(184)	70
Changes in fair value recognized in other comprehensive income:				
Purchased	2,576	–	3,068	–
Sales	(2,151)	–	(1,568)	–
Derecognition	(1,815)	1,199	(2,084)	2,677
Issuances	1,364	(3,137)	2,567	(6,163)
Net inflows / outflows of Level 3	646	(2,476)	502	(253)
Others	7,881	–	4,423	–
Balance at the end	$ 17,574	$ (16,553)	$ 13,727	$ (11,832)

Changes in fair value that affected the result of the year were recognized under “Results from the valuation of financial instruments at fair value.” Changes in fair value that affected other comprehensive income were recognized under “Valuation of financial instruments to collect and sell.”

a.5. Transfers between levels

The amounts of financial instruments that were transferred between the different levels of the hierarchy were as follows:

During 2026 (unaudited)

	From:	Level 1		Level 2		Level 3	
Assets	to:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Negotiable financial instruments							
Debt		$ –	$ –	$ –	$ –	$ –	$ (1)
Equity		–	–	–	–	–	–
Financial instruments to collect or sell							
Debt		–	–	–	–	–	–
Equity		–	–	–	–	–	–
Derivatives for trading purposes							
Forwards		–	–	–	467	–	(193)
Options		–	–	–	512	–	(139)
Swaps		–	–	–	38	–	(38)
Derivatives for hedging purposes							
Swaps		–	–	–	–	–	–
Portfolio at fair value		–	–	–	–	–	–
Total		$ –	$ –	$ –	$ 1,017	$ –	$ (371)

a.5. Transfers between levels (continuance)

Liabilities	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Derivatives for trading purposes							
Futures		$ –	$ –	$ –	$ –	$ –	$ –
Options		–	–	–	(4,062)	–	1,370
Swaps		–	–	–	(204)	–	420
Derivatives for hedging purposes							
Futures		–	–	–	–	–	–
Swaps		–	–	–	–	–	–
Total		$ –	$ –	$ –	$ (4,266)	$ –	$ 1,790

During 2025

Assets	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Negotiable financial instruments							
Debt		$ 471	$ –	$ 56	$ 29	$ –	$ –
Equity		–	–	–	2	–	–
Financial instruments to collect or sell							
Debt		735	–	–	–	–	–
Equity		–	–	–	–	–	–
Derivatives for trading purposes							
Forwards		–	–	–	423	–	–
Options		–	–	–	265	–	(138)
Swaps		–	–	–	–	–	(79)
Derivatives for hedging purposes							
Swaps		–	–	–	–	–	–
Portfolio at fair value		–	–	–	–	–	–
Total		$ 1,206	$ –	$ 56	$ 719	$ –	$ (217)

Liabilities	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Derivatives for trading purposes							
Futures		$ –	$ –	$ –	$ –	$ –	$ –
Options		–	–	–	(1,255)	–	1,292
Swaps		–	–	–	(430)	–	140
Derivatives for hedging purposes							
Futures		–	–	–	–	–	–
Swaps		–	–	–	–	–	–
Total		$ –	$ –	$ –	$ (1,685)	$ –	$ 1,432

These transfers basically correspond to:

- In capital and debt instruments, reclassifications from hierarchy level 1 to 2 occur mainly when, during the last month, no position or trading price has been observed on at least 90% of the business days. An instrument that, having been classified at level 2 for this reason and in subsequent periods meets said requirement, is reclassified to level 1. Transfers from level 2 to 3 occur when the security issuer ceases to trade, enters into default, there is not enough position or market information in electronic trading media (Reuters and Bloomberg), or it presents a static updated price, that is, it is repeated over a long period.

- In OTC derivatives, transfers from Level 2 to Level 3 occur in transaction in which the degree of unobservability in the market data used in the valuation exceeds the defined threshold (10%).

a.6 Sensitivity analysis

Sensitivity analysis is performed on derivative financial instruments with significant unobservable inputs (financial instruments included in level 3), in order to obtain a reasonable range of possible alternative valuations taking into account the nature of the methods and inputs used.

As of June 30, 2026 (unaudited) and December 31, 2025, the possible variation in the "Mark to Market" (MtM) derived from the uncertainty in the unobservable parameter, considering the highest (most favorable scenario) or lowest (least favorable scenario) value obtained via the "Additional Valuation-Adjustment" (AVA) calculated for said positions would be:

	Possible variation in the MtM derived from the uncertainty in the unobservable parameter 2026 (unaudited)		Possible variation in the MtM derived from the uncertainty in the unobservable parameter 2025	
	Most favorable scenario	Least favorable scenario	Most favorable scenario	Least favorable scenario
Derivatives for trading purposes				
Interest Rate Swaps	4	(4)	4	(4)
Equity Swaps	25	(25)	13	(13)
Equity Forwards	29	(29)	122	(122)
Equity Underlying Options	13	(13)	24	(24)
Options on Underlying Interest Rate	1	(1)	1	(1)

a.7 Changes in valuation models

- At the Risk Committee meeting held on March 17, 2026, the Committee approved the valuation and risk measurement methodology for Market and Counterparty Risk for IRS (Interest Rate Swap) and Cap/Floor (Vanilla and Digital) products, denominated in MXN and referenced to the underlying CMS (Constant Maturity Swap) TIIEF (Funding TIIE).
- At the Risk Committee meeting held on May 19, 2026, the Committee approved the valuation and risk measurement methodology for Market and Counterparty Risk for Cap/Floor (Vanilla and Digital) products denominated in MXN on Spreads of CMS (Constant Maturity Swap) TIIEF (Funding TIIE).

(4) Cash and cash equivalents

Cash and cash equivalents is as shown below:

	June 2026 (unaudited)	December 2025
Cash	$ 46,532	$ 70,812
Banks	174,128	113,045
Restricted cash on hand:		
Foreign currency purchase	264,305	184,617
Foreign currency sales	(253,300)	(172,130)
Deposits with the Central Bank [1]	34,733	34,659
Interbank loans (call money)	–	–
Other cash and cash equivalents	42	64
Total	$ 266,440	$ 231,067

[1] Deposits with the Central Bank represent mandatory reserve deposits and are not available for use in the Bank's day–to–day operations.

Banks is represented by cash in MXN and US dollars using the closing exchange rate published by the Central Bank. As of June 30, 2026 (unaudited) and December 31, 2025 of MXN 17.4986 and MXN 18.0080 per US dollar, respectively.

(5) Investments in financial instruments-

As of June 30, 2026 (unaudited) and December 31, 2025, investments in financial instruments are made up as shown below:

a. Negotiable Financial Instruments (NFI)

	June 2026 (unaudited)			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Unrestricted:				
Equity shares, net	$ 2,507	$ –	$ 68	$ 2,575
American Depositary Receipts (ADR´S)	27	–	100	127
Sovereign debt Eurobonds	10,556	107	(4)	10,659
Fixed-rate government bonds	38,080	46	627	38,753
Promissory notes with returns settled at maturity	–	–	–	–
Federal Mexican Treasury Securities (CETES)	392	–	–	392
Federal Government Development Bonds (BONDES)	117	–	–	117
Corporate Eurobonds	366	1	1	368
Securitized bank debt certificates	10,868	53	(22)	10,899
Securitized debt certificates	13,063	82	23	13,168
Exchangeable securitized debt certificates (CBICS)	651	5	(52)	604
Federal Government Development Bonds in UDIS (UDIBONOS)	19,251	24	66	19,341
Mexican Bank Saving Protection Bonds (BPAS)	2,001	39	27	2,067
Investment funds	–	–	–	–
Treasury notes	397	3	(2)	398
Total unrestricted	$ 98,276	$ 360	$ 832	$ 99,468
Restricted:				
Collateral granted (a.1.)	216,838	1,655	857	219,350
Value date purchases	39,618	342	(32)	39,928
Value date sales	(36,614)	(336)	46	(36,904)
Total restricted	$ 219,842	$ 1,661	$ 871	$ 222,374
Total	$ 318,118	$ 2,021	$ 1,703	$ 321,842

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	December 2025			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Unrestricted:				
Equity shares, net	$ 4,026	$ –	$ 646	$ 4,672
American Depositary Receipts (ADR´S)	55	–	9	64
Sovereign debt Eurobonds	3,470	78	4	3,552
Fixed-rate government bonds	41,180	195	726	42,101
Promissory notes with returns settled at maturity	–	–	–	–
Federal Mexican Treasury Securities (CETES)	14,104	–	45	14,149
Federal Government Development Bonds (BONDES)	4,972	11	(1)	4,982
Corporate Eurobonds	322	2	–	324
Securitized bank debt certificates	4,732	28	(48)	4,712
Securitized debt certificates	15,153	141	18	15,312
Exchangeable securitized debt certificates (CBICS)	1,066	14	(56)	1,024
Federal Government Development Bonds in UDIS (UDIBONOS)	7,620	23	219	7,862
Mexican Bank Saving Protection Bonds (BPAS)	1,848	31	20	1,899
Investment funds	256	–	–	256
Treasury notes	666	3	7	676
Total unrestricted	$ 99,470	$ 526	$ 1,589	$ 101,585
Restricted:				
Collateral granted (a.1.)	167,659	1,783	604	170,046
Value date purchases	6,985	117	7	7,109
Value date sales	(5,073)	(71)	(9)	(5,153)
Total restricted	$ 169,571	$ 1,829	$ 602	$ 172,002
Total	$ 269,041	$ 2,355	$ 2,191	$ 273,587

a.1. Collateral granted:

	June 30, 2026 (unaudited)			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Collateral under securities lending:				
Federal Government Development Bonds	$ –	$ –	$ –	$ –
Federal Government Development Bonds in UDIS (UDIBONOS)	–	–	–	–
Bono IPAB	–	–	–	–
Fixed-rate government bonds	6,198	169	7	6,374
BONDES	19,363	76	(6)	19,433
BPAS	40,294	789	403	41,486
CETES	39,084	–	68	39,152
Total collateral under securities lending	104,939	1,034	472	106,445
Collateral under repurchase/resale agreements:				
Securitized bank debt certificates	-	-	-	-
BONDES	7,263	23	-	7,286
Fixed-rate government bonds	29,035	138	214	29,387
BPAS	6,007	107	59	6,173
CETES	50,450	–	35	50,485
UDIBONOS	284	1	(5)	280
CBICS	11,485	252	54	11,791
Eurobonds	–	–	–	–
Securitized debt certificates	1,492	15	3	1,510
Total collateral under repurchase/resale agreements	106,016	536	360	106,912
Other collateral:				
Fixed-rate government bonds	1,550	37	2	1,589
BPAS	1,575	43	10	1,628
CETES	1,600	–	20	1,620
Securitized debt certificates	17	–	–	17
Corporate Eurobonds	131	2	(7)	126
Treasury notes	1,010	3	–	1,013
Total other collateral	5,883	85	25	5,993
Total restricted securities by collateral granted	$ 216,838	$ 1,655	$ 857	$ 219,350

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a.1. Collateral granted: (continuance)

	December 2025			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Collateral under securities lending:				
Equity shares, net	$ –	$ –	$ –	$ –
Bono IPAB	–	–	–	–
Fixed-rate government bonds	3,719	85	–	3,804
BONDES	28,334	60	(26)	28,368
BPAS	55,618	1,155	474	57,247
CETES	9,088	–	9	9,097
Total collateral under securities lending	96,759	1,300	457	98,516
Collateral under repurchase/resale agreements:				
Securitized bank debt certificates	–	–	–	–
BONDES	7,179	13	(2)	7,190
Fixed-rate government bonds	1,804	26	2	1,832
BPAS	4,756	92	54	4,902
CETES	39,032	–	42	39,074
UDIBONOS	–	–	–	–
CBICS	10,672	238	22	10,932
Eurobonds	–	–	–	–
Securitized debt certificates	1,312	4	(1)	1,315
Total collateral under repurchase/resale agreements	64,755	373	117	65,245
Other collateral:				
Fixed-rate government bonds	2,118	57	(3)	2,172
BPAS	1,572	48	11	1,631
CETES	1,533	–	21	1,554
Securitized bank debt certificates	18	–	–	18
Corporate Eurobonds	136	2	(5)	133
Treasury notes	768	3	6	777
Total other collateral	6,145	110	30	6,285
Total restricted securities by collateral granted	$ 167,659	$ 1,783	$ 604	$ 170,046

b. Financial Instruments to Collect and Sell (FICS) as of June 30, 2026 (unaudited) and December 31, 2025, are made up as follows:

	June 30, 2026 (unaudited)			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Unrestricted securities:				
Equity shares, net				
Securitized debt certificates	$ 2,817	$ 90	$ 11	$ 2,918
Sovereign debt Eurobonds	46,084	487	(602)	45,969
Fixed-rate government bonds	33,006	361	351	33,718
BPAS	–	–	–	–
Securitized bank debt certificates	4,421	99	51	4,571
CEDES	–	–	–	–
Treasury	1,203	11	(1)	1,213
BREMS R (1)	–	–	–	–
UDIBONOS	809	2	(1)	810
Total unrestricted	88,340	1,050	(191)	89,199
Restricted (b.1.)	140,729	1,919	1,425	144,073
Total	$ 229,069	$ 2,969	$ 1,234	$ 233,272

(1) BREMS R part of the Monetary Regulation Deposit
(2) As of June 30, 2026, the result from the Valuation of financial instruments to collect and sell is presented in accumulated OCI at the negative effect from the valuation net of deferred taxes of ($676) of the derivatives that hedge said position of securities.

	December 2025			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Unrestricted securities:				
Equity shares, net	$ –	$ –	$ –	$ –
CETES	–	–	–	–
Sovereign debt Eurobonds	47,042	733	(182)	47,593
Fixed-rate government bonds	73,623	1,102	642	75,367
Securitized bank debt certificates	3,193	60	(4)	3,249
Eurobonds	4,360	169	11	4,540
CEDES	–	–	–	–
Treasury	1,235	11	2	1,248
UMS	–	–	–	–
BREMS R (1)	–	–	–	–
UDIBONOS	3,428	8	(22)	3,414
Total unrestricted	132,881	2,083	447	135,411
Restricted (b.1.)	103,958	1,579	1,049	106,586
Total	$ 236,839	$ 3,662	$ 1,496	$ 241,997

(1) BREMS R part of the Monetary Regulation Deposit.
(2) As of December 31, 2025, the result from the Valuation of financial instruments to collect and sell is presented in accumulated OCI at the negative effect from the valuation net of deferred taxes of $468 of the derivatives that partially hedge said position of securities.

b.1. The collateral granted (restricted securities) of financial instruments to collect and sell as of June 30, 2026 (unaudited) and December 31, 2025 is summarized as follows:

	June 2026 (unaudited)			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Other collateral:				
Fixed-rate government bonds	$ –	$ –	$ –	$ –
BPAS	–	–	–	–
Corporate Eurobonds	3	–	–	3
Securities lending	3	–	–	3
Fixed-rate government bonds	137,357	1,911	1,423	140,691
Securitized debt certificates	–	–	–	–
Securitized bank debt certificates	–	–	–	–
BPAS	–	–	–	–
UDIBONOS	3,369	8	2	3,379
Collateral under repurchase/resale agreements	140,726	1,919	1,425	144,070
Fixed-rate government bonds	–	–	–	–
UDIBONOS	–	–	–	–
Total restricted	$ 140,729	$ 1,919	$ 1,425	$ 144,073

	December 2025			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Securitized debt certificates, corporate	$ –	$ –	$ –	$ –
Fixed-rate government bonds	–	–	–	–
BPAS	–	–	–	–
Corporate Eurobonds	–	–	–	–
Securities lending	–	–	–	–
BPAS	–	–	–	–
Fixed-rate government bonds	103,308	1,577	1,053	105,938
Securitized debt certificates	–	–	–	–
Securitized bank debt certificates	–	–	–	–
UDIBONOS	650	2	(4)	648
Collateral under repurchase/resale agreements	103,958	1,579	1,049	106,586
Treasury bills	–	–	–	–
Total restricted	$ 103,958	$ 1,579	$ 1,049	$ 106,586

c. Financial Instruments to Collect Principal and Interest (FICPI) as of June 30, 2026 and December 31, 2025, are made up as follows:

Instrument	June 2026 (unaudited) Acquisition cost	Interest accrued	Carrying value
Mortgage Debtor Support Program - Special CETES	$ 2,179	$ –	$ 2,179
Fixed-rate government bonds	91,810	1,143	92,953
Securitized bank debt certificates	1,523	45	1,568
Eurobonds	24,831	345	25,176
Treasury	5,246	34	5,280
UDIBONOS	18,945	45	18,990
BREM´s	31,993	156	32,149
Total to collect principal and interest	$ 176,527	$ 1,768	$ 178,295
Allowance for expected loan losses for investments in financial instruments to collect principal and interest (securities)			(28)
Total to collect principal and interest, net			$ 178,267

Instrument	December 2025 Acquisition cost	Interest accrued	Carrying value
Mortgage Debtor Support Program - Special CETES (note 8)	$ 2,106	$ –	$ 2,106
Fixed-rate government bonds	72,798	981	73,779
Securitized bank debt certificates	823	26	849
Corporate Eurobonds	14,475	209	14,684
Treasury	5,398	36	5,434
BREMS	31,997	87	32,084
UDIBONOS	18,058	44	18,102
Total to collect principal and interest	$ 145,655	$ 1,383	$ 147,038
Allowance for expected loan losses for investments in financial instruments to collect principal and interest (securities)			(24)
Total to collect principal and interest, net			$ 147,014

d. Collateral Received and Delivered.

The terms and conditions for the delivery of collateral securities adhere to the framework agreements for repos, securities lending and derivatives (ISDA/CMOF). These agreements provide for the exchange of collaterals, which will mitigate credit risk, in order to have a reasonable level thereof; the guarantee received or delivered does not meet the property transfer criteria, so the entity that delivers the collateral maintains the corporate and economic rights of said instruments, unless there is a breach of the guaranteed obligations; however, these framework agreements contemplate the temporary use and exploitation of said instruments with the commitment to return them at the expiration of the guaranteed transaction or by calls to return the margin due to a decrease in the guaranteed value at risk.

Under the collateral exchange agreements of financial institutions that have a negative market value, it agrees to deliver or receive to the other party (which therefore has a positive market value) assets, liabilities or cash to reduce exposure for credit risk, in accordance with the terms signed in the bilateral agreement.

As of June 30, 2026 (unaudited) and December 31, 2025, there are no investments in debt securities other than government securities of the same issuer that exceed 5% of the Institution’s global capital.

As of June 30, 2026 (unaudited) and December 31, 2025, the Institution does not maintain investments that come from unobservable markets.

(6) Repurchase agreements debtors-

a. Repurchases agreements debtors

As of June 30, 2026 (unaudited) and December 31, 2025, repurchase agreement debtors are comprised as shown below:

	June 2026 (unaudited)			December 2025		
	Asset	Liability		Asset	Liability	
Instrument	Repurchase agreements debtors	Collateral sold or pledged	Debit difference	Repurchase agreements debtors	Collateral sold or pledged	Debit difference
BONDES	$ 19,414	$ –	$ 19,414	$ 41,843	–	$ 41,843
Fixed-rate government bonds	6,789	–	6,789	44,425	–	44,425
BPAS	1,825	–	1,825	20,286	–	20,286
CETES	8,151	–	8,151	13,786	–	13,786
Corporate	3,769	–	3,769	1,150	–	1,150
Bank Stock Certificate	–	–	–	717	–	717
Corporate Eurobonds	199	–	199	285	–	285
UDIBONOS	1,099	–	1,099	4,201	–	4,201
Totals	$ 41,246	$ –	$ 41,246	**$ 126,693**	**$ –**	**$ 126,693**

b. Repurchase agreements creditors

As of June 30, 2026 (unaudited) and December 31, 2025, the repurchase agreement creditors are comprised as shown below:

Instrument	June 2026 (unaudited)	December 2025
BONDES	$ 7,287	$ 7,192
Fixed-rate government bonds	168,971	106,427
BPAS	6,172	4,903
Stock certificates	–	1,315
CETES	49,770	38,386
CBICS	11,814	10,915
Corporates	1,510	–
UDIBONOS	21,895	647
Total	**$ 267,419**	**$ 169,785**

c. The collateral sold or given as security in repurchase and securities lending transactions as of June 30, 2026 (unaudited) and December 31, 2025, is integrated as shown below:

	June 2026 (unaudited)			December 2025		
	Memorandum accounts		Liability	Memorandum accounts		Liability
Instrument	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral
Securities lending:						
Fixed-rate government bonds	$ 56,836	$ 55,585	$ 51,023	$ 43,177	$ 40,882	$ 39,487
UDIBONOS	16,548	16,548	16,548	15,263	14,885	14,885
CETES	23,621	22,365	22,365	20,939	20,806	20,806
CBICS	7,027	–	–	17,578	–	–
Stock certificates	71	–	–	–	–	–
Equity instruments	278	278	278	280	280	280
	104,381	94,776	90,214	97,237	76,853	75,458
Repurchases agreements:						
BONDES	19,591	21,952	22,000	42,022	30,885	30,890
Fixed-rate bonds	6,899	6,389	6,426	44,527	32,648	32,622
BPAS	1,825	1,825	1,825	20,328	13,335	13,336
CETES	8,190	9,415	9,420	13,805	11,007	11,011
UDIBONOS	1,094	–	–	4,203	2,361	2,359
Stock Bank Certificates	2,627	2,500	2,500	1,977	68	68
Corporate Eurobonds	203	–	–	300	–	–
CBICS	–	7,027	7,040	–	17,578	17560
Stock Certificates	1,145	–	–	–	–	–
	41,574	49,108	49,211	127,162	107,882	107,846
Other guarantees received	25,978	–	–	18,341	1,283	–
Total	**$ 171,933**	**$ 143,884**	**$ 139,425**	**$ 242,740**	**$ 186,018**	**$ 183,304**

(7) Derivative financial instruments-

As of June 30, 2026 (unaudited) and December 31, 2025, securities and derivative transactions are as follows:

a. Derivative financial instruments - The Institution carries out derivative transactions to meet the needs of our clients, manage the sensitivity of its own portfolios, as a market maker and to hedge its own structural balance sheet risks.

Trading:

	June 2026 (unaudited)			
	Carrying value		Net Balance	
	Assets	Liabilities	Assets	Liabilities
Futures long position	$ 47,703	$ 47,703	$ –	$ –
Futures short position	89,876	89,876	–	–
Forwards long position	1,408,046	1,435,949	10,422	38,326
Forwards short position	1,394,125	1,363,235	39,309	8,419
Options purchased	10,763	–	10,763	–
Options sold	–	68,875	–	68,875
Swaps	2,418,449	2,415,997	119,572	117,120
	$ 5,368,962	$ 5,421,635	$ 180,066	$ 232,740

Hedging:

	June 2026 (unaudited)				
	Carrying value		Net Balance		
	Assets	Liabilities	Assets	Liabilities	Net position
Swaps	$ 167,719	$ 168,033	$ 6,363	$ 6,677	$ (314)

Trading:

	December 2025			
	Carrying value		Net Balance	
	Assets	Liabilities	Assets	Liabilities
Futures long position	$ 16,671	$ 16,671	$ –	$ –
Futures short position	59,135	59,135	–	–
Forwards long position	1,189,016	1,231,671	5,713	48,369
Forwards short position	1,230,796	1,188,928	45,064	3,195
Options purchased	8,101	–	8,101	–
Options sold	–	47,609	–	47,609
Swaps	2,114,848	2,115,867	107,101	108,120
	$ 4,618,567	$ 4,659,881	$ 165,979	$ 207,293

Hedging:

	December 2025				
	Carrying value		Net Balance		
	Assets	Liabilities	Assets	Liabilities	Net Position
Swaps	$ 155,059	$ 157,847	$ 4,789	$ 7,577	$ (2,788)

(8) Loan portfolio-

The Bank's business model determines whether the cash flows will come from obtaining contractual cash flows, from the sale of the loan portfolio, or both.

If the objective of the business model of the loan portfolio is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows at pre-established dates, corresponding only to payments of principal and interest on the principal amount outstanding, then the portfolio is presented in the statement of financial position at its amortized cost. However, if this is not met, it should be treated in accordance with Mexican NIF C-2, "Investment in financial instruments."

Therefore, it is determined that the loan portfolio should be presented in the consolidated statement of financial position at amortized cost.

On the other hand, the SPPI (Solely Payments of Principal and Interest) test is a tool that allows evaluating the cash flows of the loan portfolio, by homogeneous portfolio or individual loan transactions. This test allows, through the analysis of contractual cash flows, to determine whether they correspond solely to principal and interest payments.

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Loan portfolio classified by type as of June 30, 2026 (Unaudited) are as follows:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in MXN:				
Commercial	$ 653,617	$ 8,666	$ 8,530	$ 670,813
Rediscounted portfolio	11,463	125	138	11,726
Leasing portfolio	14	1	–	15
Denominated in UDIs (MXN equivalent):				
Commercial	1	–	3	4
Denominated in foreign currency (MXN equivalent):				
Commercial	242,895	1,648	1,221	245,764
Rediscounted portfolio	1,081	–	7	1,088
Leasing portfolio	1	–	–	1
Commercial or business activity				
Denominated in MXN:				
Loans to financial entities	58,826	–	3	58,829
Loans to government entities	186,316	–	–	186,316
Leasing portfolio	–	–	–	–
Denominated in foreign currency (MXN equivalent):				
Loans to financial entities	1,377	–	–	1,377
Loans to government entities	5,742	–	–	5,742
Interest collected in advance	(378)	–	–	(378)
Total, commercial loans	1,160,955	10,440	9,902	1,181,297
Consumer loans				
Denominated in MXN:				
Credit cards	224,477	7,511	6,702	238,690
Other consumer loans	333,189	7,455	10,350	350,994
Denominated in foreign currency (MXN equivalent):				
Other consumer loans	–	–	–	–
Interest collected in advance	(442)	–	–	(442)
Total, consumer loans	557,224	14,966	17,052	589,242
Mortgage loans-				
Denominated in MXN:				
Medium and residential	381,656	16,239	9,264	407,159
Of Social interest	1,897	382	132	2,411
Denominated in UDIs (MXN equivalent):				
Medium and residential	910	167	62	1,139
Denominated in foreign currency (MXN equivalent):				
Medium and residential	–	–	–	–
Total, mortgage loans	384,463	16,788	9,458	410,709
Portfolio measured at fair value	15,287	–	–	15,287
Total, loan portfolio	$ 2,117,929	$ 42,194	$ 36,412	$ 2,196,535

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Loan portfolio classified by type as of December 31, 2025 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in MXN				
Commercial	$ 611,971	$ 6,869	$ 6,805	$ 625,645
Rediscounted portfolio	10,072	139	178	10,389
Leasing portfolio	2,001	1	6	2,008
Denominated in UDIs (MXN equivalent):				
Commercial	1	–	3	4
Denominated in foreign currency (MXN equivalent):				
Commercial	234,563	3,233	1,374	239,170
Rediscounted portfolio	1,241	–	7	1,248
Leases	3,459	–	–	3,459
Commercial or business activity				
Denominated in MXN:				
Loans to financial entities	51,441	–	19	51,460
Loans to government entities	167,879	–	–	167,879
Leasing portfolio	1,058	–	–	1,058
Denominated in foreign currency (MXN equivalent):				
Loans to financial entities	1,415	–	–	1,415
Loans to government entities	7,991	–	–	7,991
Interest collected in advance	(366)	–	–	(366)
Total, commercial loans	1,092,726	10,242	8,392	1,111,360
Consumer loans				
Denominated in MXN:				
Credit cards	220,432	6,469	6,929	233,830
Other consumer loans	316,758	7,146	9,882	333,786
Denominated in foreign currency (MXN equivalent):				
Other consumer loans	–	–	–	–
Interest collected in advance	(405)	–	–	(405)
Total, consumer loans	536,785	13,615	16,811	567,211
Mortgage loans-				
Denominated in MXN:				
Medium and residential	373,164	13,488	8,750	395,402
Of social interest	2,180	358	142	2,680
Denominated in UDIs (MXN equivalent):				
Medium and residential	1,099	168	60	1,327
Denominated in foreign currency (MXN equivalent):				
Medium and residential	1	–	–	1
Total, mortgage loans	376,444	14,014	8,952	399,410
Portfolio measured at fair value	11,081	–	–	11,081
Total, loan portfolio	$ 2,017,036	$ 37,871	$ 34,155	$ 2,089,062

(9) Allowance for expected credit losses

Loan ratings of the Institution, which includes the amounts for irrevocable loans and letters of credit recorded in memorandum accounts, made for the purpose of recording the loan loss allowance as of June 30, 2026 and December 31, 2025, is composed as shown below.

June 2026 (unaudited)

		Allowances			
Risk category	Portfolio Exposure Rating Base	Commercial	Consumer	Mortgage	Total allowances
A1	$ 1,603,495	$ 2,914	$ 4,608	$ 421	$ 7,943
A2	131,632	742	2,458	110	3,310
B1	123,737	281	3,968	88	4,337
B2	63,470	155	2,805	112	3,072
B3	74,376	993	3,060	105	4,158
C1	66,543	1,130	4,166	259	5,555
C2	49,264	346	6,822	560	7,728
D	37,445	2,509	5,861	2,227	10,597
E	35,915	3,542	16,878	3,946	24,366
Total	**$ 2,185,877**	**$ 12,612**	**$ 50,626**	**$ 7,828**	**$ 71,066**

December 2025

		Allowances			
Risk category	Portfolio Exposure Rating Base	Commercial	Consumer	Mortgage	Total allowances
A1	$ 1,592,986	$ 2,680	$ 3,819	$ 223	$ 6,722
A2	112,318	706	2,134	23	2,863
B1	115,398	276	4,042	10	4,328
B2	61,417	242	2,792	27	3,061
B3	57,383	774	2,413	33	3,220
C1	51,735	378	3,662	286	4,326
C2	41,985	233	6,049	297	6,579
D	21,729	2,029	5,277	268	7,574
E	34,804	3,524	16,537	4,724	24,785
Total	**$ 2,089,755**	**$ 10,842**	**$ 46,725**	**$ 5,891**	**$ 63,458**

The total loan portfolio balance used for calculating the allowance for expected credit losses includes amounts related to irrevocable loans made and letters of credit granted, which are recorded in memorandum accounts.

The amount of the allowance for expected credit losses as of June 30, 2026 (unaudited) and December 31,2025 includes the classification of loan granted in foreign currency valued at the exchange rate in effect on said dates. As of June 30, 2026 (unaudited) and December 31, 2025, the allowance for loan losses represents 195.17% and 185.79%, respectively, of the stage 3 portfolio.

The allowance for expected credit losses as of June 30, 2026 (unaudited) and December 31, 2025 amounts to $71,066 and $63,458 respectively, calculated in accordance with the methodologies approved by the Commission under the General Standard Methodology.

Allowance for expected credit losses by type of portfolio is as follows:

	June 2026 (unaudited)	December 2025
Commercial or business activity	$ 11,355	$ 9,644
Financial entities	361	333
Government entities	896	865
Commercial loans:	12,612	10,842
Consumer loans	50,626	46,725
Mortgage loans	7,828	5,891
Total, allowance for expected credit losses	**$ 71,066**	**$ 63,458**

Below are presented the movement of the allowance for expected credit losses for the six-month period ending June 30, 2026 and the year ended December 31, 2025.

	June 2026 (Unaudited)		
	Stage 1-3	Additional	Total
Opening balance	$ 63,458	$ –	$ 63,458
Estimates charged to results of the period (1)	40,583	–	40,583
Applications and write-offs of the period	(32,921)	–	(32,921)
Exchange rate effect	(54)	–	(54)
Ending balance	$ 71,066	$ –	$ 71,066

	December 2025		
	Stage 1-3	Additional	Total
Opening balance	$ 55,719	$ 4,612	$ 60,331
Estimates charged to results of the year (1)	67,567	(4,612)	62,955
Applications and write-offs of the year	(59,584)	–	(59,584)
Exchange rate effect	(244)	–	(244)
Ending balance	$ 63,458	$ –	$ 63,458

(1) The amount of recoveries of previously written-off or eliminated credit portfolio as of June 30, 2026 (unaudited) and 2025 amounts to $ 1,153 and $ 930 respectively, and are presented in the "credit losses expense" item in the consolidated statement of comprehensive income, so the net movement in results for the six month period ended June 30, 2026 and 2025 (unaudited), is ($ 39,430) and ($28,359), respectively.

(10) Other accounts receivable, net-

The balance of other accounts receivable as of June 30, 2026 and December 31, 2025, is comprised as follows:

	June 2026	December 2025
	(Unaudited)	
Debtors for settlement of operations (a)	$ 107,789	$ 68,015
Loans to officials and employees (b)	27,087	27,066
Miscellaneous debtors	10,824	8,176
Collateral provided by OTC derivatives (c)	5,668	7,044
Income tax (net)	–	–
Others	4,151	4,397
	155,519	114,698
Allowance for expected credit losses	(555)	(618)
Allowance of expected credit losses - employee loans	(404)	(245)
	$ 154,560	$ 113,835

Movements of the allowance for unrecoverable debts - The following is an analysis of the movement of the allowance for unrecoverable debts for June 30, 2026 and December 31, 2025, excluding reserve for loans used.

	June 2026	December 2025
	(Unaudited)	
Opening balance	$ (618)	$ (516)
Charge-offs	(2,039)	(4,522)
Reversals of allowance	2,102	4,420
Ending balance	$ (555)	$ (618)

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(a) Debtors for the liquidation of operations as of June 30, 2026 and December 31, 2025, are integrated as shown below:

	June 2026 (Unaudited)	December 2025
Currencies[a1]	$ 52,175	$ 47,242
Investments in securities	53,476	16,141
Derivatives	2,138	4,632
	$ 107,789	$ 68,015

(a1) As of June 30, 2026 (unaudited) the balance of foreign exchange transactions is originally 149,206, with the balance offset (97,031), giving a net effect of 52,175. As of December 31, 2025 the balance of foreign exchange transactions is originally 108,257, with the balance offset of (61,015) giving a net effect of 47,242.

(b) As of June 30, 2026 and December 31, 2025, it corresponds to officials and employees belonging to the Institution.

(c) Debtors for collateral provided by OTC derivatives as of June 30, 2026 and December 31, 2025, are integrated as follows:

	June 2026 (Unaudited)			December 2025
	Acquisition cost	Accrued interest	Value in books	Value in books
Collateral provided by derivatives:				
Actinver Casa Bolsa, S.A. de C.V.	$ –	$ –	$ –	$ 69
Banco Actinver IBM	–	–	–	–
Banco Bilbao Vizcaya Madrid	–	–	–	–
Banco Regional del Norte Sa	–	–	–	–
Banamex 2024	–	–	–	–
Mifel S.A.	20	–	20	–
BBVA Banco Continental S.A.	–	–	–	–
Banco Invex, S.A. IBM	84	–	84	99
Banco Monex sa IBM	187	–	187	–
Banco JP Morgan, S.A. IBM	–	–	–	–
Banco J Aron	–	–	–	5
Banco Mercantil del Norte, S.A. IBM	224	–	**224**	193
Banco Inbursa S.A.	987	–	987	437
Banco Nacional de Comercio Exterior, S.N.C.	1,506	1	1,507	1,180
Banco Nacional de Obras	235	1	236	451
Banco Nacional de México, S.A.	139	–	139	1,187
Credit Agicole Corp	–	–	–	–
Banco Santander, S.A. IBM	86	–	86	–
Consubanco	**–**	**–**	**–**	**–**
Citi Bank Mexico SA	320	-	320	668
Banco Ve por más, S.A. IBM	6	–	6	14
Bank of America México, S.A. IBM	53	–	53	885
Barclays Bank PLC	265	–	265	253
Bnp Paribas Ny Branch	–	–	–	–
Casa de Bolsa Finamex, S.A.B. de C.V.	–	–	–	2
Goldman Sachs	62	–	62	284
Natixis SA	–	–	–	32
Merril Lynch Capital	905	–	905	781
Morgan Stanley	–	–	–	119
Masari Sa	2	–	2	–
Deutsche Bank	368	–	368	237
Societe Generale	–	–	–	–
Nacional Financiera Sa	–	–	–	–
Mufg Bank Mexico Sa	141	–	141	49
Standard Chartered Bank	1	–	1	3
Scotia Bank Sa	–	–	–	–
Mizuho Bank Mexico	–	–	–	54
Banco Multiva Sa	–	–	–	23
Ubs Ag Zurich	–	–	–	–
Kptl Mexico Bank Sa	37	–	37	–
BBVA Colombia	38	–	38	19
	$ 5,666	**$ 2**	**$ 5,668**	**$ 7,044**

(11) Deposits-

As of June 30, 2026 and December 31, 2025, traditional deposits is integrated as follows:

	June 2026 (Unaudited)	December 2025
Demand deposits[(a)]:		
Demand deposits	$ 1,675,547	$ 1,679,511
Time deposits:		
General public	337,200	314,181
Money Market	19,149	23,635
Debt securities issued	187,334	159,610
Dormant deposit account	7,817	7,771
Total	$ 2,227,047	$ 2,184,708

[(a)] As of June 30, 2026 (unaudited), the average rates in pesos of demand deposits based on their short- and long-term enforceability are 1.62% and 5.49%, respectively, and as of December 31, 2025 are 1.60% and 5.90%, respectively.

Description of main programs

As of June 30, 2026 (unaudited) and December 31, 2025, the Institution has short- and long-term debt placed with a of $187,310 and $159,610 respectively, which is made up as follows:

	June 2026 (Unaudited)		
	Amount	Average term (days)	Average rate
Long term bank bonds	$ 11,222	3,471	7.98%
Short term bank bonds	13,140	59	5.71%
Securitized debt certificates in MXN	107,952	1,325	8.13%
Securitized debt certificates in UDIs	20,164	9	4.36%
Securitized debt certificates in USD	6,616	647	4.56%
Subordinated and Senior Notes	28,240	1,484	5.33%
Total	$ 187,334		

	December 2025		
	Amount	Average term (days)	Average rate
Long term bank bonds	$ 5,115	3,623	7.41%
Short term bank bonds	14,559	58	5.47%
Securitized debt certificates in MXN	102,612	1,285	8.41%
Securitized debt certificates in UDIs	19,825	190	4.36%
Securitized debt certificates in USD	6,519	828	4.56%
Subordinated and Senior Notes	10,980	1,349	5.25%
Total	$ 159,610		

Liquidity ratio (unaudited) - The provisions of the "Regime of admission of liabilities and investment for transactions in foreign currency" issued by the Central Bank for financial institutions establishes a mechanism for determining the liquidity coefficient for liabilities denominated in foreign currency.

In accordance with said regime, as of June 30, 2026 (unaudited) and December 31, 2025, the Institution generated an additional liquidity requirement of USD 3,083 million and USD 892 million, respectively. As of June 30, 2026 (unaudited) and December 31, 2025, Investment in liquid assets amounted to USD 10,658 million and USD 8,282 million, respectively, resulting in a surplus of USD 7,575 million and USD 7,390 million as of said date, respectively.

ESG Bonds in local market

During the six months ended June 30, 2026 (unaudited), BBVA Mexico has three ESG bonds the local market. The first sustainable bond (ticker: BBVAMX 22X) was issued in June 2022 for a total amount of MXN 10,000 million, with a variable rate of TIIE ON + 28 bps, and a term to maturity of 4 years. This bond matured on June 18, 2026. The second bond (ticker: BBVAMX 23V) was a green bond, issued on February 2023 for a total amount of MXN 8,689 million, with a variable rate of TIIE ON + 32 bps and a term to maturity of 4 years. The third bond was a social bond with a specific target towards SMEs. This bond was issued in two parts on April 2025: the first part (ticker: BBVAMX 25S) for a total amount of MXN 900 million, with a variable rate of TIIE ON + 32 bps and a term maturity of 5 years, and the second part (ticker: BBVAMX 25-2S) for a total amount of MXN 900 million, with a fixed rate of 9.30% and a term maturity of 8 years.

(12) Subordinated debt-

As of June 30, 2026 (unaudited) and December 31, 2025, they are analyzed as follows:

	June 2026 (Unaudited)	December 2025
USD 1,000 million, 8.45% notes, issued June 2023, payable semiannually from December 26, 2023, due June 29, 2038; the number of outstanding securities is 1,000,000 with a nominal value of USD 1,000 each.	$ 17,499	$ 18,008
USD 1,000 million, 5.125% notes, issued January 2018, payable semiannually from July 17, 2018, due January 18, 2033; the number of outstanding securities is 1,000,000, with a nominal value of USD 1,000 each.	17,499	18,008
USD 1,000 million, 7.625% notes, issued February 2025, payable semiannually from August 11, 2025, due February 11, 2035; the number of outstanding securities is 1,000,000 with a nominal value of USD 1,000 each.	17,499	18,008
USD 750 million, 5.875% notes, issued September 2019, payable semiannually from March 13, 2020, due September 13, 2034; the number of outstanding securities is 750,000 with a nominal value of USD 750 each.	13,124	13,506
USD 900 million, 8.125% notes, issued January 2024, payable semiannually from March 13, 2024, due January 08, 2039; the number of outstanding securities is 900,000, with a nominal value of USD 900 each.	15,749	16,208
Unpaid accrued interest	1,761	1,829
Issuance expenses	(202)	(229)
Total	$ 82,929	$ 85,338

(13) Income tax and employee profit sharing-

The current Income Tax Law provides for an income tax rate of 30%. Main items affecting the Institution taxable income were the annual inflation adjustment, accruals, the market valuation results, the pre-maturity of derivate financial instruments, the differences between the accounting and tax depreciation and amortization and the deductible written-off portfolio and the application of discounts.

A reconciliation as for the six month periods ended June 30, 2026 (unaudited) and 2025 (unaudited) of the statutory income tax rate and the effective rates expressed as a percentage of income before equity in the results of unconsolidated subsidiaries and associates and income tax, which is the tax incurred by the Institution, is as follows:

	June 2026		June 2025	
	Tax	Effective Rate	Tax	Effective Rate
	(unaudited)			
Statutory rate	$ 20,153	30.00%	$ 20,417	30.00%
Increase (reduction from):				
Non-deductible expenses	1,465	2.18%	377	0.55%
Effects of annual inflation	(2,768)	(4.12%)	(2,352)	(3.46%)
Tax payments for prior years and provisions, net	373	0.56%	743	1.09%
Other accruals	176	0.26%	(246)	(0.36%)
	$ 19,399	28.88%	$ 18,939	27.83%

Other tax matters:

As of June 30, 2026 (unaudited) and December 31, 2025, balances are as follows:

	June 2026	December 2025
	(Unaudited)	
Net after-tax profit account	300,992	281,312
Capital contributions account	101,428	99,505

The institution reflected the Net after-tax profit account an amount of 281,312, considering the Net after-tax profit with figures at the end of fiscal year 2025, derived from the update of the Net after-tax profit this was modified leaving in amount of 281,683, which was revealed in the amended annual tax return presented on May 7, 2026.

The Institution has recognized a deferred income tax resulting from temporary differences arising from the comparison of accounting and taxable values of the following assets and liabilities:

	June 2026		December 2025	
	Amount	Tax	Amount	Tax
	(Unaudited)			
Deferred tax assets:				
Allowance for loan losses (not deducted)	$ 90,560	$ 27,168	$ 74,251	$ 22,275
Fees and interest charged in advance	12,031	3,609	12,262	3,679
Provisions	21,399	6,420	15,713	4,714
Other assets	5,927	1,778	10,319	3,095
Foreclosed assets	1,738	521	1,766	530
Valuation of financial instruments to collect or sell (stockholders' equity)	–	–	–	–
Valuation of derivative financial instruments to hedge cash flows (stockholders' equity)	11,157	3,347	487	146
Reserve of pension	7,304	2,192	8,106	2,432
Deferred employee profit sharing	16,737	5,021	14,179	4,254
Total, assets	166,853	50,056	137,083	41,125
Deferred tax liabilities:				
Market valuation (results)	9,916	2,975	862	258
Pre-maturity of derivative financial transactions	–	–	–	–
Other liabilities	10,228	3,068	9,255	2,777
Total liabilities	20,144	6,043	10,117	3,035
Net deferred assets	$ 146,709	$ 44,013	$ 126,966	$ 38,090

In assessing the recoverability of deferred tax assets, Management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Other considerations:

In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed. In accordance with the Income Tax Law, companies carrying out transactions with the related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's length transactions.

(14) Creditors on settlement of transactions

Creditors for the liquidation of operations as of June 30, 2026 and December 31, 2025, are integrated as shown below:

	June 2026	December 2025
	(Unaudited)	
Currencies[(1)]	$ 63,128	$ 59,715
Investments in securities	57,021	18,058
Derivatives	1,388	932
	$ 121,537	$ 78,705

(1) As of June 30, 2026 (unaudited) and December 31, 2025, the balance of foreign exchange transactions is originally 160,159, with the balance offset of (97,031) giving a net effect of 63,128. As of December 31, 2025 the balance of foreign exchange transactions is originally 120,730, with the balance offset of (61,015) giving a net effect of 59,715.

(15) Stockholders' Equity-

(a) Structure of capital stock

The Institution's capital stock as of June 30, 2026(unaudited) and December 31, 2025 is as follows:

	Number of shares at Par Value of MXN 0.28		
		Issued shares	
	Capital stock	Unsubscribed	Paid-in Capital
Series "F"	9,107,142,859	(1,370,063,922)	7,737,078,937
Series "B"	8,749,999,999	(1,316,335,923)	7,433,664,076
	17,857,142,858	(2,686,399,845)	15,170,743,013

	Number of shares at Par Value of MXN 0.28		
		Issued shares	
	Capital stock	Unsubscribed	Paid-in Capital
Series "F"	$2,550	(384)	$2,166
Series "B"	2,450	(368)	2,082
Subtotal	$5,000	(752)	4,248
Reordering of capital adjustments			10,971
Adjustment to pesos as of December 2007			8,924
Total			$24,143

On February 27, 2026, through the General Ordinary Shareholders' Meeting, the distribution of dividends up to the amount of $67,000 was authorized, from the "Results from previous years," of which $16,750 and $16,750 was paid to shareholders on March 25 and June 26 at a rate of $1.10409885564911 and $1.10409885564911 pesos per share respectively (Unaudited)

On February 28, 2025, pursuant to an General Ordinary Shareholders' Meeting, the distribution of dividends up to the amount of $60,000 was authorized, from the "Results from previous years," of which $15,000, $15,000, $15,000 and $15,000 was paid to shareholders on March 25, June 25, September 26 and December 18 at a rate of $0.988745243864873, $0.988745243864873, $0.988745243864873 and $0.988745243864873 pesos per share respectively.

(b) Stockholders' equity restrictions

The Banking Law requires the Institution to set aside 10% of its profits annually to establish capital reserves, up to the amount of paid-in capital stock. As of June 30, 2026 (unaudited) and December 31, 2025, the Institution has reached the required reserve amount with respect to the historical paid-in capital stock. In the event of profits distribution not subject to taxes applicable to the Institution, such tax must be paid upon distribution of the dividend. Therefore, the Institution must consider the profits subject to each rate.

(c) Capitalization Ratio (Unaudited)

The Capitalization Ratio (ICAP) represents the financial strength of an institution to withstand unexpected losses due to the risks it incurs. The regulatory framework is described in Title One Bis of the General Provisions Applicable to Credit Institutions. The ICAP is calculated as the ratio of Net Capital over Risk Weighted Assets subject to credit, market and operational risk.

- *Capital requirement by credit risk*

The Institution has authorization from the Commission to calculate the capital requirement for credit risk for the Commercial, Consumer and Mortgage portfolios.
For the rest of the credit risk assets; the standard method is used. Under the standard method, operations are classified into twelve different groups according to the counterparty and must be weighted according to the corresponding degree of risk.

- *Capital requirement by market risk*

In accordance with the method established by "Disposiciones de Carácter General Aplicables a las Instituciones de Crédito", the market risk requirement is calculated by adding the requirements of the following sections:
I. Operations in local currency, with nominal interest rate or with a return linked to it.
II. Operations in UDIS, UMA, as well as in local currency with real interest rate or with a return linked to it.
III. Operations in foreign currencies or indexed to exchange rates, with an interest rate.
IV. Operations in UDIS, UMA, as well as in local currency with performance referred to the INPC (National consumer price index).
V. Operations in foreign currencies or indexed to exchange rates.
VI Operations with shares and securities
VII. Operations with options and warrants

- *Capital requirement by operational risk*

Starting in January 2025 the Institution uses the Business Indicator Method to calculate the capital requirement for operational risk. The Business Indicator Component is composed of:
a) a component of interest and dividends
b) a service component
c) a financial component

In addition, calculation takes in account an Internal Loss Multiplier which is 15 times the average of the annual losses due to Operational Risk incurred during the ten years prior to the calculation of the corresponding capital requirements. The Institution's Capitalization Ratio as of June 30, 2026 (unaudited) and December 31, 2025 amounted to 19.56% and 20.15%, respectively which are 1.06% and 1.65% points both respectively higher than the minimum required in each period including the capital conservation supplement of 18.50%, the supplement for Multiple Banking Institutions of Local Systemic Importance of 6.5% and the supplement to the net capital according to Article 2 bis 117 ñ.

The amount of net capital, made up of basic and supplementary capital, is broken down below (shown figures may differ in their presentation in the Institution's consolidated financial statements).

- *Core capital:*

	June 2026	December 2025
	(Unaudited)	
Stockholders' equity, without cumulative effect per conversion	$ 411,725	$ 400,027
Deductions of investments in shares	(896)	(949)
Organization expenses and other intangibles	(12,048)	(11,548)
Deferred taxes and fiscal losses	(6,077)	(5,200)
Allowances for loan losses	–	(2,997)
Total core capital	$ 392,704	$ 379,333

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– *Supplementary capital:*

	June 2026	December 2025
	(Unaudited)	
Obligations and capitalization instruments	$ 81,368	$ 83,737
Allowances for loan losses	1,539	743
Total, supplementary capital	82,907	84,480
Net capital	$ 475,611	$ 463,813

Computable capitalization instruments as of June 30,2026 (unaudited):

	Amount	Maturity Date	Calculation Percentage	Weighted Average (Basic Capital)
Computable capitalization instruments	$ 17,499	18/01/2033	100%	$ 17,499
Computable capitalization instruments	17,499	13/09/2034	100%	17,499
Computable capitalization instruments	13,123	29/06/2038	100%	13,123
Computable capitalization instruments	17,499	08/01/2039	100%	17,499
Computable capitalization instruments	15,748	08/01/2039	100%	15,748
Total	$ 81,368			$ 81,368

Computable capitalization instruments as of December 31,2025:

	Amount	Maturity Date	Calculation Percentage	Weighted Average (Basic Capital)
Computable capitalization instruments	$ 18,008	18/01/2033	100%	$ 18,008
Computable capitalization instruments	18,008	13/09/2034	100%	18,008
Computable capitalization instruments	13,506	29/06/2038	100%	13,506
Computable capitalization instruments	18,008	08/01/2039	100%	18,008
Computable capitalization instruments	16,207	08/01/2039	100%	16,207
Total	$ 83,737			$ 83,737

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Assets at risk are broken down as follows:

– *Assets subject to market risk:*

	June 30, 2026		December 31, 2025	
	Risk-weighted assets	Capital requirement	Risk-weighted assets	Capital requirement
	(unaudited)			
Transactions in MXN, with nominal rate	$ 514,507	$ 41,160	$ 418,063	$ 33,445
Transactions in MXN, with a real rate or denominated in UDIs	15,704	1,256	8,924	714
Rate of return with respect to the general minimum wage	1,597	128	1,851	148
Interest rate of transactions in foreign currency with nominal rate	33,298	2,664	31,191	2,495
Positions in UDIs or with return referred to the INPC	3	–	78	6
Transactions with respect to the general minimum wage	126	10	126	10
Currency positions or with return indexed to exchange rate	252	20	823	66
Positions in shares or with return indexed to the price of a share or group of shares and gold	6,541	523	3,013	241
Spread	5,820	466	7,377	590
Gamma	4,613	369	2,444	196
Vega	121	10	258	21
Total, market risk	$ 58,2582	$ 46,606	$ 474,148	$ 37,932

Assets subject to credit and operational risk:

	June 30, 2026		December 31, 2025	
	Risk-weighted assets	Capital requirement	Risk-weighted assets	Capital requirement
	(unaudited)			
Weighted at 0%	$ –	$ –	$ –	$ –
Weighted at 10%	723	58	811	65
Weighted at 11.5%	709	57	1,857	149
Weighted at 20%	25,249	2,020	23,162	1,853
Weighted at 23%	204	16	10	1
Weighted at 25%	379	31	265	21
Weighted at 28.8%	3,649	292	–	–
Weighted at 50%	2,522	202	5,021	402
Weighted at 57.5%	1,591	127	1,974	158
Weighted at 60%	3	–	5	–
Weighted at 69%	11	1	–	–
Weighted at 75%	309,366	24,749	290,106	23,208
Weighted at 85%	24,508	1,961	24,951	1,996
Weighted at 90%	–	–	–	–
Weighted at 100%	253,774	20,302	228,319	18,266
Weighted at 115%	6,676	534	6,127	490
Weighted at 120%	–	–	–	–
Weighted at 150%	345	28	396	32
Weighted at 1250%	151	12	127	10
Securitizations	451	36	260	21
Internal Methodology	832,216	66,577	882,199	70,576
C V A (RC06 B)	26,509	2,121	22,071	1,766
E C C (RC 06 C)	31	2	30	2
Derivative counterparty	22,792	1,823	24,094	1,928
Derivative related persons	22,437	1,795	14,652	1,172
Total credit risk	$ 1,534,296	$ 122,744	$ 1,526,437	$ 122,116
Operational risk	$ 314,120	$ 25,130	$ 301,078	$ 24,086

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Capital management

1. Identification, measurement, surveillance, control and mitigation of the risks to which the Institution is exposed

BBVA México, in compliance with the Provisions issued by the Comisión Bancaria y de Valores (CNBV) in article 2 bis 117 a, carries out an annual Capital Sufficiency Assessment Exercise (ESC) as part of the Comprehensive Administration of Risks. This exercise is designed to identify, measure, monitor, control and mitigate the risks faced by the institution, including credit, market, operational and liquidity risk. The ESC is carried out considering internal economic-financial scenarios and supervisory scenarios provided by the CNBV itself. Through this process, BBVA México analyzes the potential impact of said risks on its capital level, detects risks preventively and determines necessary actions to address them, thus ensuring the stability and financial solvency of the institution.

2. Disclosure of risks in financial reports

BBVA México's financial reports clearly and accurately reflect the risks identified in the previous section. Through them, significant variations in risk-weighted assets and the evolution of capitalization indices are indicated in detail. This information is approved by different social bodies. Likewise, the ESC is a tool to evaluate the sufficiency and application of the resources, policies, processes and procedures involved in comprehensive risk management, guaranteeing proactive and effective risk management.

3. Management of potential risks in stress scenarios

BBVA México uses a robust methodology for the identification, measurement, surveillance, control and mitigation of potential risks in stress scenarios. This methodology includes conducting stress tests that simulate adverse economic conditions, evaluating the impact on the capital adequacy and liquidity of the institution. The scenarios considered incorporate changes in the structure of the statement of financial position, the composition of assets subject to risk and impacts on the statement of comprehensive income, allowing BBVA México to prepare and respond effectively to critical situations.

Credit risk

The evolution of credit risk is analyzed under different macroeconomic scenarios, considering the probability of default, the severity of the loss and its effects on the portfolios with models based on internal ratings and under standard models. Likewise, concentrations and sensitivities are identified for the main types of exposures, their capital consumption and effects on the ICAP.

Market risk

Operations subject to consumption are monitored due to variations in the levels of rates, currencies, and stock indexes, monitoring their evolution derived from the impacts of macroeconomic variables and movements in portfolios. The stress scenarios include market shocks that affect the trading portfolio and the impact on the capital requirement due to market risk is evaluated.

Operational risk

The Business Indicator Method is used to evaluate the impact of macroeconomic scenarios on operational risk, quantifying the effects of each scenario on future consumption.

Liquidity risk

Regulatory indicators such as the Liquidity Coverage Ratio and the Net Stable Funding Ratio are analyzed under the different scenarios as well as the funding structure, ensuring BBVA México's ability to maintain adequate liquidity levels at all times.

4. Ability to operate under stress scenarios

BBVA México has demonstrated a solid ability to obtain resources and continue operating under stress scenarios while complying with regulatory minimums. However, in compliance with regulations, BBVA México has a Contingency Plan that defines the possible actions to be taken in the event of needing additional measures to maintain the required levels in terms of solvency and liquidity that guarantee operational continuity and financial stability of the institution.

Methodology and Conclusions of the Evaluation

BBVA México's ESC is carried out in full compliance with the guidelines established by the CNBV. The results of the ESC confirm that the institution has sufficient regulatory capital to continue managing business activities, in the short and medium term, complying with the minimum capital required in accordance with the provisions of the Ley de Instituciones de Crédito in all scenarios considered, so it is not necessary to prepare a Preventive Action Plan or an additional Capitalization Plan. Likewise, the institution proposes appropriate response strategies to adverse macroeconomic conditions, ensuring its solvency and long-term viability.

For further details, see “Anexo 1-O,” in compliance with the obligation to disclose information on the Capitalization , available on the webpage https://investors.bbva.mx (Financial Information / Information for Regulators).

(16) Financial margin

For the six and the three months periods ended June 30, 2026 and 2025, the main items comprising the financial margin were as follows:

Interest income:

	2026		2025	
	From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
	(Unaudited)			
Interest and returns on loan portfolios	$ 137,521	$ 69,664	$ 133,426	$ 67,023
Interest and returns on financial instruments	24,404	12,417	23,726	11,151
Interests on cash and cash equivalents	3,788	1,376	5,719	2,988
Interest and premiums on repurchase agreements/resale agreements and securities lending	3,906	1,595	2,983	1,252
Interest on margin accounts	29	15	125	46
Interest on hedging financial instruments	2,839	1,411	2,683	1,464
Fees income on loan originations	1,664	879	1,667	799
Other	376	100	161	(66)
Total, interest income	$ 174,527	$ 87,457	$ 170,490	$ 84,657

Interest expense:

	2026		2025	
	From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
	(Unaudited)			
Interest on deposits	$ (28,070)	$ (14,320)	$ (30,581)	$ (15,091)
Interest on interbank and other borrowings	(655)	(317)	(709)	(343)
Interest on derivative financial instruments for trading	–	–	(938)	(808)
Interest on hedging financial instruments	(599)	(253)	(943)	(578)
Interest on subordinated obligations	(1,646)	(201)	(3,157)	(1,622)
Interest and premiums on repurchase/resale agreements and securities lending	(13,629)	(6,923)	(17,577)	(7,694)
Expenses on loan originations	(1,669)	(804)	(1,289)	(779)
Other	(1,794)	(460)	(1,226)	(663)
Total, Interest expense	$ (48,062)	$ (23,278)	$ (56,420)	$ (27,578)
Financial margin	$ 126,465	$ 64,179	$ 114,070	$ 57,079

Seasonality of operations

The nature of the operations carried out by the Bank corresponds, above all, to the typical activities of credit institutions; reason why they were not affected significantly due to seasonal factors, therefore specific breakdowns are not included in these notes.

(17) Commissions and fee collected and paid-

For the six and the three months periods ended June 30, 2026 and 2025, the main items for which the Bank recorded commissions and fee income in the interim consolidated statement of income were as follows:

	2026		2025	
	From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
	(Unaudited)			
Credit cards and debit cards	$ 29,591	$ 14,927	$ 27,757	$ 14,110
Bank fees	4,351	2,220	4,707	2,374
Investment funds	4,376	2,214	3,937	2,021
Insurance	2,113	1,012	2,081	1,040
Credit operations	2,413	1,285	1,708	717
Other	5,222	2,761	4,556	2,328
Total	$ 48,066	$ 24,419	$ 44,746	$ 22,590

For the six and the three months periods ended June 30, 2026 and 2025, the main items for which the Bank recorded commission and fee expense in the interim consolidated statement of income were as follows:

	2026		2025	
	From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
	(Unaudited)			
Credit Card	$ (11,939)	$ (6,105)	$ (11,343)	$ (5,965)
Effective credit card reward points	(3,603)	(1,906)	(3,078)	(1,638)
Promotion fund collateral	(1,494)	(773)	(1,217)	(626)
Cash management and fund transfers	(997)	(469)	(855)	(397)
Credit placement	(1,042)	(580)	(723)	(369)
Appraisals	(163)	(108)	(179)	(90)
Buying and selling securities	(59)	(27)	(33)	(18)
Correspondents	(1,290)	(630)	(1,206)	(610)
Other	(2,018)	(1,005)	(1,824)	(918)
Total	$ **(22,605)**	$ **(11,603)**	$ **(20,458)**	$ **(10,631)**

(18) Financial intermediation income-

For the six and the three months periods ended June 30, 2026 and 2025, the main items comprising the financial intermediation income were as follows:

	2026		2025	
	From January 1 to June 30	From April 1 to June 30	From January 1 to June 30	From April 1 to June 30
	(Unaudited)			
Valuation result:				
Derivatives for trading purposes	$ 8,363	$ 647	$ (11,275)	$ (9,990)
Derivatives for hedging Purposes	(11)	(6)	(99)	(86)
Embedded derivatives	(247)	(527)	(95)	(48)
Currency	(2,556)	(20)	1,537	4,411
Investments in financial instruments	(127)	1,720	3,605	215
	5,422	$ 1,814	$ (6,327)	$ (5,498)
Purchase-sale result:				
Derivatives for trading purposes	(4,770)	(981)	9,584	5,444
Derivatives for hedging Purposes	(335)	(456)	(19)	(19)
Embedded derivatives	542	460	(919)	(857)
Currency	5,289	2,813	5,327	3,331
Investments in financial instruments	2,093	(630)	1,710	2,550
	2,819	1,206	15,683	10,449
Total	$ **8,241**	$ **3,020**	$ **9,356**	$ **4,951**

(19) Information by segment-

The Institution participate in various activities within the Financial System, such as lending, treasury operations, international fund transfers, distribution and administration of investment funds, among others. Performance evaluation and risk assessment for these activities, are based on the information generated by the Institution's business units, rather than on the legal entities where the resulting financial results are recorded.

Below the revenues obtained for the six and the three months periods ended June 30, 2026 and 2025, which show the different segments as indicated above.

	2026									
	From January 1 to June 30					From April 1 to June 30				
Item	Total	Commercial Bank	Corporate and Government Banking	Treasury Transactions	Other Segments	Total	Commercial Bank	Corporate and Government Banking	Treasury Transactions	Other Segments
			(unaudited)					(unaudited)		
Financial margin	$126,465	$ 87,481	$ 23,644	$ 2,267	$ 13,073	$ 64,179	$ 44,574	$ 10,500	$ 1,223	$ 7,882
Allowance for expected credit losses	(39,430)	(35,050)	(4,380)	–	–	(18,127)	(16,080)	(2,047)	–	–
Financial margin adjusted for allowance for expected credit losses	87,035	52,431	19,264	2,267	13,073	46,052	28,494	8,453	1,223	7,882
Commissions and fee, net	25,461	16,598	10,178	49	(1,364)	12,816	7,480	5,995	31	(690)
Financial intermediation income	8,241	2,792	1,250	1,922	2,277	3,020	1,128	632	301	959
Other operating income (expense)	(2,076)	(2,411)	(1,276)	(152)	1,763	(2,359)	(1,195)	(719)	(77)	(368)
Subtotal operating income	$118,661	$ 69,410	$ 29,416	$ 4,086	$ 15,749	$ 59,529	$ 35,907	$ 14,361	$ 1,478	$ 7,783
Administrative and promotional expenses	(51,485)					(25,302)				
Operating income	67,176					34,227				
Interest in net income of other entities	450					94				
Income before income tax	67,626					34,321				
Income tax	(19,399)					(9,647)				
Income before non- controlling interest	48,227					24,674				
Non-controlling interest	–					–				
Net income	**$ 48,227**					**$ 24,674**				

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	2025									
	From January 1 to June 30					From April 1 to June 30				
Item	Total	Commercial Bank	Corporate and Government Banking	Treasury Transactions	Other Segments	Total	Commercial Bank	Corporate and Government Banking	Treasury Transactions	Other Segments
			(unaudited)					(unaudited)		
Financial margin	$114,070	$ 77,449	$ 26,393	$ 152	$ 10,076	$ 57,079	$ 38,418	$ 13,087	$ (19)	$ 5,593
Allowance for expected credit losses	(28,359)	(25,254)	(3,105)	–	–	(14,614)	(12,719)	(1,895)	–	–
Financial margin adjusted for allowance for expected credit losses	85,711	52,195	23,288	152	10,076	42,465	25,699	11,192	(19)	5,593
Commissions and fee income, net	24,288	15,761	7,421	119	987	11,959	7,782	3,634	138	405
Financial intermediation income	9,356	2,378	1,033	4,751	1,194	4,951	1,090	582	2,157	1,122
Other operating income (expense)	(4,002)	(109)	154	24	(4,071)	(2,023)	(64)	147	–	(2,106)
Subtotal operating income	$115,353	$ 70,225	$ 31,896	$ 5,046	$ 8,186	$ 57,352	$ 34,507	$ 15,555	$ 2,276	$ 5,014
Administrative and promotional expenses	(47,298)					(23,600)				
Operating income	68,055					33,752				
Interest in net income of other entities	327					277				
Income before income tax	68,382					34,029				
Income tax	(18,939)					(9,301)				
Income before non- controlling interest	49,443					24,728				
Non-controlling interest	–					–				
Net income	**$ 49,443**					**$ 24,728**				

(20) Financial indicators (unaudited)-

As of June 30, 2026 and December 31, 2025, according to Article 182 of the Regulations, the Institution's financial indicators are as follows:

	June 2026	December 2025
Delinquency ratio	1.66%	1.63%
Loan portfolio coverage ratio stage 3	195.17%	185.79%
Operating efficiency	2.82%	3.00%
ROE [1]	24.17%	25.82%
ROA [2]	2.79%	2.94%
Capitalization ratio, credit, market and operational risk	19.56%	20.15%
Core capital 1 on credit, market and operational risk	16.15%	16.48%
Liquidity	105.56	101.31
Net adjusted interest margin (MIN) /Average Productive Assets	5.43%	5.59%

[1] As of December 31, 2025 return on average stockholder´s equity is equal to the net income for the year divided by average stockholder´s equity for the year. As of June 30, 2026 return on average stockholder´s equity is equal to the annualized net income for the period, divided by average stockholder´s equity which are determined based on the latest five quarters of the year, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective June 2024, to calculate in consistency with their published formulas.

[2] As of December 31, 2025 return on average assets is equal to the net income for the year divided by average assets for the year. As of June 30, 2026 return on average assets is equal to the annualized net income for the period, divided by average assets which are determined based on the latest five quarters of the year, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective June 2024, to calculate in consistency with their published formula.

(21) Ratings (unaudited)-

As of June 30, 2026 and December 31, 2025, the ratings assigned to the Institution are as follows:

	Global Scale M. E.		Domestic Scale		
Rating Agency	Long Term	Short Term	Long Term	Short Term	Outlook
Standard & Poor's	BBB	A-2	mxAAA	mxA-1+	Negative
Moody's	Baa1	P-2	AAA.mx	ML A-1.mx	Stable
Fitch	BBB+	F2	AAA(mex)	F1+(mex)	Stable

(22) Events after the reporting period

During July 2026, the appointment of José Luis Elechiguerra Joven as the incoming Chief Executive Officer of BBVA Mexico was publicly announced. His appointment, which will succeed Eduardo Osuna Osuna who has been appointed President of the Board of Directors of the BBVA Group in Mexico. Both appointments remain subject to the completion of the required legal procedures and regulatory approvals.

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SUPPLEMENT, DATED MAY 22, 2026

TO BASE OFFERING MEMORANDUM, DATED APRIL 24, 2026

BBVA México, S.A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México,
acting directly or through its Texas Agency

U.S.$10,000,000,000 Medium-Term Note Program

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States, or Mexico (the "**Bank**"), acting through its Texas Agency unless the applicable pricing supplement specifies that the Bank is acting directly (the "**Issuer**"), has prepared this supplement (this "**Supplement**") to supplement and be read in conjunction with the base offering memorandum, dated April 24, 2026 (the "**Offering Memorandum**"), which constitutes listing particulars for the purposes of listing of Notes on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**").

The Offering Memorandum does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Offering Memorandum and this Supplement have not been reviewed or approved by any regulator which is a competent authority under the Prospectus Regulation. Application has been made to Euronext Dublin for the approval of this document as supplementary listing particulars. Copies of this Supplement and the Offering Memorandum will be available on the website of Euronext Dublin.

Terms defined in the Offering Memorandum shall have the same meaning when used in this Supplement. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in the Offering Memorandum, the statements in this Supplement will prevail.

The purpose of this Supplement is to:

- Incorporate by reference into the Offering Memorandum the Unaudited Condensed Consolidated Interim Financial Statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025, together with the Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information with respect thereto (the "**First Quarter Financial Statements**").
- Incorporate by reference into the Offering Memorandum the Management's Discussion and Analysis of Financial Condition and Results of Operations and Recent Developments as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 included herein.
- Incorporate by reference into the Offering Memorandum the recent developments set forth under "Recent Developments" in this Supplement.
- Replace the sentence under sub-section "Significant Change in Financial or Trading Position" of the "General Information" section of the Offering Memorandum with the following statement:

  "There has been no significant change in the financial or trading position of the Bank since March 31, 2026."

For the avoidance of doubt, if any documents incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Offering Memorandum, except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Bank (having taken all reasonable care to ensure that such is the case) the information

contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Except as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum has arisen or been noted, as the case may be, since the date of publication of the Offering Memorandum.

We have not and will not register the Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any securities laws of any state or any other jurisdiction. The Notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A ("Rule 144A") under the Securities Act and to certain non-U.S. persons in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act. You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or any state securities laws. See "Plan of Distribution" and "Transfer Restrictions" in the Offering Memorandum.

Neither the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") nor the U.S. Securities and Exchange Commission, nor any state or foreign securities commission or regulatory authority, has approved or disapproved of the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of an offering of the Notes or the accuracy, adequacy or completeness of this Supplement or the Offering Memorandum. Any representation to the contrary is a criminal offense.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES,* OR "RNV") MAINTAINED BY THE CNBV AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY PRIVATELY BE OFFERED OR SOLD TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR QUALIFIED INVESTORS IN MEXICO SOLELY PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. WE WILL NOTIFY AND FILE CERTAIN DOCUMENTATION WITH THE CNBV OF THE TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED FOR INFORMATIONAL PURPOSES ONLY TO THE CNBV TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY TO, AND RECEIPT BY THE CNBV IS NOT A REQUIREMENT FOR THE VALIDITY OF THE NOTES, OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS SUPPLEMENT OR THE OFFERING MEMORANDUM. THIS SUPPLEMENT IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV, AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

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Unless otherwise indicated or the context otherwise requires, references to the "**Bank**," "**we**," "**us**" and "**our**" are to BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States, and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Supplement relating to our plans, forecasts and expectations regarding future events, strategies and projections are estimates. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our results of operations and financial position, (ii) statements of plans, objectives or goals, including those related to our operations, and (iii) statements of assumptions underlying such statements. Words such as "may," "might," "will," "would," "shall," "should," "consider," "can," "could," "believe," "anticipate," "continue," "expect," "estimate," "plan," "intend," "assume," "foresee," "seeks," "predict," "project," "potential," or the negative of these terms, and other similar terms are used in this Supplement to identify such forward-looking statements. Forward-looking statements included in this Supplement are based on our current expectations and projections related to future events and trends that affect or would affect our business.

Forward-looking statements include risks, uncertainties and assumptions, since these refer to future events and, therefore, do not represent any guarantee of future results. Therefore, our financial condition, results of operations, strategies, competitive position and market environment may significantly differ from our estimates as a result of a number of factors, including, but not limited to:

- changes in economic, political, social and other conditions in Mexico and elsewhere;
- material adverse effects as a result of geopolitical and/or military conflicts, such as the current conflicts in the Middle East, Ukraine, and other developments and other global uncertainties;
- changes in exchange rates, market interest rates or inflation rates;
- financing plans and limitations on our access to sources of financing on competitive terms;
- changes in general economic, business, social, political, public health or other conditions in Mexico, the United States or elsewhere;
- changes in public sector lending in Mexico;
- reductions in investor confidence as a result of a sovereign debt crisis or fiscal instability in Mexico;
- the ability or willingness of our customers to meet their payment obligations;
- the monetary, foreign exchange, liquidity and interest rate policies of *Banco de México*;
- disruptions in the financial services industry globally or in Mexico;
- possible disruptions to commercial activities due to natural and man-made disasters, including health epidemics, pandemics, weather events, terrorist activities and armed conflicts;
- limitations on financing as a result of stricter international or local climate regulations;
- material changes to, or withdrawals from, or renegotiations of free trade agreements to which Mexico is a party, including the United States—Mexico—Canada Agreement, to which Mexico is a party and that has replaced the North American Free Trade Agreement;
- disruptions in trade resulting from the implementation and enforcement of trade embargoes, asset freezes, restrictions on financial transactions, travel bans, sanctions and tariffs and non-tariff measures by the United States or other entities;
- competition in the banking and financial services industry in Mexico;
- profitability of our businesses;
- credit and other risks of lending, such as increase/decreases in default of borrowers, and changes required to loan loss reserves and amounts;
- changes and risks faced by other financial institutions;
- limitations on our access to sources of financing on competitive terms;
- failure to meet capital or other requirements;

- additional capital requirements relating to our classification as a systemically important local bank and to countercyclical risks;
- limitations on our ability to freely determine interest rates;
- changes in reserve or capital requirements, changes in the laws or regulations applicable thereto, or the interpretation of how such reserve or capital requirements are to be calculated;
- our inability to hedge against market risks, including, but not limited to, interest rate and exchange rate movements;
- changes in requirements to make contributions to or for the receipt of support from programs organized by the Mexican government;
- inability to timely and duly enforce our claims on collateral provided by borrowers;
- changes in our or Mexico's domestic and international credit ratings;
- changes in regulations relating to the products we offer or otherwise;
- changes in capital markets in general that may affect policies or attitudes towards investing in Mexico or securities issued by companies in Mexico;
- any failure or weakness in our operating controls or procedures or our risk management policies;
- changes in consumer spending and saving habits;
- a deterioration of labor relations with our employees and changes in the laws or regulations applicable thereto that would result in additional costs relating to employee benefits;
- our ability to implement new technologies and to safeguard against cyber-attacks and other breaches of our information technology systems;
- interruptions or failures in our technology systems;
- actions taken by the Mexican Antitrust Commission (*Comisión Nacional Antimonopolio*), CNBV or the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) with respect to our business and the Mexican banking industry generally;
- actions taken by the United States Financial Crimes Enforcement Network and other government agencies of the United States, with respect to our business and the Mexican banking industry generally;
- any adverse administrative or legal proceedings against us;
- organized criminal activities and other geopolitical events;
- any failure to detect money laundering or other illegal or improper activities;
- increased compliance costs resulting from stricter financial regulations related with anti-money laundering and capital adequacy requirements;
- cyber-attacks and their impact on our reputation, operations and results;
- the impact of acquisitions and divestitures;
- restrictions on foreign currency convertibility and remittance outside of Mexico;
- actions and/or sanctions resulting from our failure to maintain required Capital Ratios;
- the impact of transactions with our parent Grupo Financiero BBVA México, S.A. de C.V. ("**GFBM**") and its subsidiaries or affiliates;
- the effect of changes in accounting principles, new legislation, intervention by regulatory authorities, government directives or monetary or fiscal policy in Mexico; and
- the other factors discussed under "Risk Factors" in the Offering Memorandum.

Therefore, our actual performance may be adversely affected and may significantly differ from the expectations set forth in these forward-looking statements, which do not represent a guarantee of our future performance. Accordingly, you should not place undue reliance on the estimates and forward-looking statements included in this Supplement to make an investment decision.

Additional factors affecting our business may arise periodically and we cannot predict such factors, nor can we assess the impact of all these factors on our business or the extent to which such factors or combination of factors could cause our results to materially differ from those contained in any forward-looking statement. Although we consider the plans, intentions, expectations and estimates reflected in, or suggested by, forward-looking statements included in this Supplement to be reasonable, we cannot provide any assurance that our plans, intentions, expectations and estimates will be achieved. Additionally, historical trends in our statements should not be interpreted as a guarantee that these trends will continue in the future.

Forward-looking statements included herein are made only as of the date of this Supplement. Except as required by law, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances.

RECENT DEVELOPMENTS

On May 12, 2026, Standard & Poor's Financial Services LLC ("S&P") revised its outlook on the long-term ratings of Mexico to 'negative' from 'stable'; however, S&P affirmed the 'BBB' long-term foreign currency and 'BBB+' long-term local currency sovereign credit ratings on Mexico. As a result, S&P also changed its outlook with respect to the Bank from 'stable' to 'negative', and did the same for the outlook for all systemic financial institutions in the country.

On May 20, 2026, Moody's Investor Services Inc. ("Moody's") adjusted its long-term local and foreign-currency issuer ratings of Mexico to 'Baa3' from 'Baa2', and changed its outlook to 'stable' from 'negative'. As a result, on May 21, 2026, Moody's also revised the Bank's long-term foreign currency ratings to 'Baa1' from 'A3', and did the same for all systemic financial institutions in the country.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2026.

The following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the First Quarter Financial Statements and the notes thereto, each included elsewhere in this Supplement.

	As of March 31, 2026	
	Actual	
	(millions of U.S.$)[1]	(millions of Ps.)
Indebtedness		
Securities issued	9,697	175,556
Subordinated obligations outstanding	4,652	84,224
Total indebtedness	14,350	259,780
Stockholders' equity		
Paid-in capital[2]	2,210	40,003
Retained earnings	20,662	374,045
Total paid-in capital and retained earnings	22,871	414,048
Total capitalization[3]	37,221	673,828

(1) Translated at the rate of Ps.18.1033 to U.S.$1.00, which was the rate published by *Banco de México* in the Federal Official Gazette on March 31, 2026.

(2) As of March 31, 2026, our authorized capital stock consisted of 9,107,142,859 Series "F" shares and 8,749,999,999 Series "B" shares. Of these shares, 7,737,078,937 Series "F" shares and 7,433,664,076 Series "B" shares were issued and outstanding.

(3) Total capitalization is equal to total indebtedness (securities issued and subordinated obligations outstanding) plus total paid-in capital and retained earnings.

Except as disclosed in this Supplement, there has been no material change in the Bank's capitalization since March 31, 2026.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The selected unaudited condensed consolidated interim financial information presented below should be read in conjunction with "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the First Quarter Financial Statements, our Financial Statements and other financial information included elsewhere in this Supplement and the Offering Memorandum.

Unaudited Financial Information

The selected unaudited condensed consolidated interim financial information for the three months ended March 31, 2026 and 2025 presented below has been derived from and should be read in conjunction with the First Quarter Financial Statements included elsewhere in this Supplement. Such interim financial information, unless otherwise specified, is presented in nominal pesos.

	For the Three Months Ended March 31,		
	2026[(1)]	2026	2025
	(millions of U.S.$)	(millions of Ps.)	
Statement of Comprehensive Income:			
Interest income	4,810	87,070	85,833
Interest expense	(1,369)	(24,784)	(28,842)
Financial margin	3,441	62,286	56,991
Allowance for loan losses	(1,177)	(21,303)	(13,745)
Financial margin adjusted for loan losses	2,264	40,983	43,246
Commissions and fees collected	1,306	23,647	22,156
Commissions and fees paid	(608)	(11,002)	(9,827)
Financial intermediation income	288	5,221	4,405
Other operating income (expense)	16	283	(1,979)
Administrative and promotional expenses	(1,446)	(26,183)	(23,698)
Operating income	1,820	32,949	34,303
Interest in net income of other entities	20	356	50
Income before income tax	1,840	33,305	34,353
Income tax	(539)	(9,752)	(9,638)
Net income	1,301	23,553	24,715
Other comprehensive income			
Valuation of negotiable financial instruments	5	90	-
Valuation of financial instruments to collect or sell	(100)	(1,817)	5,065
Valuation of derivative financial instruments for cash flow hedges	—	—	3
Remeasurement of employee defined benefits	15	269	51
Comprehensive income	1,220	22,095	29,834
Net income attributable to:			
Controlling and non-controlling interest	1,301	23,553	24,726
Non-controlling interest	—	—	(11)
	1,301	23,553	24,715
Comprehensive income attributable to:			
Controlling and non-controlling interest	1,220	22,095	29,845
Non-controlling interest	—	—	(11)
	0.09	1.55	1.63

	As of March 31,		As of December 31,
	2026[1]	2026	2025
	(millions of U.S.$)	(millions of Ps., except for percentages)	
Balance Sheet Data:			
Cash and cash equivalents	11,882	215,097	231,067
Margin accounts (derivative financial instruments)	552	9,995	12,128
Investments in financial instruments	37,641	681,430	662,598
Total loan portfolio before allowance for loan losses[2]	118,523	2,145,666	2,088,306
Allowance for loan losses	(3,779)	(68,408)	(63,458)
Deferred income tax assets	2,189	39,637	38,090
All other assets[3]	28,915	523,463	468,630
Total assets	195,924	3,546,880	3,437,361
Deposits (excluding securities issued)	113,754	2,059,320	2,025,098
Securities issued	9,697	175,556	159,610
Subordinated obligations outstanding	4,652	84,224	85,338
Interbank and other borrowings	975	17,650	17,682
Total funding[4]	129,079	2,336,750	2,287,728
All other liabilities[5]	44,454	804,758	749,499
Total liabilities	173,532	3,141,508	3,037,227
Total stockholders' equity[6]	22,392	405,372	400,134
Profitability and Efficiency:			
Return on average assets[7]	2.77%	2.77%	2.94%
Return on average stockholders' equity[8]	24.04%	24.04%	25.82%
Net interest margin[9]	7.33%	7.33%	6.94%
Efficiency ratio[10]	32.55%	32.55%	32.70%
Capitalization:			
Stockholders' equity as a percentage of total assets	11.43%	11.43%	11.64%
Tier 1 capital as a percentage of risk-weighted assets[11]	16.50%	16.50%	16.48%
Total capital as a percentage of risk-weighted assets[11]	20.14%	20.14%	20.15%
Credit Quality Data:			
Stage 1 and Stage 2 loans[12]	115,998	2,099,950	2,043,826
Stage 3 loans[12]	1,848	33,447	34,155
Total loans	117,846	2,133,397	2,077,981
Loans graded "C," "D" and "E"[13]	9,469	171,419	150,253
Allowance for loan losses	(3,779)	(68,408)	(63,458)
Loan Recovery and Write-offs:			
Average past due loan portfolio[14]	1,867	33,801	32,703
Total past due loan portfolio written-off	(819)	(14,828)	(52,957)
Total past due loan portfolio written-off as a percentage of average total loan portfolio before allowance for loan losses[14]	1.60%	1.60%	2.48%

(1) Translated at the rate of Ps.18.1033 to U.S.$1.00, which was the rate published by *Banco de México* in the Federal Official Gazette on March 31, 2026.

(2) Total loan portfolio before allowance for loan losses includes stage 1, stage 2 and stage 3 loan portfolio measured at fair value, deferred items and collection rights purchased (net).

(3) All other assets include: Repurchase agreements debtors, derivative financial instruments, valuation adjustments related to financial assets hedged, other accounts receivable (net), foreclosed assets (net), prepayments and other assets, property, property and equipment (net), right of use assets related to property and equipment (net), permanent investments, intangible assets (net), and rights to use intangible assets (net).

(4) Total funding includes: deposits (excluding securities issued), securities issued, subordinated obligations outstanding and interbank and other borrowings.

(5) All other liabilities include: creditors on repurchase/resale, securities lending, collateral sold or pledged, derivative financial instruments, valuation adjustments to financial liabilities hedged, lease liabilities, other accounts payable, income tax liability, liability for employee benefits, deferred credits and early collections.

(6) Pursuant to publications in the Federal Official Gazette dated September 9, 2025, the CNBV announced the obligation, effective January 1, 2026, for banks and other financial institutions in Mexico to adopt new accounting standards regarding the valuation of equity investments that are not intended to be traded in the short term, but are classified as trading financial instruments. The aim of these new accounting standards is to reduce volatility in profit or loss arising from unrealized valuation effects, while also aiming to reduce the differences between Mexican Banking GAAP and IFRS.

As a result, starting on January 1, 2026, a reclassification in the amount of Ps.80 million, net of taxes, was made within stockholders' equity. This amount, which represents the cumulative valuation effect, was previously reflected under "valuation of financial instruments to collect and sell" and is now reflected under "valuation of negotiable financial instruments."

Given the immateriality of the amount of the reclassification, the Bank has chosen not to restate any previously issued financial statements. As a result, the valuation of equity investments included in stockholders' equity as of March 31, 2025 is not comparable with the valuation of equity investments included in stockholders' equity as of any prior date.

(7) As of December 31, 2025, return on average assets is equal to net income for the period divided by average assets for the latest five quarters. As of March 31, 2026, return on average assets is equal to annualized net income for the three months ended March 31, 2026 divided by average assets for the latest five quarters.

(8) As of December 31, 2025, return on average stockholders' equity is equal to net income for the period divided by average stockholders' equity for the latest five quarters. As of March 31, 2026, return on average stockholders' equity is equal to annualized net income for the three months ended March 31, 2026 divided by average stockholders' equity for the latest five quarters.

(9) As of December 31, 2025, net interest margin is equal to financial margin (unadjusted for credit risks) for the period divided by average assets for the latest five quarters. As of March 31, 2026, net interest margin is equal to annualized financial margin (unadjusted for credit risks, annualized) for the three months ended March 31, 2026 divided by average assets for the latest five quarters.

(10) Efficiency ratio is equal to total administrative and promotional expenses as a percentage of the aggregate of financial margin and non-interest income (fee income (net) plus financial intermediation income plus other operating income (expense)). For this purpose, financial margin and non-interest income are calculated before allowance for loan losses.

(11) Source: *Banco de México*.

(12) For information on the different loan stages, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio" in the Offering Memorandum.

(13) See "Selected Statistical Information—Grading of Loan Portfolio" in the Offering Memorandum.

(14) Average charge-offs (net of recoveries) as a percentage of loan portfolio (net) before allowance for loan losses. The average for the three months ended March 31, 2026 is calculated for the period from December 31, 2025 and March 31, 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information presented in this section should be read in conjunction with the First Quarter Financial Statements included elsewhere in this Supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Offering Memorandum. The First Quarter Financial Statements have been prepared in accordance with Mexican Banking GAAP, which differs in significant respects from U.S. GAAP and IFRS. For a discussion of significant differences between Mexican Banking GAAP and U.S. GAAP and Mexican Banking GAAP and IFRS, see "Annex A—Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Significant Differences Between Mexican Banking GAAP and IFRS," respectively, in the Offering Memorandum. No reconciliation of any of our Financial Statements to U.S. GAAP has been prepared for this Supplement or the Offering Memorandum. Any such reconciliation could result in material quantitative differences. See "Presentation of Certain Financial and Other Information" in the Offering Memorandum.

Results of Operations

The unaudited condensed consolidated interim financial information presented in this section for the three months ended March 31, 2026 and 2025 should be read in conjunction with the First Quarter Financial Statements and the notes thereto included elsewhere in this Supplement. Such interim financial information, unless otherwise specified, is presented in nominal pesos.

Financial Margin

The following table sets forth the components of our financial margin:

	For the Three Months Ended March 31,	
	2026	2025
	(millions of Ps.)	
Interest Income:		
Interest and returns on loan portfolios	67,857	66,403
Interest and returns on financial instruments	11,987	12,575
Interest on cash and cash equivalents	2,412	2,731
Interest and premiums on repurchase/resale agreements and securities lending	2,311	1,731
Interest on margin accounts	14	79
Interest on hedging financial instruments	1,428	1,219
Fee income on loan originations	785	868
Other	276	227
Total interest income	**87,070**	**85,833**
Interest Expense:		
Interest on deposits	(13,750)	(15,490)
Interest on derivative financial instruments for trading	—	(130)
Interest on interbank and other borrowings	(338)	(366)
Interest on hedging financial instruments	(346)	(365)
Interest and premiums on repurchase/resale agreements and securities lending	(6,706)	(9,883)
Expenses on loan originations	(865)	(510)
Interest on subordinated obligations	(1,445)	(1,535)
Other	(1,334)	(563)
Total interest expense	**(24,784)**	**(28,842)**
Financial margin	**62,286**	**56,991**

Financial margin for the three months ended March 31, 2026 totaled Ps.62,286 million, compared to Ps.56,991 million for the three months ended March 31, 2025, an increase of Ps.5,295 million, or 9.29%. This increase was primarily due to an increase in lending activity and effective funding cost management.

Interest Income

Interest income was Ps.87,070 million for the three months ended March 31, 2026, compared to Ps.85,833 million for the three months ended March 31, 2025, an increase of Ps.1,237 million, or 1.44%. This increase was primarily due to growth in lending activity.

Interest and return on loan portfolios was Ps.67,857 million for the three months ended March 31, 2026, compared to Ps.66,403 million the three months ended March 31, 2025, an increase of Ps.1,454 million, or 2.19%. This increase was primarily attributable to growth in the most profitable segments of our loan portfolio.

Interest and returns on financial instruments was Ps.11,987 million for the three months ended March 31, 2026, compared to Ps.12,575 million for the three months ended March 31, 2025, a decrease of Ps.588 million, or 4.68%, resulting from decreases in the reference interest rate.

Interest on cash and cash equivalents was Ps.2,412 million for the three months ended March 31, 2026, compared to Ps.2,731 million for the three months ended March 31, 2025, a decrease of Ps.319 million, or 11.68%, resulting from decreases in the reference interest rate.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.2,311 million for the three months ended March 31, 2026, compared to Ps.1,731 million for the three months ended March 31, 2025, an increase of Ps.580 million, or 33.51%, due to an increase in repurchasing option activity, notwithstanding lower interest rates for the period.

Interest on margin accounts was Ps.14 million for the three months ended March 31, 2026, compared to Ps.79 million for the three months ended March 31, 2025, a decrease of Ps.65 million, or 82.28%, resulting from a decrease in margin calls during the three months ended March 31, 2026 in comparison to the three months ended March 31, 2025, coupled with lower interest rates.

Interest on hedging financial instruments was Ps.1,428 million for the three months ended March 31, 2026, compared to Ps.1,219 million for the three months ended March 31, 2025, an increase of Ps.209 million, or 17.15%, resulting from interest earned from hedging activities against the decrease in interest rates, coupled with an increase in the Bank's securities portfolio.

Fee income on loan originations was Ps.785 million for the three months ended March 31, 2026, compared to Ps.868 million for the three months ended March 31, 2025, a decrease of Ps.83 million, or 9.56%, resulting from a decrease in wholesale originations.

Interest Expense

Interest expense was Ps.24,784 million for the three months ended March 31, 2026, compared to Ps.28,842 million for the three months ended March 31, 2025, a decrease of Ps.4,058 million, or 14.07%, mainly attributable to a lower interest rate environment.

Interest on deposits was Ps.13,750 million for the three months ended March 31, 2026, compared to Ps.15,490 million for the three months ended March 31, 2025, a decrease of Ps.1,740 million, or 11.23%, mainly explained by lower interest rates.

Interest on derivative financial instruments for trading was Ps.0 million for the three months ended March 31, 2026, compared to Ps.130 million for the three months ended March 31, 2025, a decrease of Ps.130 million, or 100%. This decrease was primarily attributable to a decrease in market volatility during the three months ended March 31, 2026 in comparison to the three months ended March 31, 2025, reducing the need for derivatives.

Interest on interbank and other borrowings was Ps.338 million for the three months ended March 31, 2026, compared to Ps.366 million for the three months ended March 31, 2025, a decrease of Ps.28 million, or 7.65%. This decrease resulted from the maturity of some credit lines between the Bank and other financial institutions during the three months ended March 31, 2026, as well as a lower interest rate environment.

Interest on hedging financial instruments was Ps.346 million for the three months ended March 31, 2026, compared to Ps.365 million for the three months ended March 31, 2025, a decrease of Ps.19 million, or 5.21%. This decrease was primarily the result of a decrease in hedging financial instruments, as a result of reduced market volatility during the three months ended March 31, 2026 in comparison to the three months ended March 31, 2025, coupled with lower interest rates.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.6,706 million for the three months ended March 31, 2026, compared to Ps.9,883 million for the three months ended March 31, 2025, a decrease of Ps.3,177 million, or 32.15%. This decrease was primarily attributable to lower interest rates, notwithstanding the increase in repurchasing option activity.

Expenses on loan originations was Ps.865 million for the three months ended March 31, 2026, compared to Ps.510 million for the three months ended March 31, 2025, an increase of Ps.355 million, or 69.61%. This increase was attributable to an increase in loans.

Interest on subordinated obligations was Ps.1,445 million for the three months ended March 31, 2026, compared to Ps.1,535 million for the three months ended March 31, 2025, a decrease of Ps.90 million, or 5.86%. This decrease resulted from a decrease in the peso/U.S. dollar exchange rate between the two dates.

Allowance for Loan Losses

Allowance for loan losses was Ps.68,408 million as of March 31, 2026, compared to Ps.63,458 million as of December 31, 2025, an increase of Ps.4,950 million, or 7.80%. This increase was attributable to the recalibration of risk models.

Non-Interest Income

The following table sets forth the components of our non-interest income:

	For the Three Months Ended March 31,	
	2026	2025
	(millions of Ps.)	
Commissions and Fees:		
Bank fees	2,131	2,333
Cash management and fund transfers	(528)	(458)
Credit & debit cards	8,830	8,269
Investment funds	2,162	1,916
Effective credit card reward points	(1,697)	(1,440)
Promotion fund collateral	(721)	(591)
Insurance[(1)]	1,101	1,041
Credit placement	(462)	(354)
Appraisals	(55)	(89)
Purchase sale of securities	(32)	(15)
Other	1,916	1,717
Total commissions and fees	**12,645**	**12,329**
Trading Income:		
Valuation Result:		
Derivatives for trading purposes	7,716	(1,285)
Derivatives for hedging purposes	(5)	(13)
Embedded derivatives	280	(47)
Currency	(2,536)	(2,874)
Investments in financial instruments	(1,847)	3,390
Total valuation result	**3,608**	**(829)**
Purchase-sale result:		
Derivatives for trading purposes	(3,789)	4,140
Derivatives for hedging purposes	121	—
Embedded derivatives	82	(62)
Currency	2,476	1,996
Investments in financial instruments	2,723	(840)
Total purchase-sale result	**1,613**	**5,234**
Financial intermediation income	**5,221**	**4,405**
Total non-interest income	**17,866**	**16,734**

(1) These are services provided through GFBM affiliates.

Total commissions and fees were Ps.12,645 million for the three months ended March 31, 2026, compared to Ps.12,329 million for three months ended March 31, 2025, an increase of Ps.316 million, or 2.56%, as a result of increased customer transactional activity.

Bank fees were Ps.2,131 million for the three months ended March 31, 2026, compared to Ps.2,333 million for three months ended March 31, 2025, a decrease of Ps.202 million, or 8.66%, as a result of a higher migration of clients towards the Bank's digital platforms, which offer bonuses and lower costs, as part of the Bank's strategy to compete with new fintechs.

Cash management and fund transfers were Ps.528 million for the three months ended March 31, 2026, compared to Ps.458 million for three months ended March 31, 2025, an increase of Ps.70 million, or 15.28%, as a result of an increase in the use of our digital platforms, which increased our processing costs.

Credit & debit card fees were Ps.8,830 million for the three months ended March 31, 2026, compared to Ps.8,269 million for three months ended March 31, 2025, an increase of Ps.561 million, or 6.78%, due to an increase in the number of credit cards issued during the period, as well as an increase in the volume of transactions of existing credit cards.

Investment funds were Ps.2,162 million for the three months ended March 31, 2026, compared to Ps.1,916 million for the three months ended March 31, 2025, an increase of Ps.246 million, or 12.84%, primarily driven by higher volumes in asset and wealth management accounts, as a result of lower interest rates, causing clients to migrate towards more aggressive investment options in order to receive higher rates.

Total purchase-sale result was Ps.1,613 million for the three months ended March 31, 2026, compared to Ps.5,234 million for three months ended March 31, 2025, a decrease of Ps.3,621 million, or 69.18%, due to losses derived from trading derivatives.

Financial intermediation income was Ps.5,221 million for the three months ended March 31, 2026, compared to Ps.4,405 million for three months ended March 31, 2025, an increase of Ps.816 million, or 18.52%. This increase resulted from market conditions, particularly movements in exchange rates and interest rates.

Administrative and Promotional Expenses

The following table sets forth the components of our administrative and promotional expenses:

	For the Three Months Ended March 31,	
	2026	2025
	(millions of Ps.)	
Salaries and employee benefits	(12,536)	(11,724)
Administrative expenses	(6,955)	(6,121)
Rent, depreciation and amortization	(4,836)	(4,473)
Taxes other than income taxes	(1,855)	(1,379)
Total administrative and promotional expenses	**(26,183)**	**(23,698)**

Total administrative and promotional expenses for the three months ended March 31, 2026 were Ps.26,183 million, compared to Ps.23,698 million for three months ended March 31, 2025, an increase of Ps.2,485 million, or 10.49%, due to higher salaries and employee benefits due to the increased activity.

Salaries and employee benefits expenses were Ps.12,536 million for the three months ended March 31, 2026, compared to Ps.11,724 million for three months ended March 31, 2025, an increase of Ps.812 million, or 6.93%. This increase is mainly attributable to higher headcount, especially in positions related to engineering in order to address our digital strategy focus, as well as increases in salaries.

Administrative expenses were Ps.6,955 million for the three months ended March 31, 2026, compared to Ps.6,121 million for three months ended March 31, 2025, an increase of Ps.834 million, or 13.63%. This increase was primarily due to higher costs in advertising, sponsorships and media.

Rent, depreciation and amortization expenses were Ps.4,836 million for the three months ended March 31, 2026, compared to Ps.4,473 million for three months ended March 31, 2025, an increase of Ps.363 million, or 8.12%, primarily due to an increase in overall rental rates.

Taxes other than income taxes reached Ps.1,855 million for the three months ended March 31, 2026, compared to Ps.1,379 million for three months ended March 31, 2025, an increase of Ps.476 million, or 34.52%, due to an increase in the effective tax rate, as a result of higher profits, given the growth of our business.

Total Income Taxes

Total income taxes for the three months ended March 31, 2026 were Ps.9,752 million, compared to Ps.9,638 million for three months ended March 31, 2025, an increase of Ps.114 million, or 1.18%. The effective tax rate for the three months ended March 31, 2026 was 29.27%, while the effective tax rate for three months ended March 31, 2025 was 28.06%.

Net Income

As a result of the factors described above, net income was Ps.23,553 million for the three months ended March 31, 2026, compared to Ps.24,715 million for three months ended March 31, 2025, a decrease of Ps.1,162 million, or 4.70%.

Financial Position

The following discussion compares our consolidated financial position as of March 31, 2026, and the year ended December 31, 2025.

Assets

As of March 31, 2026, the Bank had total assets of Ps.3,546,880 million, compared to Ps.3,437,361 million as of December 31, 2025, representing an increase of Ps.109,519 million, or 3.19%. This increase in our total assets was attributable to a larger credit portfolio before allowance for loan losses, as well as an increase in investments in financial instruments.

Total Performing Loans

As of March 31, 2026, the Bank's total current loan portfolio was Ps.2,099,950 million, compared to Ps.2,043,826 million as of December 31, 2025, an increase of Ps.56,124 million, or 2.75%. This increase was mainly attributable to an increase in current commercial and mortgage loan portfolios. As of March 31, 2026, with respect to Stage 1 and Stage 2 loans, commercial loans, consumer loans and residential mortgage loans represented 54.6%, 26.5% and 18.9% of total current loans, respectively.

Total Past Due Loans

As of March 31, 2026, the Bank's total past due loans were Ps.33,447 million, compared to Ps.34,155 million as of December 31, 2025, a decrease of Ps.708 million, or 2.07%. This was mainly due to a decrease in past due commercial loans. As of March 31, 2026, past due consumer loans, past due mortgage loans and past due commercial loans represented 48.0%, 27.0% and 25.0%, respectively, of the total balance of the past due loan portfolio.

Liabilities

As of March 31, 2026, the Bank's liabilities were Ps.3,141,508 million, compared to Ps.3,037,227 million as of December 31, 2025, an increase of Ps.104,281 million, or 3.43%. This increase was mainly attributable to an increase in securities issued.

Deposits Funding

As of March 31, 2026, the Bank's total deposits were Ps.2,234,876 million, compared to Ps.2,184,708 million as of December 31, 2025, an increase of Ps.50,168 million, or 2.30%. This increase was primarily attributable to sustained confidence of our clients in depositing funds with us, as well as our institutional strength and value proposition in savings products.

Interbank and Other Borrowings

As of March 31, 2026, the Bank's interbank and other borrowings totaled Ps.17,650 million, compared to Ps.17,682 million as of December 31, 2025, a decrease of Ps.32 million, or 0.18%. This decrease resulted from the maturity of some credit lines between the Bank and other financial institutions during the three months ended March 31, 2026.

Subordinated Obligations Outstanding

As of March 31, 2026, the Bank had Ps.84,224 million of subordinated bonds issued and outstanding, which represented 2.68% of our total liabilities as of that date, compared to Ps.85,338 million as of December 31, 2025, a decrease of Ps.1,114 million, or 1.31%. This decrease was due to a decrease in the peso/U.S. dollar exchange rate between the two dates.

Stockholders' Equity

As of March 31, 2026, stockholders' equity was Ps.405,372 million, compared to Ps.400,134 million as of December 31, 2025, an increase of Ps.5,238 million, or 1.31%. This increase was primarily due to our capacity to consistently generate organic capital, partially offset by a dividend payment.

As reported to the CNBV, the Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2026 was 150.4% compared to 158.3% for the quarter ended December 31, 2025. The decrease in the ratio was primarily due to a slight decrease in high quality level assets.

Dividends

Pursuant to the approval of the ordinary general meeting of shareholders dated February 28, 2026, during the first quarter of 2026, the Bank declared and paid cash dividends of Ps.16,750 million, or Ps.1.10409885564911, per outstanding share. For further information regarding our dividends, see "Dividends" in the Offering Memorandum.

Foreign Currency Position

As of March 31, 2026, our foreign currency-denominated assets, including derivative transactions, totaled U.S.$27.3 billion (Ps.488,913 million), representing 13.8% of our total assets. At that date, our foreign currency-denominated liabilities, including derivative transactions, totaled U.S.$22.9 billion (Ps.410,140 million), representing 11.6% of our total liabilities and stockholders' equity. As part of our asset liability management strategy, we closely monitor our exposure to foreign currencies to minimize the effect of exchange rate movements on our income.

Risk-Based Capital

As of March 31, 2026, our Capital Ratios were (i) 20.14% in the case of Total Net Capital *(capital neto)*, (ii) 16.50% in the case of Tier 1 Capital *(capital básico)* and (iii) 16.50% in the case of Fundamental Capital *(capital básico fundamental)*. For additional information on our Capital Ratios, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk-Based Capital" in the Offering Memorandum. The table below presents our risk-weighted assets and Capital Ratios as of March 31, 2026 and 2025, calculated, as required by regulations, on an unconsolidated basis.

	As of March 31,	
	2026	2025
	(millions of Ps., except for percentages)	
Tier 1	388,033	356,025
Tier 2	85,628	95,636
Total Capital	473,662	451,662
Risk-weighted assets:		
Credit risk	1,515,456	1,521,455
Market risk	530,347	436,033
Operational risk	306,390	280,384

	As of March 31,	
	2026	2025
	(millions of Ps., except for percentages)	
Total risk-weighted assets	**2,352,193**	**2,237,873**
Capital ratios (credit, market and operational risk):		
Tier 1 Capital to risk-weighted assets	16.50%	15.91%
Tier 2 Capital to risk-weighted assets	3.64%	4.27%
Total Capital to risk-weighted assets	**20.14%**	**20.18%**

Source: *Banco de México*

Off-Balance Sheet Arrangements

Off-balance sheet loan commitments to customers totaled Ps.1,116,289 million as of March 31, 2026, compared to Ps.1,093,731 million as of December 31, 2025.

TAXATION

Prospective investors should refer to the section "Taxation" in the Offering Memorandum for a discussion of certain United States and Mexican federal income tax consequences of owning the Notes issued under the Program.

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo financiero BBVA México and subsidiaries

Interim Condensed Consolidated Financial Statement (unaudited)
For the three-month periods ended as of March 31, 2026 and 2025

Construyendo un mejor entorno de negocios

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

To the Board of Directors and Shareholders of
BBVA México S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Introduction

We have reviewed the accompanying Interim Condensed Consolidated Statement of Financial Position of BBVA México S.A., Institución de Banca Múltiple and Subsidiaries, Grupo Financiero BBVA México as at March 31, 2026 and the related Interim Condensed Consolidated Statements of Comprehensive Income, Changes in Stockholders' Equity and Cash Flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this interim financial information in accordance with the Accounting Criteria, applicable to Credit Institutions, issued by National Banking and Securities Commission of Mexico (hereinafter the "Commission" or "CNBV") included in the current *General Provisions Applicable to Credit Institutions in Mexico*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects the financial position of the entity as at March 31, 2026, and of its financial performance and its cash flows for the three-month period then ended in accordance with the Accounting Criteria established by the Commission.

Mancera S.C.
Member of
Ernst & Young Global Limited



C.P.A. Brenda Miroslava Vázquez Calderón

Mexico City, Mexico. May 21st, 2026

BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated Statement of Financial Position
As of March 31, 2026 and December 31, 2025
(Amounts in millions of Mexican Pesos)

Assets	March 2026 (Unaudited)	December 2025
Cash and cash equivalents (Note 4)	$ 215,097	231,067
Margin accounts (derivative financial instruments)	9,995	12,128
Investments in financial instruments: (Note 5)		
Negotiable financial instruments	292,370	273,587
Financial instruments to collect and sell	244,493	241,997
Financial instruments to collect principal and interest (Securities) (net)	144,567	147,014
	681,430	662,598
Repurchase agreements debtors(Note 6)	109,829	126,693
Derivative financial instruments: (Note 7)		
Trading	173,374	165,979
Hedging	5,074	4,789
	178,448	170,768
Valuation adjustments related to financial assets hedged	(882)	(57)
Loan portfolio with stage 1 credit risk:		
Commercial:		
Business or commercial activity	901,025	862,942
Financial entities	54,066	52,856
Governmental entities	180,199	176,928
	1,135,290	1,092,726
Consumer	541,547	536,785
Mortgage:		
Medium class and residential	378,185	374,264
Low income	2,075	2,180
	380,260	376,444
Total loan portfolio with stage 1 credit risk	2,057,097	2,005,955
Loan portfolio with stage 2 credit risk:		
Commercial:		
Business or commercial activity	11,810	10,242
Financial entities	0	0
	11,810	10,242
Consumer	15,308	13,615
Mortgage:		
Medium class and residential	15,363	13,656
Low income	372	358
	15,735	14,014
Total loan portfolio with stage 2 credit risk	42,853	37,871
Loan portfolio with stage 3 credit risk:		
Commercial:		
Business or commercial activity	8,329	8,373
Financial entities	19	19
	8,348	8,392
Consumer	16,081	16,811
Mortgage:		
Medium class and residential	8,882	8,810
Low income	136	142
	9,018	8,952
Total loan portfolio with stage 3 credit risk	33,447	34,155
Loan portfolio measured at fair value	12,901	11,081
Loan portfolio (Note 8)	2,146,298	2,089,062
(+/-)Deferred items	(632)	(756)
(-)Less:		
Allowance for Expected Credit Losses (Note 9)	(68,408)	(63,458)
Loan portfolio (net)	2,077,258	2,024,848
Collection rights purchased (net)	0	0
Total loan portfolio (net)	2,077,258	2,024,848
Other accounts receivable (net) (Note 10)	176,843	113,835
Foreclosed assets (net)	1,907	1,841
Prepayments and other assets	4,529	2,218
Property and equipment (net)	38,565	38,922
Right of use assets related to property and equipment (net)	4,624	4,810
Permanent investments	1,596	1,622
Assets for deferred income tax (net) (Note 13)	39,637	38,090
Intangible assets (net)	7,852	7,808
Rights to use intangible assets (net)	152	170
Total assets	$ 3,546,880	3,437,361

Liabilities and stockholders' equity	March 2026 (Unaudited)	December 2025
Deposits (Note 11)		
Demand deposits	$ 1,699,957	1,679,511
Time deposits:		
General public	336,644	314,181
Money market	15,097	23,635
Debt securities issued	175,556	159,610
Global deposit account without transactions	7,622	7,771
	2,234,876	2,184,708
Interbank and other borrowings:		
Short term	8,092	7,977
Long term	9,558	9,705
	17,650	17,682
Repurchase agreement creditors (Note 6)	188,718	169,785
Securities lending	4	3
Collateral sold or pledged:		
Repurchase/resale (creditor balance)	86,520	107,846
Securities lending	67,332	75,458
	153,852	183,304
Derivative financial instruments (Note 7)		
Trading	225,407	207,293
Hedging	7,196	7,577
	232,603	214,870
Valuation adjustments to financial liabilities hedged	(1,190)	(53)
Lease liabilities	5,245	5,447
Other accounts payable:		
Creditors on settlement of transactions (Note 14)	148,090	78,705
Creditors on margin accounts	341	216
Creditors on cash received as collateral	5,356	12,169
Tax payable	4,508	4,757
Sundry creditors & other accounts payable	45,337	42,110
	203,632	137,957
Financial instruments qualifying as liabilities (Note 12):		
Subordinated obligations outstanding	84,224	85,338
Income tax liability	6,963	12,326
Liabilities for employee benefits	7,759	18,468
Deferred credits and prepayments	7,172	7,392
Total liabilities	3,141,508	3,037,227
Stockholders' equity (Note 15)		
Paid-in capital:		
Capital stock	24,143	24,143
Additional paid-in capital	15,860	15,860
	40,003	40,003
Earned capital:		
Statutory reserves	6,901	6,901
Retained earnings	374,045	367,242
Other comprehensive income:		
Valuation of negotiable financial instruments	170	0
Valuation of financial instruments to collect and sell	(240)	1,657
Valuation of derivative financial instruments designated as cash flow hedges	0	0
	0	
Remeasurements of defined benefit obligations	(15,507)	(15,776)
	(15,577)	(14,119)
	365,369	360,024
Total controlling interest	405,372	400,027
Total non-controlling interest	0	107
Total stockholders' equity	405,372	400,134
Total liabilities and stockholders' equity	$ 3,546,880	3,437,361

(Continued)

BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Interim Condensed Consolidated statement of financial position
As of March 31, 2026 and December 31, 2025

(Amounts in millions of Mexican pesos)

Memorandum accounts		**March 2026**	**December 2025**
		(Unaudited)	
Contingent assets and liabilities	$	255	227
Credit commitments		1,116,289	1,093,731
Assets in trust or under mandate:			
In trust		837,309	783,579
Under mandate		939	548
		838,248	784,127
Property in custody or under administration		490,882	464,637
Collaterals received by the Entity		226,938	242,740
Collateral received and sold or delivered by the Entity		157,973	186,018
Investment banking operations on behalf of third parties, net		3,593,156	3,490,943
Uncollected accrued interest derived from loan portfolio with stage 3 credit risk		3,765	3,565
Other registration accounts		5,180,791	5,091,173

The historical balance of capital stock as of March 31, 2026 and December 31, 2025 is $4,248

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of financial position was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of financial position was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Rúbrica	Rúbrica	Rúbrica	Rúbrica
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

https://investors.bbva.mx / www.cnbv.gob.mx

BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México
and Subsidiaries

Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated statement of comprehensive income
For the three months periods ended March 31, 2026 and 2025

(Amounts in millions of Mexican pesos)

		2026	2025
		(Unaudited)	
Interest income (Note 16)	$	87,070	85,833
Interest expense (Note 16)		(24,784)	(28,842)
Financial margin (Note 16)		62,286	56,991
Credit Losses Expense (Note 9)		(21,303)	(13,745)
Financial margin adjusted for loan losses		40,983	43,246
Commissions and fees collected (Note 17)		23,647	22,156
Commissions and fees paid (Note 17)		(11,002)	(9,827)
Financial intermediation income (Note 18)		5,221	4,405
Other operating income (expense)		283	(1,979)
Administrative and promotional expenses		(26,183)	(23,698)
Operating income		32,949	34,303
Interest in net income of other entities		356	50
Income before income tax		33,305	34,353
Income tax (Note 13)		(9,752)	(9,638)
Net income	$	23,553	24,715
Other comprehensive income:			
Valuation of negotiable financial instruments		90	-
Valuation of financial instruments to collect and sell		(1,817)	5,065
Valuation of derivative financial instruments designated as cash flow hedges		-	3
Remeasurement of employee defined benefits		269	51
		(1,458)	5,119
Comprehensive income	$	22,095	29,834
Net income attributable to:			
Controlling and non-controlling interest		23,553	24,726
Non-controlling interest		-	(11)
	$	23,553	24,715
Comprehensive income attributable to:			
Controlling and non-controlling interest		22,095	29,845
Non-controlling interest		-	(11)
	$	22,095	29,834
Basic earnings per common share (pesos per share)	$	1.55	1.63

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of comprehensive income was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the income and expenses derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of comprehensive income was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Rúbrica	Rúbrica	Rúbrica	Rúbrica
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Subsidiaries

Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Interim Condensed Consolidated statement of changes in stockholders' equity

For the three months periods ended March 31, 2026 and 2025

(Amounts in millions of Mexican pesos)

	Paid in capital		Earned capital								
	Capital stock	Additional paid-in capital	Statutory reserves	Retained earnings	Valuation of negotiable financial instruments	Valuation of financial instruments to collect and sell	Valuation of derivative financial instruments designated as cash flows hedge	Remeasurements of defined benefit obligations	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2025	$ 24,143	15,860	6,901	367,242	-	1,657	-	(15,776)	400,027	107	400,134
Amendment to CNBV Accounting Criteria (See note 2)					80	(80)			-		-
Initial balances as of January 1, 2026	$ 24,143	15,860	6,901	367,242	80	1,577	-	(15,776)	400,027	107	400,134
Owner's movements	-	-	-	-	-	-	-	-	-	-	-
Declaration of dividends	-	-	-	(16,750)	-	-	-	-	(16,750)	-	(16,750)
Dividend Payment from Adquira Mexico	-	-	-	-	-	-	-	-	-	(30)	(30)
Divestment in Adquira Mexico	-	-	-	-	-	-	-	-	-	(77)	(77)
Comprehensive income											
Net income	-	-	-	23,553	-	-	-	-	23,553	-	23,553
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-
Valuation of negotiable financial instruments	-	-	-	-	90	-	-	-	90	-	90
Valuation of financial instruments to collect and sell	-	-	-	-	-	(1,817)	-	-	(1,817)	-	(1,817)
Remeasurements of defined benefit obligations	-	-	-	-	-	-	-	269	269	-	269
Total	0	0	0	6,803	90	(1,817)	-	269	5,345	-	5,238
Balances as of March 31, 2026 (unaudited)	$ 24,143	15,860	6,901	374,045	170	(240)	-	(15,507)	405,372	-	405,372
Balances as of January 1, 2025	$ 24,143	15,860	6,901	328,296	-	(5,543)	(3)	(8,337)	361,317	111	361,428
Owner's movements	-	-	-	-	-	-	-	-	-	-	-
Declaration of dividends	-	-	-	(15,000)	-	-	-	-	(15,000)	-	(15,000)
Comprehensive income											
Net income	-	-	-	24,715	-	-	-	-	24,715	11	24,726
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-
Valuation of negotiable financial instruments	-	-	-	-	-	-	-	-	-	-	-
Valuation of financial instruments to collect and sell	-		-	-	-	5,065	-	-	5,065	-	5,065
Valuation of derivative financial instruments designated as cash flows hedges	-	-	-	-	-	-	3	-	3	-	3
Remeasurements of defined benefit obligations	-	-	-	-	-	-	-	51	51	-	51
Total	0	0	0	9,715	-	5,065	3	51	14,834	11	14,845
Balances as of March 31, 2025 (unaudited)	$ 24,143	15,860	6,901	338,011	-	(478)	-	(8,286)	376,151	122	376,273

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of changes in stockholders' equity was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the movements in the stockholders' equity accounts derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of changes in stockholders' equity was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2).

Rúbrica	Rúbrica	Rúbrica	Rúbrica
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S. A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México and subsidiaries
Av. Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Interim Condensed Consolidated statement of cash flows
For the three months periods ended March 31 2026 and 2025
(Amounts in millions of Mexican pesos)

		2026 (Unaudited)	2025 (Unaudited)
Operating activities:			
Income before income taxes	$	33,305	34,353
Adjustments for items associated with investing activities:			
Losses or reversal of losses due to impairment of long-lived assets		11	34
Depreciation of property and equipment		677	759
Amortization of installation expenses		634	445
Amortization of intangible assets		567	452
Equity in net income of other entities		(356)	(50)
		1,533	1,640
Changes in operating items:			
Change in margin accounts (derivative financial instruments)		2,107	1,055
Change in investments in financial instruments (securities) (net)		(21,804)	77,968
Change in debtors on repurchases/resales		16,864	(9,986)
Change in derivative financial instruments (assets)		(7,395)	44,255
Change in loan portfolio (net)		(53,583)	(40,394)
Change in other accounts receivable (net)		(63,051)	9,793
Change in foreclosed assets (net)		(66)	(121)
Change in other operating assets (net)		(2,026)	(1,006)
Change in deposits		51,288	95,491
Change in interbank and other borrowings		(16)	2,130
Change in creditors on repurchases/resales		18,934	(105,352)
Change in Securities lending		1	(2)
Change in collateral sold or pledged		(29,453)	(48,705)
Change in derivative financial instruments (liabilities)		18,115	(28,187)
Change in other operating liabilities		62,073	12,661
Change in derivative financial instruments hedged (of hedged items related to operating activities)		(988)	(2,264)
Change in assets/liabilities from employee benefits		(10,379)	(5,183)
Change in other accounts payable		3,126	(17,179)
Payments of income tax		(15,675)	(4,189)
Net cash flows from operating activities		2,910	16,778
Investment activities:			
Proceeds for disposal of property, plant and equipment		16	91
Payments for acquisition of property, plant and equipment		(834)	(661)
Proceeds for disposal of subsidiaries		77	
Proceeds from the disposal of associates, joint ventures and other permanent investments		2	-
Payments for acquisition of intangible assets		(630)	(578)
Net cash flows from investing activities		(1,369)	(1,148)
Financing activities:			
Cash dividend payments		(16,750)	(15,000)
Cash dividend payments Adquira Mexico (minority interest)		(30)	-
Proceeds from issuance of financial instruments qualifying as liabilities		-	20,267
Payments for issuance of financial instruments qualifying as liabilities		(724)	-
Net cash flows from financing activities		(17,504)	5,267
Net increase or decrease in cash and cash equivalents		(15,963)	20,897
Effects from changes in the value of cash and cash equivalents		(7)	(994)
Cash and cash equivalents at the beginning of period		231,067	270,189
Cash and cash equivalents at the end of the period	$	215,097	290,092

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

This interim condensed consolidated statement of cash flow was prepared in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the cash inflows and cash outflows derived from the transactions carried out by the institution during the aforementioned period, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

This interim condensed consolidated statement of cash flow was approved by the Board of Directors under the responsibility of the officers who sign it (See note 2)

Rúbrica	Rúbrica	Rúbrica	Rúbrica
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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Grupo Financiero BBVA México and Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2026, December 31, 2025 and March 31, 2025
(Amounts in millions of Mexican pesos, except otherwise noted)

(1) Activity and operating regulatory environment-

BBVA México, S. A., Institución de Banca Múltiple and Subsidiaries, Grupo Financiero BBVA México (hereinafter and indistinctively, the "Institution" or the "Bank") is a direct subsidiary of Grupo Financiero BBVA México, S. A. de C. V. the "Financial Group") and indirect subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA"), which is governed, among others, by the Banking Law (*Ley de Instituciones de Crédito*) (the "Banking Law"), and the General Regulations Applicable to Banking Institutions (*Disposiciones de Carácter General Aplicables a las Instituciones de Crédito*) (the "Banking Regulations") that regulates any matters under the supervision of the National Banking and Securities Commission (hereinafter, the "Commission" or "CNBV"), and focuses, among others, on accepting deposits, receiving and making loans, transactions with securities and derivative financial instruments and the execution of trust agreements. It has its address at Avenida Paseo de la Reforma No. 510, Colonia Juárez, Cuauhtémoc, Mexico City, C.P. 06600.

The powers vested in the Commission -as the entity regulating credit institutions-, include reviewing the Institution's financial information and ordering any amendments thereto, if any.

The main regulatory aspects require that the Multiple Banking Institutions maintain a minimum capitalization ratio in relation to market, credit and operational risks, compliance with certain acceptance limits of deposits, obligations and other types of funding that may be denominated in foreign currency, as well as the establishment of minimum limits of paid capital and capital reserves, with which the Institution satisfactorily complies.

(2) Authorization, basis of presentation and changes to the Institution accounting policies-

Authorization

On May 21, 2026, Eduardo Osuna Osuna, Chief Executive Officer, Beatriz Muñoz Villa, Chief Financial Officer, Adolfo Arcos González, Head of Internal Audit, and Ana Luisa Miriam Ordorica Amezcua, Head of Corporate Accounting, authorized the issuance of the accompanying interim condensed consolidated financial statements and the notes thereto (hereinafter, the "financial statements").

Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2026, have been prepared in accordance with Mexican Financial Reporting Standards B-9 Interim Financial Reporting. The Bank has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual consolidated financial statements as of 31 December 2025.

New standards, interpretations and amendments adopted by the Institution

I. Amendment to CNBV Accounting Criteria

In September 2025, the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or CNBV), through the issuance of a Resolution amending the general provisions applicable to credit institutions, introduced adjustments to incorporate the accounting recognition of the valuation of equity investments that are not intended to be traded in the short term but are classified as trading financial instruments, with the objective of reducing volatility in profit or loss arising from unrealized valuation effects. The resolution becomes effective on January 1, 2026

The Institution's management implemented the amendment with no material effects. A reclassification was made within the "Other Comprehensive Income" ("OCI") caption of Stockholders' Equity for $80, net of deferred taxes, corresponding to the cumulative valuation effect previously recognized under "Valuation of financial instruments to collect and sell," which was transferred to "Valuation of negotiable financial instruments." Due to materiality of the amount involved, the Bank did not consider restate prior issued financial statements as of December 31st, 2025.

II. Improvements to Mexican Financial Reporting Standards (NIF) 2026

In December 2025, the Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, or CINIF) issued the document entitled "Improvements to NIF 2026," which includes targeted amendments to certain existing standards.

Amendments resulting in the accounting changes are detailed below:

NIF B-11, "Disposal of Long-Lived Assets and Discontinued Operations"
It is established that the presentation of cash flows related to these operations must be prospective. This means that statements of cash flows for prior comparative periods should not be restated, aligning this criterion with that of the statement of financial position. Disclosure requirements have been adjusted to maintain consistency between presentation and the notes.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2025. Any resulting accounting changes, as applicable, must be recognized in accordance with NIF B-1, *Accounting Changes and Error Corrections*.

The Institution's management is in the process of evaluating the effects of amendments and does not expect its adoption to have a material impact on the Bank's interim consolidated financial statements.

NIF C-10, "Derivative Financial Instruments and Hedging Relationships"
Clarifies that certain contracts, such as forward contracts, may qualify as derivative financial instruments if they can be settled without physical delivery of the underlying asset. However, contracts entered into for the acquisition or use of goods for the entity's own operations (e.g., machinery or inventory) are not considered derivatives unless the entity has elected to measure them at fair value from inception to avoid accounting mismatches.

It is clarified that only financial instruments entered into with third parties, whether at the consolidated group level or at the individual entity level, and provided that the risk is effectively transferred, may qualify as hedging instruments. In accordance with the rules for the consolidation of financial statements, financial instruments entered into with entities within the same economic group must be eliminated in the consolidated financial statements.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2025. Any resulting accounting changes, as applicable, must be recognized in accordance with NIF B-1, *Accounting Changes and Error Corrections*.

The Institution's management is in the process of evaluating the effects of amendments and does not expect its adoption to have a material impact on the Bank's interim consolidated financial statements.

Amendments:

NIF A-1, "Conceptual Framework for Financial Reporting Standards"

The Conceptual Framework is strengthened by refining the definition of earned capital, thereby providing greater clarity and conceptual consistency.

NIF B-4, "Statement of Changes in Equity"

The presentation of the Statement of Changes in Equity is enhanced by incorporating terminology used within the NIF and by refining the definition of earned capital.

NIF B-6, "Statement of Financial Position"

Clarifications are included in the wording, and additional guidance is incorporated in the section relating to the classification of short-term liabilities.

The Institution's management is in the process of evaluating the effects of amendments and does not expect its adoption to have a material impact on the Bank's interim consolidated financial statements.

Clarifications to various NIF

Clarifications to the NIF have been made as a result of a review carried out with the objective of supporting their understanding.

- **NIF C-10, "Derivative Financial Instruments and Hedging Relationships"**

The definition of trading derivative financial instruments has been added to the NIF Glossary and incorporated into the list of definitions used in NIF C-10.

- **NIF C-20, "Financial Instruments to Collect Principal and Interest"**

The requirement for evidence supporting a change in the strategy for managing financial instruments is clarified in order to justify the reclassification of such instruments to a new business model category.

- **NIF D-4, "Income Taxes"**

The scope has been amended to clarify that the provisions of this NIF apply to all for-profit entities subject to taxes calculated on taxable income determined on a net basis of revenues, less costs and expenses.

The Institution's management is in the process of evaluating the effects of amendments and does not expect its adoption to have a material impact on the Bank's interim consolidated financial statements.

III. Improvements to NIF 2025 Effective January 1, 2026

NIF C-19, "Financial Instruments Payable"
Certain requirements are introduced for the derecognition of a financial liability when it is settled in cash through an electronic payment system, including: (i) that the entity does not have the ability to withdraw, stop, or cancel the payment instruction; (ii) that the entity does not have practical access to the cash to be used to settle the transaction; and (iii) that the settlement risk associated with the payment system is insignificant.

Additionally, disclosures are required when financial instruments payable include contingent features that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to the achievement of environmental, social, or governance (ESG) objectives, in order to enable users of the financial statements, as investors and/or issuers of such instruments, to understand the uncertainty of future cash flows.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's management is in the process of evaluating the effects of amendments and does not expect its adoption to have a material impact on the Bank's interim consolidated financial statements.

NIF C-20, "Financial Instruments to Collect Principal and Interest"

Disclosures are required when financial instruments held to collect principal and interest include contingent features that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to the achievement of environmental, social, or governance (ESG) objectives, in order to enable users of the financial statements, as investors and/or issuers of such instruments, to understand the uncertainty of future cash flows.

This improvement becomes effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

Loan portfolio are recognized according to Criterion B-6 issued by the CNBV. The recognition, measurement, presentation, and disclosure rules applicable to the initial and subsequent recognition of such assets are set forth in that criterion and shall not be included for NIF C-20 purposes. Therefore, the amendments had no impact on the Institution's interim condensed financial statements.

IV. NIF Effective January 1, 2028

NIF B-1, "Basis for Preparation of Financial Statements"

The objective of this Financial Reporting Standard (NIF) is to establish the general principles that serve as the basis for the preparation of financial statements, including the general requirements for their preparation and presentation; the criteria for selecting, changing, and disclosing accounting policies; as well as the treatment and disclosure of changes in accounting estimates and the correction of errors.

The provisions contained in this NIF become effective for fiscal years beginning on or after January 1, 2028; early adoption is permitted for fiscal year 2027, in which case such adoption must be disclosed.

NIF B-3, "Statement of Comprehensive Income"

The objective of this Financial Reporting Standard (NIF) is to establish the requirements for the presentation of the statement of comprehensive income, including the minimum content requirements and disclosure standards, in order to ensure that such statement provides relevant and useful information to users of the financial statements for decision-making purposes in relation to an entity, and that statements of comprehensive income are comparable with those of other entities and with those of the same entity over time. In preparing the statement of comprehensive income, in addition to this NIF, an entity must apply the requirements for financial statements set forth in NIF B-1, *Basis for the Preparation of Financial Statements*.

The provisions contained in this NIF project become effective for fiscal years beginning on or after January 1, 2028. Early adoption is permitted as of January 1, 2027, provided that it is applied together with the corresponding amendments to NIF B-1, *Basis for the Preparation of Financial Statements*.

The Institution's management is in the process of evaluating the effects of adopting the improvements to NIF B-1 and B-3 that become effective in 2028.

V. Sustainability Information Standards ("Normas de Información de Sostenibilidad" or "NIS")

NIS A-1, "General Standards for Sustainability Information Disclosure"

Establishes the conceptual framework and underlying principles supporting the development and application of these standards in the preparation and disclosure of the entity's sustainability information. This SIS became effective for fiscal years beginning on or after January 1, 2025.

NIS B-1, "Basic Sustainability Indicators"

Establishes the standards for determining the Basic Sustainability Indicators ("Indicadores Básicos de Sostenibilidad" or "IBSO") associated with environmental, social (human capital-related), and governance factors, as well as their disclosure as part of sustainability financial information.

This NIS became effective for fiscal years beginning on or after January 1, 2025, with early adoption permitted provided it is applied jointly with NIS A-1. Management of the Institution analyzed the criteria issued by the CNBV and determined that compliance with the NIS is not mandatory; therefore, no impact from their application has been identified. Furthermore, for non-regulated entities (non-significant subsidiaries) that issue their Financial Statements under Mexican Financial Reporting Standards ("Normas de Información Financiera" or "NIF"), the related impacts are considered immaterial.

(3) Fair value of financial instruments-

Fair value hierarchy

a. Financial instruments recognized at fair value

The financial instruments recognized at fair value, as well as the valuation methods, assumptions and inputs used to determine the fair value of instruments classified within level 2 and 3 as of March 31, 2026 (unaudited):

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Observable input data	Unobservable input data
Assets (Prepaid)							
Negotiable financial instruments							
Fixed Income	86,892	198,238	4,193	289,323	Price provided by Valmer[1]		
Variable Income	2,914	-	133	3,047	Price provided by Valmer[1]		
Financial instruments to collect and sell							
Fixed Income	237,505	6,236	752	244,493	Price provided by Valmer[1]		
Variable Income					Price provided by Valmer[1]		
Derivatives for trading purposes							
Forwards	-	53,438	1,839	55,277	- - Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	3	8,489	1,417	9,909	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	106,766	1,422	108,188	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Discounted cash flows. - Swaptions: Black and LGM - Constant maturity swaps: SABR		

[1] Valmer: The institution's Price provider; Valuación Operativa y Referencias de Mercado, S.A. de C.V. (Valmer).

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Fair value hierarchy (continuance)

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Derivatives for hedging purposes							
Swaps	-	5,074	-	5,074	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	
Loan portfolio valued at fair value	-	5,089	7,812	12,901	To value the complement due to the effect of implied options, the methodologies and input data used in the options are applied, depending on their type: - Bond options: Black 76 - Equity options: Local Volatility, Black 76, Binomial Tree - Currency options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR, and LG	Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Observed volatilities in the market - Issuer credit spread levels - Quoted dividends - Quoted correlations in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Implicit correlations between assets - Long-term implied volatilities - Implied dividends
Liabilities							
Derivatives for trading purposes							
Forwards	-	52,135	64	52,199	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	-	51,771	11,896	63,667	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	105,534	4,007	109,541	- Discounted cash flows. - Swaptions: Black and LGM		
Derivatives for hedging purposes							
Swaps	-	7,196	-	7,196	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Fair value hierarchy (continuance)

The financial instruments recognized at fair value, as well as the valuation methods, assumptions and inputs used to determine the fair value of instruments classified within level 2 and 3 as of December 31, 2025:

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Assets							
Negotiable financial instruments							
Fixed Income	85,864	178,354	4,351	268,569	Price provided by Valmer		
Variable Income	4,653	-	365	5,018	Price provided by Valmer		
Financial instruments to collect and sell							
Fixed Income	235,274	5,943	780	241,997	Price provided by Valmer		
Derivatives for trading purposes							
Forwards	-	49,466	1,311	50,777	- Equity futures and forwards:Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	-	7,080	1,021	8,101	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	105,625	1,476	107,101	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Discounted cash flows. - Swaptions: Black and LGM - Constant maturity swaps: SABR		
Derivatives for hedging purposes							
Swaps	-	4,789	-	4,789	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	
Loan portfolio valued at fair value	-	6,658	4,423	11,081	To value the complement due to the effect of implied options, the methodologies and input data used in the options are applied, depending on their type: - Bond options: Black 76 - Equity options: Local Volatility, Black 76, Binomial Tree - Currency options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR, and LG	Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Observed volatilities in the market - Issuer credit spread levels - Quoted dividends - Quoted correlations in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Implicit correlations between assets - Long-term implied volatilities - Implied dividends

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Fair value hierarchy (conclude)

	Level 1	Level 2	Level 3	Total	Valuation Techniques	Main input data	Additional Data
Liabilities							
Derivatives for trading purposes							
Forwards	-	51,333	230	51,563	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit asset correlations - Implied long-term volatilities - Embedded derivatives
Options	-	40,097	7,512	47,609	- Options on bonds: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	104,031	4,090	108,121	- Discounted cash flows. - Swaptions: Black and LGM		
Derivatives for hedging purposes							
Swaps	-	7,577	-	7,577	- Discounted cash flows. - Swaptions: Black and LGM	- Exchange rates - Futures prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	

a.1. Valuation Techniques

The main techniques used for the valuation of instruments classified at Level 2 and 3, as well as the main unobservable inputs, are described below:

- Comparable prices (similar asset prices): prices of comparable instruments and benchmarks are used to calculate its yield from the entry price or current rating making further adjustments to account for differences that may exist between valued asset and it is taken reference. It can also be assumed that the price of an instrument is equivalent to the other.
- Net asset value: this technique employs certain assumptions to use net present value as representative of fair value, which is equal to the total value of the assets and liabilities of a fund published by the managing entity.
- Black 76: variant of Black Scholes model, whose main application is the valuation of bond options, cap / floors and swaptions where the behavior of the forward and not the spot itself, is directly modeled.
- Black Scholes: The Black Scholes model postulates log-normal distribution for the prices of securities, so that the expected return under the risk neutral measure is the risk-free interest rate. Under this assumption, the price of vanilla options can be obtained analytically, so that inverting the Black- Scholes formula, the implied volatility for process of the price can be calculated.
- Local volatility: In the local volatility models, volatility, instead of being static, evolves over time according to the level of moneyness of the underlying, capturing the existence of smiles. The volatility smile of an option is the observed empirical relationship between its implied volatility and its strike price. These models are appropriate in the options whose value depends on the historical evolution of the underlying that uses Monte Carlo simulation for its valuation.

a.2. Quantitative information on unobservable inputs

Quantitative information of the unobservable input data used to calculate Level 3 valuations is presented below:

		March 31, 2026 (unaudited)			
Derivatives for trading purposes	**Significant Unobservable Inputs**	**Min**	**Average**	**Max**	**Units**
Interest Rate Swaps	Interest Rate Curves	(7.15)	2.37	3.80	%
Equity Swaps	Equity Repo Margin	0.64	1.56	1.90	%
Equity Forwards	Equity Dividends	1.03	3.87	18.61	MXN
	Equity Repo Margin	(0.40)	0.62	1.90	%
Options on Equity Underlying	Equity Volatilities	22.11	24.19	26.38	vegas
	Equity/Equity and Equity/FX Correlations	(29.46)	(16.08)	(2.12)	%
	Equity Dividends	0.00	4.09	15.27	MXN
	Equity Repo Margin	(1.54)	(0.30)	1.90	%
Options on Interest Rate Underlying	Interest Rate Volatilities	0.36	0.54	0.69	vegas

		December 31, 2025			
Derivatives for trading purposes	**Significant Unobservable Inputs**	**Min**	**Average**	**Max**	**Units**
Interest Rate Swaps	Interest Rate Curves	3.04	3.32	3.53	%
Equity Swaps	Equity Repo Margin	0.65	1.57	1.90	%
Equity Forwards	Equity Dividends	0.15	0.68	1.72	MXN
	Equity Repo Margin	(0.40)	0.62	1.90	%
Options on Equity Underlying	Equity Volatilities	12.79	20.94	24.95	vegas
	Equity/Equity and Equity/FX Correlations	(29.87)	(17.44)	(1.99)	%
	Equity Dividends	0.04	4.25	12.48	MXN
	Equity Repo Margin	(4.63)	(0.54)	1.90	%
Options on Interest Rate Underlying	Interest Rate Volatilities	0.36	0.54	0.69	vegas

a.3. Adjustments to the valuation for risk of default

The fair value of liabilities should reflect the entity's default risk, which includes, among other components, its own credit risk. In view of the above, the Group makes valuation adjustments for credit risk on the fair value of its assets and liabilities.

Adjustments are calculated by estimating the exposure at default, the probability of default and the loss given default, which is based on the levels of recoveries, for all derivative products on any underlying, deposits and repurchase agreements at a legal entity level (all counterparties under the same master agreement) with which BBVA México has exposure.

In the specific case of derivative financial instruments, credit valuation adjustments ("CVA") and debit valuation adjustments ("DVA") are included in the valuation, both assets and liabilities, to reflect the impact on the fair value of the counterparty's credit risk and the Group's own credit risk, respectively.

As a general rule, the calculation of CVA is the sum of the positive expected exposure at date t, the probability of default between t-1 and t, and the LGD. Similarly, DVA is calculated as the sum of the negative expected exposure at date t, the probability of default of BBVA between t-1 and t, and BBVA's LGD. Both calculations are performed over the entire period of the potential exposure. Calculation of the expected positive and negative exposure is done through a Montecarlo simulation of the market variables involved in all trades' valuation under the same legal netting set.

The information needed to calculate the probability of default and the loss given default of a counterparty comes from the credit markets. The counterparty's credit default swaps are used if liquid quotes are available. If a market price is not available, BBVA has implemented a mapping process based on the sector, rating and geography of the counterparty to assign probabilities of default and loss given default calibrated directly to market.

The amounts recorded in the statement of financial position as of March 31, 2026 (unaudited) and December 31, 2025 corresponding to credit risk valuation adjustments of derivative positions amounted per CVA to $ (561) and $ (433), respectively, and per DVA to $ (582) and $ (515), respectively. The impact recorded in the statement of comprehensive income as of March 31 (unaudited), 2026 and December 31, 2025 corresponding to credit risk valuation adjustments of derivative positions amounted per CVA to $ (128), $ (67), respectively, and per DVA to $ (71) and $ (605), respectively.

a.4. Reconciliation of the initial and final balance of Level 3 Financial Instruments

The movement of the balances of financial assets and liabilities recorded at fair value classified in Level 3 that appear in the attached consolidated balance sheets is shown below:

	March 2026 (unaudited)		December 2025	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	9,304	(11,832)	7,945	(7,411)
Changes in fair value recognized in profit and loss:				
Realized	(142)	(51)	(942)	(752)
Unrealized	251	339	(184)	70
Changes in fair value recognized in other comprehensive income:				
Purchased	1,223	-	3,068	-
Sales	(1,046)	-	(1,568)	-
Derecognition	(1,578)	669	(2,084)	2,677
Issuances	1,058	(3,382)	2,567	(6,163)
Net inflows / outflows of Level 3	555	(2,289)	502	(253)
Others	-	-	4,423	-
Balance at the end	9,625	(16,546)	13,727	(11,832)

Changes in fair value that affected the result of the year were recognized under "Results from the valuation of financial instruments at fair value." Changes in fair value that affected other comprehensive income were recognized under "Valuation of financial instruments to collect and sell."

a.5. Transfers between levels

The amounts of financial instruments that were transferred between the different levels of the hierarchy were as follows:

During 2026 (unaudited)

	From:	Level 1		Level 2		Level 3	
Assets	to:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Negotiable financial instruments							
Debt		-	-	107	-	-	17
Equity		-	-	-	-	-	-
Financial instruments to collect or sell							
Debt		-	-	-	-	-	-
Equity		-	-	-	-	-	-
Derivatives for trading purposes							
Forwards		-	-	-	460	-	(1)
Options		-	-	-	266	-	(142)
Swaps		-	-	-	4	-	(16)
Derivatives for hedging purposes							
Swaps		-	-	-	-	-	-
Portfolio at fair value		-	-	-	-	-	-
Total		-	-	107	730	-	(142)

Liabilities	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Derivatives for trading purposes							
Futures		-	-	-	-	-	1
Options		-	-	-	(3,291)	-	1,400
Swaps		-	-	-	(425)	-	26
Derivatives for hedging purposes							
Futures		-	-	-	-	-	-
Swaps		-	-	-	-	-	-
Total		-	-	-	(3,716)	-	1,427

a.5. Transfers between levels (continuance)

During 2025

Assets	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Negotiable financial instruments							
Debt		$ 471	$ -	$ 56	$ 29	$ -	$
Equity		-	-	-	2	-	-
Financial instruments to collect or sell							
Debt		735	-	-	-	-	-
Equity		-	-	-	-	-	-
Derivatives for trading purposes							
Forwards		-	-	-	423	-	-
Options		-	-	-	265	-	(138)
Swaps		-	-	-	-	-	(79)
Derivatives for hedging purposes							
Swaps		-	-	-	-	-	-
Portfolio at fair value		-	-	-	-	-	-
Total		$ 1,206	$ -	$ 56	$ 719	$ -	$ (217)

Liabilities	From: / to:	Level 1		Level 2		Level 3	
		Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Derivatives for trading purposes							
Futures		$ -	$ -	$ -	$ -	$ -	$ -
Options		-	-	-	(1,255)	-	1,292
Swaps		-	-	-	(430)	-	140
Derivatives for hedging purposes							
Futures		-	-	-	-	-	-
Swaps		-	-	-	-	-	-
Total		$ -	$ -	$ -	$ (1,685)	$ -	$ 1,432

These transfers basically correspond to:

- In capital and debt instruments, reclassifications from hierarchy level 1 to 2 occur mainly when, during the last month, no position or trading price has been observed on at least 90% of the business days. An instrument that, having been classified at level 2 for this reason and in subsequent periods meets said requirement, is reclassified to level 1. Transfers from level 2 to 3 occur when the security issuer ceases to trade, enters into default, there is not enough position or market information in electronic trading media (Reuters and Bloomberg), or it presents a static updated price, that is, it is repeated over a long period.

- In OTC derivatives, transfers from Level 2 to Level 3 occur in transaction in which the degree of unobservability in the market data used in the valuation exceeds the defined threshold (10%).

a.6 Sensitivity analysis

Sensitivity analysis is performed on derivative financial instruments with significant unobservable inputs (financial instruments included in level 3), in order to obtain a reasonable range of possible alternative valuations taking into account the nature of the methods and inputs used.

As of March 31, 2026 (unaudited) and December 31, 2025, the possible variation in the "Mark to Market" (MtM) derived from the uncertainty in the unobservable parameter, considering the highest (most favorable scenario) or lowest (least favorable scenario) value obtained via the "Additional Valuation-Adjustment" (AVA) calculated for said positions would be:

	Possible variation in the MtM derived from the uncertainty in the unobservable parameter 2026 (unaudited)		Possible variation in the MtM derived from the uncertainty in the unobservable parameter 2025	
	Most favorable scenario	Least favorable scenario	Most favorable scenario	Least favorable scenario
Derivatives for trading purposes				
Interest Rate Swaps	9	(9)	4	(4)
Equity Swaps	32	(32)	13	(13)
Equity Forwards	44	(44)	122	(122)
Equity Underlying Options	27	(27)	24	(24)
Options on Underlying Interest Rate	1	(1)	1	(1)

a.7 Changes in valuation models

- At the Risk Committee meeting held on March 17, 2026, the Committee approved the valuation and risk measurement methodology for Market and Counterparty Risk for IRS (Interest Rate Swap) and Cap/Floor (Vanilla and Digital) products, denominated in MXN and referenced to the underlying CMS (Constant Maturity Swap) TIIEF (Funding TIIE).

(4) Cash and cash equivalents

Cash and cash equivalents is as shown below:

	March 2026 (unaudited)	December 2025
Cash	54,559	70,812
Banks	105,064	113,045
Restricted cash on hand:		
Foreign currency purchase	199,028	184,617
Foreign currency sales	(178,310)	(172,130)
Deposits with the Central Bank [1]	34,699	34,659
Interbank loans (call money)	-	-
Other cash and cash equivalents	57	64
Total	215,097	231,067

[1] Deposits with the Central Bank represent mandatory reserve deposits and are not available for use in the Bank's day–to–day operations.

Banks is represented by cash in MXN and US dollars using the closing exchange rate published by the Central Bank. As of March 31, 2026 (unaudited) and December 31, 2025 of MXN 17.9252 and MXN 18,0080 per US dollar, respectively.

(5) Investments in financial instruments-

As of March 31, 2026 (unaudited) and December 31, 2025, investments in financial instruments are made up as shown below:

a. Negotiable Financial Instruments (NFI)

	March 2026 (unaudited)			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Unrestricted:				
Equity shares, net	2,628	-	373	3,001
American Depositary Receipts (ADR´S)	57	-	(1)	56
Sovereign debt Eurobonds	7,832	224	(158)	7,898
Fixed-rate government bonds	49,880	91	27	49,998
Promissory notes with returns settled at maturity	9,972	-	-	9,972
Federal Mexican Treasury Securities (CETES)	9,817	-	(4)	9,813
Federal Government Development Bonds (BONDES)	4,395	10	-	4,405
Corporate Eurobonds	472	1	1	474
Securitized bank debt certificates	4,516	37	(40)	4,513
Securitized debt certificates	13,872	109	(20)	13,961
Exchangeable securitized debt certificates (CBICS)	1,148	13	(63)	1,098
Federal Government Development Bonds in UDIS (UDIBONOS)	15,834	75	(243)	15,666
Mexican Bank Saving Protection Bonds (BPAS)	1,247	7	16	1,270
Investment funds	-	-	-	-
Treasury notes	601	3	2	606
Total unrestricted	122,271	570	(110)	122,731
Restricted:				
Collateral granted (a.1.)	176,778	934	462	178,174
Value date purchases	46,081	494	-	46,575
Value date sales	(54,545)	(539)	(26)	(55,110)
Total restricted	168,314	889	436	169,639
Total	290,585	1,459	326	292,370

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Instrument	December 2025 Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Unrestricted:				
Equity shares, net	4,026	-	646	4,672
American Depositary Receipts (ADR´S)	55	-	9	64
Sovereign debt Eurobonds	3,470	78	4	3,552
Fixed-rate government bonds	41,180	195	726	42,101
Promissory notes with returns settled at maturity	-	-	-	-
Federal Mexican Treasury Securities (CETES)	14,104	-	45	14,149
Federal Government Development Bonds (BONDES)	4,972	11	(1)	4,982
Corporate Eurobonds	322	2	-	324
Securitized bank debt certificates	4,732	28	(48)	4,712
Securitized debt certificates	15,153	141	18	15,312
Exchangeable securitized debt certificates (CBICS)	1,066	14	(56)	1,024
Federal Government Development Bonds in UDIS (UDIBONOS)	7,620	23	219	7,862
Mexican Bank Saving Protection Bonds (BPAS)	1,848	31	20	1,899
Investment funds	256	-	-	256
Treasury notes	666	3	7	676
Total unrestricted	99,470	526	1,589	101,585
Restricted:				
Collateral granted (a.1.)	167,659	1,783	604	170,046
Value date purchases	6,985	117	7	7,109
Value date sales	(5,073)	(71)	(9)	(5,153)
Total restricted	169,571	1,829	602	172,002
Total	269,041	2,355	2,191	273,587

a.1. Collateral granted:

Instrument	March 31, 2026 (unaudited) Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Collateral under securities lending:				
Federal Government Development Bonds	-	-	-	-
Federal Government Development Bonds in UDIS (UDIBONOS)	-	-	-	-
Bono IPAB	-	-	-	-
Fixed-rate government bonds	3,114	19	(33)	3,100
BONDES	24,655	99	(3)	24,751
BPAS	46,294	514	554	47,362
CETES	14,482	-	10	14,492
Total collateral under securities lending	88,545	632	528	89,705
Collateral under repurchase/resale agreements:				
Securitized bank debt certificates	1,196	5	(1)	1,200
BONDES	5,133	9	-	5,142
Fixed-rate government bonds	10,314	74	3	10,391
BPAS	1,013	10	-	1,023
CETES	51,107	-	30	51,137
UDIBONOS	1,413	18	(124)	1,307
CBICS	10,860	103	1	10,964
Eurobonds	-	-	-	-
Securitized debt certificates	1,332	30	4	1,366
Total collateral under repurchase/resale agreements	82,368	249	(87)	82,530
Other collateral:				
Fixed-rate government bonds	1,726	11	(6)	1,731
BPAS	1,573	36	10	1,619
CETES	1,580	-	22	1,602
Securitized debt certificates	18	-	-	18
Corporate Eurobonds	135	-	(8)	127
Treasury notes	833	6	3	842
Total other collateral	5,865	53	21	5,939
Total restricted securities by collateral granted	176,778	934	462	178,174

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a.1. Collateral granted: (continuance)

	December 2025			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Collateral under securities lending:				
Equity shares, net	$ -	$ -	$ -	$ -
Bono IPAB	-	-	-	-
Fixed-rate government bonds	3,719	85	-	3,804
BONDES	28,334	60	(26)	28,368
BPAS	55,618	1,155	474	57,247
CETES	9,088	-	9	9,097
Total collateral under securities lending	96,759	1,300	457	98,516
Collateral under repurchase/resale agreements:				
Securitized bank debt certificates	$ –	$ –	$ –	$ –
BONDES	7,179	13	(2)	7,190
Fixed-rate government bonds	1,804	26	2	1,832
BPAS	4,756	92	54	4,902
CETES	39,032	-	42	39,074
UDIBONOS	-	-	-	-
CBICS	10,672	238	22	10,932
Eurobonds	-	-	-	-
Securitized debt certificates	1,312	4	(1)	1,315
Total collateral under repurchase/resale agreements	64,755	373	117	65,245
Other collateral:				
Fixed-rate government bonds	2,118	57	(3)	2,172
BPAS	1,572	48	11	1,631
CETES	1,533	-	21	1,554
Securitized bank debt certificates	18	-	-	18
Corporate Eurobonds	136	2	(5)	133
Treasury notes	768	3	6	777
Total other collateral	6,145	110	30	6,285
Total restricted securities by collateral granted	167,659	1,783	604	170,046

b. Financial Instruments to Collect and Sell (FICS) as of March 31, 2026 (unaudited) and December 31, 2025, are made up as follows:

	March 31, 2026 (unaudited)			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Unrestricted securities:				
Equity shares, net	-	-	-	-
Securitized debt certificates	3,466	66	(12)	3,520
Sovereign debt Eurobonds	47,331	1,030	(1,097)	47,264
Fixed-rate government bonds	93,205	2,288	(588)	94,905
BPAS	-	-	-	-
Securitized bank debt certificates	4,421	74	(15)	4,480
CEDES	-	-	-	-
Treasury	1,229	23	2	1,254
BREMS R (1)	-	-	-	-
UDIBONOS	803	8	(18)	793
Total unrestricted	150,455	3,489	(1,728)	152,216
Restricted (b.1.)	90,401	1,810	65	92,276

(1) BREMS R part of the Monetary Regulation Deposit
(2) As of March 31, 2026, the result from the Valuation of financial instruments to collect and sell is presented in accumulated OCI at the negative effect from the valuation net of deferred taxes of $(2,778) of the derivatives that hedge said position of securities.

	December 2025			
Instrument	**Acquisition cost**	**Interest accrued**	**Increase (decrease) by valuation**	**Carrying value**
Unrestricted securities:				
Equity shares, net	-	-	-	-
CETES	-	-	-	-
Sovereign debt Eurobonds	47,042	733	(182)	47,593
Fixed-rate government bonds	73,623	1,102	642	75,367
Securitized bank debt certificates	3,193	60	(4)	3,249
Eurobonds	4,360	169	11	4,540
CEDES	-	-	-	-
Treasury	1,235	11	2	1,248
UMS	-	-	-	-
BREMS R (1)	-	-	-	-
UDIBONOS	3,428	8	(22)	3,414
Total unrestricted	132,881	2,083	447	135,411
Restricted (b.1.)	103,958	1,579	1,049	106,586

(1) BREMS R part of the Monetary Regulation Deposit.
(2) As of December 31, 2025, the result from the Valuation of financial instruments to collect and sell is presented in accumulated OCI at the negative effect from the valuation net of deferred taxes of $468 of the derivatives that partially hedge said position of securities.

b.1. The collateral granted (restricted securities) of financial instruments to collect and sell as of March 31, 2026 (unaudited) and December 31, 2025 is summarized as follows:

	March 2026 (unaudited)			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Other collateral:				
Fixed-rate government bonds	-	-	-	-
BPAS	-	-	-	-
Corporate Eurobonds	3	-	-	3
Securities lending				
Fixed-rate government bonds	-	-	-	-
Securitized debt certificates	-	-	-	-
Securitized bank debt certificates	-	-	-	-
BPAS	-	-	-	-
UDIBONOS	-	-	-	-
Collateral under repurchase/resale agreements	-	-	-	-
Fixed-rate government bonds	87,052	1,777	137	88,966
UDIBONOS	3,346	33	(72)	3,307
Total restricted	90,401	1,810	65	92,276

	December 2025			
Instrument	Acquisition cost	Interest accrued	Increase (decrease) by valuation	Carrying value
Securitized debt certificates, corporate	-	-	-	-
Fixed-rate government bonds	-	-	-	-
BPAS	-	-	-	-
Corporate Eurobonds	-	-	-	-
Securities lending	-	-	-	-
BPAS	-	-	-	-
Fixed-rate government bonds	103,308	1,577	1,053	105,938
Securitized debt certificates	-	-	-	-
Securitized bank debt certificates	-	-	-	-
UDIBONOS	650	2	(4)	648
Collateral under repurchase/resale agreements	103,958	1,579	1,049	106,586
Treasury bills	-	-	-	-
Total restricted	103,958	1,579	1,049	106,586

c. Financial Instruments to Collect Principal and Interest (FICPI) as of March 31, 2026 and December 31, 2025, are made up as follows:

	March 2026 (unaudited)		
Instrument	Acquisition cost	Interest accrued	Carrying value
Mortgage Debtor Support Program - Special CETES	2,143	-	2,143
Fixed-rate government bonds	67,803	1,021	68,824
Securitized bank debt certificates	823	6	829
Eurobonds	16,105	164	16,269
Treasury	5,373	15	5,388
UDIBONOS	18,828	196	19,024
BREM´s	31,994	123	32,117
Total to collect principal and interest	143,069	1,525	144,594
Allowance for expected loan losses for investments in financial instruments to collect principal and interest (securities)			(27)
Total to collect principal and interest, net			144,567

	December 2025		
Instrument	Acquisition cost	Interest accrued	Carrying value
Mortgage Debtor Support Program - Special CETES (note 8)	2,106	-	2,106
Fixed-rate government bonds	72,798	981	73,779
Securitized bank debt certificates	823	26	849
Corporate Eurobonds	14,475	209	14,684
Treasury	5,398	36	5,434
BREMS	31,997	87	32,084
UDIBONOS	18,058	44	18,102
Total to collect principal and interest	145,655	1,383	147,038
Allowance for expected loan losses for investments in financial instruments to collect principal and interest (securities)			(24)
Total to collect principal and interest, net			147,014

d. Collateral Received and Delivered.

The terms and conditions for the delivery of collateral securities adhere to the framework agreements for repos, securities lending and derivatives (ISDA/CMOF). These agreements provide for the exchange of collaterals, which will mitigate credit risk, in order to have a reasonable level thereof; the guarantee received or delivered does not meet the property transfer criteria, so the entity that delivers the collateral maintains the corporate and economic rights of said instruments, unless there is a breach of the guaranteed obligations; however, these framework agreements contemplate the temporary use and exploitation of said instruments with the commitment to return them at the expiration of the guaranteed transaction or by calls to return the margin due to a decrease in the guaranteed value at risk.

Under the collateral exchange agreements of financial institutions that have a negative market value, it agrees to deliver or receive to the other party (which therefore has a positive market value) assets, liabilities or cash to reduce exposure for credit risk, in accordance with the terms signed in the bilateral agreement.

As of March 31, 2026 (unaudited) and December 31, 2025, there are no investments in debt securities other than government securities of the same issuer that exceed 5% of the Institution's global capital.

As of March 31, 2026 (unaudited) and December 31, 2025, the Institution does not maintain investments that come from unobservable markets.

(6) Repurchase agreements debtors-

a. Repurchases agreements debtors

As of March 31, 2026 (unaudited) and December 31, 2025, repurchase agreement debtors are comprised as shown below:

	March 2026 (unaudited)			December 2025		
	Asset	Liability		Asset	Liability	
Instrument	Repurchase agreements debtors	Collateral sold or pledged	Debit difference	Repurchase agreements debtors	Collateral sold or pledged	Debit difference
BONDES	39,849	-	39,849	$ 41,843	-	$ 41,843
Fixed-rate government bonds	32,915	-	32,915	44,425	-	44,425
BPAS	17,069	-	17,069	20,286	-	20,286
CETES	9,207	-	9,207	13,786	-	13,786
Corporate	816	-	816	1,150	-	1,150
Bank Stock Certificate	2,733	-	2,733	717	-	717
Corporate Eurobonds	291	-	291	285	-	285
UDIBONOS	6,949	-	6,949	4,201	-	4,201
Totals	**$ 109,829**	**$ -**	**109,829**	**$ 126,693**	**$ -**	**$ 126,693**

b. Repurchase agreements creditors

As of March 31, 2026 (unaudited) and December 31, 2025, the repurchase agreement creditors are comprised as shown below:

Instrument	March 2026 (unaudited)	December 2025
BONDES	$ 5,140	$ 7,192
Fixed-rate government bonds	97,145	106,427
BPAS	1,023	4,903
Stock certificates	1,203	1,315
CETES	50,566	38,386
CBICS	10,872	10,915
Corporates	1,366	-
UDIBONOS	21,403	647
Total	**$ 188,718**	**$ 169,785**

c. The collateral sold or given as security in repurchase and securities lending transactions as of March 31, 2026 (unaudited) and December 31, 2025, is integrated as shown below:

	March 2026 (unaudited)			December 2025		
	Memorandum accounts		Liability	Memorandum accounts		Liability
Instrument	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral
Securities lending:						
Fixed-rate government bonds	48,578	45,033	44,593	$ 43,177	$ 40,882	$ 39,487
UDIBONOS	16,296	14,232	14,232	15,263	14,885	14,885
CETES	12,123	8,069	8,069	20,939	20,806	20,806
CBICS	11,484	-	-	17,578	-	-
Equity instruments	438	438	438	280	280	280
	88,919	67,772	67,332	97,237	76,853	75,458
Repurchases agreements:						
BONDES	40,022	27,860	27,876	42,022	30,885	30,890
Fixed-rate bonds	33,121	31,840	30,279	44,527	32,648	32,622
BPAS	17,071	11,559	11,564	20,328	13,335	13,336
CETES	9,210	7,820	7,820	13,805	11,007	11,011
UDIBONOS	6,932	-	-	4,203	2,361	2,359
Stock Bank Certificates	2,753	-	-	1,977	68	68
Corporate Eurobonds	303	-	-	300	-	-
CBICS	-	9,062	8,981	-	17,578	17560
Stock Certificates	851	-	-	-	-	-
	110,263	88,141	86,520	127,162	107,882	107,846
Other guarantees received	27,756	2,060	-	18,341	1,283	-
Total	**226,938**	**157,973**	**153,852**	**$ 242,740**	**$ 186,018**	**$ 183,304**

(7) Derivative financial instruments-

As of March 31, 2026 (unaudited) and December 31, 2025, securities and derivative transactions are as follows:

a. Derivative financial instruments - The Institution carries out derivative transactions to meet the needs of our clients, manage the sensitivity of its own portfolios, as a market maker and to hedge its own structural balance sheet risks.

Trading:

	March 2026 (unaudited)			
	Carrying value		Net Balance	
	Assets	Liabilities	Assets	Liabilities
Futures long position	37,570	37,570	-	-
Futures short position	90,365	90,365	-	-
Forwards long position	1,406,676	1,431,581	15,317	40,222
Forwards short position	1,388,873	1,360,890	39,960	11,977
Options purchased	9,909	-	9,909	
Options sold	-	63,667	-	63,667
Swaps	2,299,934	2,301,288	108,188	109,541
	5,233,327	5,285,361	173,374	225,407

Hedging:

	March 2026 (unaudited)				
	Carrying value		Net Balance		
	Assets	Liabilities	Assets	Liabilities	Net position
Swaps	156,162	158,283	5,074	7,196	(2,121)

Trading:

	December 2025			
	Carrying value		Net Balance	
	Assets	Liabilities	Assets	Liabilities
Futures long position	16,671	16,671	-	-
Futures short position	59,135	59,135	-	-
Forwards long position	1,189,016	1,231,671	5,713	48,369
Forwards short position	1,230,796	1,188,928	45,064	3,195
Options purchased	8,101	-	8,101	-
Options sold	-	47,609	-	47,609
Swaps	2,114,848	2,115,867	107,101	108,120
	4,618,567	4,659,881	165,979	207,293

Hedging:

	December 2025				
	Carrying value		Net Balance		
	Assets	Liabilities	Assets	Liabilities	Net Position
Swaps	155,059	157,847	4,789	7,577	(2,788)

(8) Loan portfolio-

The Bank's business model determines whether the cash flows will come from obtaining contractual cash flows, from the sale of the loan portfolio, or both.

If the objective of the business model of the loan portfolio is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows at pre-established dates, corresponding only to payments of principal and interest on the principal amount outstanding, then the portfolio is presented in the statement of financial position at its amortized cost. However, if this is not met, it should be treated in accordance with Mexican NIF C-2, "Investment in financial instruments."

Therefore, it is determined that the loan portfolio should be presented in the consolidated statement of financial position at amortized cost.

On the other hand, the SPPI (Solely Payments of Principal and Interest) test is a tool that allows evaluating the cash flows of the loan portfolio, by homogeneous portfolio or individual loan transactions. This test allows, through the analysis of contractual cash flows, to determine whether they correspond solely to principal and interest payments.

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Loan portfolio classified by type as of March 31, 2026 (Unaudited) are as follows:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in MXN:				
Commercial	645,716	7,919	7,805	661,440
Rediscounted portfolio	10,648	121	125	10,894
Leasing portfolio	1,802	-	6	1,808
Denominated in UDIs (MXN equivalent):				
Commercial	1	-	3	4
Denominated in foreign currency (MXN equivalent):				
Commercial	238,820	3,770	383	242,973
Rediscounted portfolio	1,104	-	7	1,111
Leasing portfolio	3,291	-	-	3,291
Commercial or business activity				
Denominated in MXN:				
Loans to financial entities	52,764	-	19	52,783
Loans to government entities	172,906	-	-	172,906
Leasing portfolio	979	-	-	979
Denominated in foreign currency (MXN equivalent):				
Loans to financial entities	1,302	-	-	1,302
Loans to government entities	6,314	-	-	6,314
Interest collected in advance	(357)	-	-	(357)
Total, commercial loans	1,135,290	11,810	8,348	1,155,448
Consumer loans				
Denominated in MXN:				
Credit cards	215,908	7,603	6,286	229,797
Other consumer loans	326,070	7,705	9,795	343,570
Denominated in foreign currency (MXN equivalent):				
Other consumer loans				
Interest collected in advance	(431)	-	-	(431)
Total, consumer loans	541,547	15,308	16,081	572,936
Mortgage loans-				
Denominated in MXN:				
Medium and residential	377,168	15,204	8,823	401,195
Of Social interest	2,075	372	136	2,583
Denominated in UDIs (MXN equivalent):				
Medium and residential	1,016	159	58	1,233
Denominated in foreign currency (MXN equivalent):				
Medium and residential	1	-	1	2
Total, mortgage loans	380,260	15,735	9,018	405,013
Portfolio measured at fair value	12,901	-	-	12,901
Total, loan portfolio	2,069,998	42,853	33,447	2,146,298

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Loan portfolio classified by type as of December 31, 2025 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in MXN				
Commercial	611,971	6,869	6,805	625,645
Rediscounted portfolio	10,072	139	178	10,389
Leasing portfolio	2,001	1	6	2,008
Denominated in UDIs (MXN equivalent):				
Commercial	1	-	3	4
Denominated in foreign currency (MXN equivalent):				
Commercial	234,563	3,233	1,374	239,170
Rediscounted portfolio	1,241	-	7	1,248
Leases	3,459	-	-	3,459
Commercial or business activity				
Denominated in MXN:				
Loans to financial entities	51,441	-	19	51,460
Loans to government entities	167,879	-	-	167,879
Leasing portfolio	1,058	-	-	1,058
Denominated in foreign currency (MXN equivalent):				
Loans to financial entities	1,415	-	-	1,415
Loans to government entities	7,991	-	-	7,991
Interest collected in advance	(366)	-	-	(366)
Total, commercial loans	1,092,726	10,242	8,392	1,111,360
Consumer loans				
Denominated in MXN:				
Credit cards	220,432	6,469	6,929	233,830
Other consumer loans	316,758	7,146	9,882	333,786
Denominated in foreign currency (MXN equivalent):				
Other consumer loans	-	-	-	-
Interest collected in advance	(405)	-	-	(405)
Total, consumer loans	536,785	13,615	16,811	567,211
Mortgage loans-				
Denominated in MXN:				
Medium and residential	373,164	13,488	8,750	395,402
Of social interest	2,180	358	142	2,680
Denominated in UDIs (MXN equivalent):				
Medium and residential	1,099	168	60	1,327
Denominated in foreign currency (MXN equivalent):				
Medium and residential	1	-	-	1
Total, mortgage loans	376,444	14,014	8,952	399,410
Portfolio measured at fair value	11,081	-	-	11,081
Total, loan portfolio	2,017,036	37,871	34,155	2,089,062

(9) Allowance for expected credit losses

Loan ratings of the Institution, which includes the amounts for irrevocable loans and letters of credit recorded in memorandum accounts, made for the purpose of recording the loan loss allowance as of March 31, 2026 and December 31, 2025, is composed as shown below.

March 2026 (unaudited)

		Allowances			
Risk category	Portfolio Exposure Rating Base	Commercial	Consumer	Mortgage	Total allowances
A1	1,568,605	2,807	4,421	414	7,642
A2	142,112	847	2,377	110	3,334
B1	121,533	273	3,907	85	4,265
B2	64,080	132	2,792	136	3,060
B3	69,612	827	2,890	112	3,829
C1	54,424	522	4,010	226	4,758
C2	46,641	238	6,876	521	7,635
D	36,818	2,532	6,167	2,226	10,925
E	33,536	3,101	16,228	3,631	22,960
Total	2,137,361	11,279	49,668	7,461	68,408

December 2025

		Allowances			
Risk category	Portfolio Exposure Rating Base	Commercial	Consumer	Mortgage	Total allowances
A1	1,592,986	2,680	3,819	223	6,722
A2	112,318	706	2,134	23	2,863
B1	115,398	276	4,042	10	4,328
B2	61,417	242	2,792	27	3,061
B3	57,383	774	2,413	33	3,220
C1	51,735	378	3,662	286	4,326
C2	41,985	233	6,049	297	6,579
D	21,729	2,029	5,277	268	7,574
E	34,804	3,524	16,537	4,724	24,785
Total	2,089,755	10,842	46,725	5,891	63,458

The total loan portfolio balance used for calculating the allowance for expected credit losses includes amounts related to irrevocable loans made and letters of credit granted, which are recorded in memorandum accounts.

The amount of the allowance for expected credit losses as of March 31, 2026 (unaudited) and December 31,2025 includes the classification of loan granted in foreign currency valued at the exchange rate in effect on said dates. As of March 31, 2026 (unaudited) and December 31, 2025, the allowance for loan losses represents 204.53% and 185.79%, respectively, of the stage 3 portfolio.

The allowance for expected credit losses as of March 31, 2026 (unaudited) and December 31, 2025 amounts to $68,408 and $63,458 respectively, calculated in accordance with the methodologies approved by the Commission under the General Standard Methodology.

Allowance for expected credit losses by type of portfolio is as follows:

	March 2026 (unaudited)	December 2025
Commercial or business activity	10,022	9,644
Financial entities	361	333
Government entities	896	865
Commercial loans:	11,279	10,842
Consumer loans	49,668	46,725
Mortgage loans	7,461	5,891
Total, allowance for expected credit losses	68,408	63,458

Below are presented the movement of the allowance for expected credit losses for the three-month period ending March 31, 2026 and the year ended December 31, 2025.

	March 2026 (Unaudited)		
	Stage 1-3	Additional	Total
Opening balance	63,458	-	63,458
Estimates charged to results of the period (1)	21,754	-	21,754
Applications and write-offs of the year	(16,790)	-	(16,790)
Exchange rate effect	(14)	-	(14)
Ending balance	68,408	-	68,408

	December 2025		
	Stage 1-3	Additional	Total
Opening balance	55,719	4,612	60,331
Estimates charged to results of the year (1)	67,567	(4,612)	62,955
Applications and write-offs of the year	(59,584)	-	(59,584)
Exchange rate effect	(244)	-	(244)
Ending balance	63,458	-	63,458

(1) The amount of recoveries of previously written-off or eliminated credit portfolio as of March 31, 2026 and 2025 amounts to $ 454 and $,403 respectively, and are presented in the "credit losses expense" item in the consolidated statement of comprehensive income, so the net movement in results for the three-month period ended March 31, 2026 and 2025, is ($ 21,303) and ($13,745), respectively

(10) Other accounts receivable, net-

The balance of other accounts receivable as of March 31, 2026 and December 31, 2025, is comprised as follows:

	March 2026	December 2025
	(Unaudited)	
Debtors for settlement of operations (a)	129,970	$ 68,015
Loans to officials and employees (b)	26,025	27,066
Miscellaneous debtors	9,711	8,176
Collateral provided by OTC derivatives (c)	8,019	7,044
Income tax (net)	-	-
Others	4,085	4,397
	177,810	**114,698**
Allowance for expected credit losses	(581)	(618)
Allowance of expected credit losses - employee loans	(386)	(245)
	$ 176,843	**$ 113,835**

Movements of the allowance for unrecoverable debts - The following is an analysis of the movement of the allowance for unrecoverable debts for March 31, 2026 and December 31, 2025, excluding reserve for loans used.

	March 2026	December 2025
	(Unaudited)	
Opening balance	$ (618)	$ (516)
Change-offs	(1,110)	(4,522)
Reversals of allowance	1,147	4,420
Ending balance	$ (581)	**$ (618)**

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(a) Debtors for the liquidation of operations as of March 31, 2026 and December 31, 2025, are integrated as shown below:

	March 2026 (Unaudited)	December 2025
Currencies[(a1)]	56,375	$ 47,242
Investments in securities	71,335	16,141
Derivatives	2,260	4,632
	$ 129,970	**$ 68,015**

(a1) As of March 31, 2026 and December 31, 2025, the settlement balance of operations is netted by the purchase and sale of foreign currency for $85,429 and $61,015, respectively.

(b) As of March 31, 2026 and December 31, 2025, it corresponds to officials and employees belonging to the Institution.

(c) Debtors for collateral provided by OTC derivatives as of March 31, 2026 and December 31, 2025, are integrated as follows:

	March 2026 (Unaudited)			December 2025
	Acquisition cost	Accrued interest	Value in books	Value in books
Collateral provided by derivatives:				
Actinver Casa Bolsa, S.A. de C.V.	-	-	-	$ 68
Banco Actinver IBM	-	-	-	49
Banco Bilbao Vizcaya Madrid	1,295	-	1,295	-
Banco Regional del Norte Sa	27	-	27	-
Banamex 2024	696	3	699	-
Mifel S.A.	-	-	-	23
BBVA Banco Continental S.A.	-	-	-	-
Banco Invex, S.A. IBM	109	-	109	99
Banco Monex sa IBM	-	-	-	-
Banco JP Morgan, S.A. IBM	-	-	-	-
Banco J Aron	-	-	-	5
Banco Mercantil del Norte, S.A. IBM	289	1	290	193
Banco Inbursa S.A.	-	-	-	437
Banco Nacional de Comercio Exterior, S.N.C.	1,083	10	1,093	1,181
Banco Nacional de Obras	808	2	810	451
Banco Nacional de México, S.A.	-	-	-	1,187
Credit Agicole Corp	-	-	-	-
Banco Santander, S.A. IBM	38	-	38	-
Consubanco	-	-	-	-
Citi Bank Mexico SA	1,105	1	1,106	668
Banco Ve por más, S.A. IBM	27	-	27	14
Bank of America México, S.A. IBM	547	1	548	885
Barclays Bank PLC	248	1	249	253
Bnp Paribas Ny Branch	-	-	-	-
Casa de Bolsa Finamex, S.A.B. de C.V.	-	-	-	2
Goldman Sachs	367	1	368	284
Natixis SA	94	-	94	32
Merril Lynch Capital	805	3	808	781
Morgan Stanley	-	-	-	118
Masari Sa	-	-	-	-
Deutsche Bank	335	1	336	239
Societe Generale	-	-	-	-
Nacional Financiera Sa	-	-	-	-
Mufg Bank Mexico Sa	46	-	46	-
Standard Chartered Bank	1	-	1	3
Scotia Bank Sa	-	-	-	-
Mizuho Bank Mexico	25	-	25	53
Banco Multiva Sa	31	-	31	-
Kptl Mexico Bank Sa	-	-	-	-
Ubs Ag Zurich	-	-	-	-
WllsFargo Bank Na	-	-	-	-
BBVA Colombia	19	-	19	19
	$ 7,995	**$ 24**	**$ 8,019**	**$ 7,044**

(11) Deposits-

As of March 31, 2026 and December 31, 2025, traditional deposits is integrated as follows:

	March 2026 (Unaudited)	December 2025
Demand deposits[(a)]:		
Demand deposits	1,699,957	1,679,511
Time deposits:		
General public	336,644	314,181
Money Market	15,097	23,635
Debt securities issued	175,556	159,610
Dormant deposit account	7,622	7,771
Total	2,234,876	2,184,708

[(a)] As of March 31, 2026 (unaudited), the average rates in pesos of demand deposits based on their short- and long-term enforceability are 1.62% and 5.67%, respectively, and as of December 31, 2025 are 1.60% and 5.90%, respectively.

Description of main programs

As of March 31, 2026 (unaudited) and December 31, 2025, the Institution has short- and long-term debt placed with a of $175,556 and $159,610 respectively, which is made up as follows:

	March 2026 (Unaudited)		
	Amount	Average term (days)	Average rate
Long term bank bonds	8,667	3,474	7.72%
Short term bank bonds	11,583	56	6.29%
Securitized debt certificates in MXN	117,856	1,337	8.29%
Securitized debt certificates in UDIs	19,878	100	4.36%
Securitized debt certificates in USD	6,786	738	4.56%
Subordinated and Senior Notes	10,786	1,259	5.25%
Total	175,556		

	December 2025		
	Amount	Average term (days)	Average rate
Long term bank bonds	5,115	3,623	7.41%
Short term bank bonds	14,559	58	5.47%
Securitized debt certificates in MXN	102,612	1,285	8.41%
Securitized debt certificates in UDIs	19,825	190	4.36%
Securitized debt certificates in USD	6,519	828	4.56%
Subordinated and Senior Notes	10,980	1,349	5.25%
Total	159,610		

Liquidity ratio (unaudited) - The provisions of the "Regime of admission of liabilities and investment for transactions in foreign currency" issued by the Central Bank for financial institutions establishes a mechanism for determining the liquidity coefficient for liabilities denominated in foreign currency.

In accordance with said regime, as of March 31, 2026 (unaudited) and December 31, 2025, the Institution generated an additional liquidity requirement of USD 180 million and USD 892 million, respectively. As of March 31, 2026 (unaudited) and December 31, 2025, Investment in liquid assets amounted to USD 6,894 million and USD 8,282 million, respectively, resulting in a surplus of USD 6,714 million and USD 7,390 million as of said date, respectively.

ESG Bonds in local market

During the three months ended March 31, 2026 (unaudited), BBVA Mexico has three ESG bonds the local market. The first sustainable bond (ticker: BBVAMX 22X) was issued in June 2022 for a total amount of MXN 10,000 million, with a variable rate of TIIEON + 28 bps, and a term to maturity of 4 years. The second bond (ticker: BBVAMX 23V) was a green bond, issued on February 2023 for a total amount of MXN 8,689 million, with a variable rate of TIIE ON + 32 bps and a term to maturity of 4 years. The third bond was a social bond with a specific target towards SMEs. This bond was issued in two parts on April 2025: the first part (ticker: BBVAMX 25S) for a total amount of MXN 900 million, with a variable rate of TIIE ON + 32 bps and a term maturity of 5 years, and the second part (ticker: BBVAMX 25-2S) for a total amount of MXN 900 million, with a fixed rate of 9.30% and a term maturity of 8 years.

Local ESG bonds maturity

During the three months ended March 31, 2026 (unaudited), no maturities regarding long-term local ESG bonds were recorded.

(12) Subordinated debt-

As of March 31, 2026 (unaudited) and December 31, 2025, they are analyzed as follows:

	March 2026 (Unaudited)	December 2025
USD 1,000 million, 8.45% notes, issued Jun 2023, payable semiannually from December 26, 2023, due Jun 29, 2038; the number of outstanding securities is 1,000,000 with a nominal value of USD 1,000 each.	17,925	18,008
USD 1,000 million, 5.125% notes, issued January 2018, payable semiannually from July 17, 2018, due January 18, 2033; the number of outstanding securities is 1,000,000, with a nominal value of USD 1,000 each.	17,925	18,008
USD 1,000 million, 7.625% notes, issued February 2025, payable semiannually from August 11, 2025, due February 11, 2035; the number of outstanding securities is 1,000,000 with a nominal value of USD 1,000 each.	17,925	18,008
USD 750 million, 5.875% notes, issued September 2019, payable semiannually from March 13, 2020, due September 13, 2034; the number of outstanding securities is 750,000 with a nominal value of USD 750 each.	13,445	13,506
USD 900 million, 8.125% notes, issued January 2024, payable semiannually from March 13, 2024, due January 08, 2039; the number of outstanding securities is 900,000, with a nominal value of USD 900 each.	16,133	16,208
Unpaid accrued interest	1,087	1,829
Issuance expenses	(216)	(229)
Total	84,224	85,338

(13) Income tax and employee profit sharing-

The current Income Tax Law provides for an income tax rate of 30%. Main items affecting the Institution taxable income were the annual inflation adjustment, accruals, the market valuation results, the pre-maturity of derivate financial instruments, the differences between the accounting and tax depreciation and amortization and the deductible written-off portfolio and the application of discounts.

A reconciliation as for the three-month periods ended March 31, 2026 and 2025 (unaudited) of the statutory income tax rate and the effective rates expressed as a percentage of income before equity in the results of unconsolidated subsidiaries and associates and income tax, which is the tax incurred by the Institution, is as follows:

	March 2026		March 2025	
	Tax	Effective Rate	Tax	Effective Rate
		(unaudited)		
Statutory rate	9,994	30%	10,306	30%
Increase (reduction from):				
Non-deductible expenses	660	1.98%	176	0.51%
Effects of annual inflation	(1,264)	(3.79%)	(1,010)	(2.94%)
Tax payments and provisions agreed with tax authorities during the year, net	-	-	-	-
Other accruals	362	1.08%	166	0.48%
	9,752	29.27%	9,638	28.06%

Other tax matters:

As of March 31, 2026 (unaudited) and December 31, 2025, balances are as follows:

	March 2026	December 2025
	(Unaudited)	
Net after-tax profit account	294,138	281,312
Capital contributions account	101,236	99,505

The institution reflected the Net after-tax profit account an amount of 281,312, considering the Net after-tax profit with figures at the end of fiscal year 2025, derived from the update of the Net after-tax profit this was modified leaving in amount of 281,683, which was revealed in the amended annual tax return presented on May 7, 2026.

The Institution has recognized a deferred income tax resulting from temporary differences arising from the comparison of accounting and taxable values of the following assets and liabilities:

	March 2026		December 2025	
	Amount	Tax	Amount	Tax
	(Unaudited)			
Deferred tax assets:				
Allowance for loan losses (not deducted)	84,669	25,401	74,251	22,275
Fees and interest charged in advance	11,994	3,598	12,262	3,679
Provisions	17,806	5,342	15,713	4,714
Other assets	4,641	1,392	10,319	3,095
Foreclosed assets	1,733	520	1,766	530
Valuation of financial instruments to collect or sell (stockholders' equity)	1,664	499	-	-
Valuation of derivative financial instruments to hedge cash flows (stockholders' equity)	4,087	1,226	487	146
Reserve of pension	4,245	1,274	8,106	2,432
Deferred employee profit sharing	15,163	4,549	14,179	4,254
Total, assets	146,002	43,801	137,083	41,125
Deferred tax liabilities:				
Market valuation (results)	5,481	1,644	862	258
Pre-maturity of derivative financial transactions	-	-	-	-
Other liabilities	8,397	2,520	9,255	2,777
Total liabilities	13,878	4,164	10,117	3,035
Net deferred assets	132,124	39,637	126,966	38,090

In assessing the recoverability of deferred tax assets, Management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Other considerations:

In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed. In accordance with the Income Tax Law, companies carrying out transactions with the related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's length transactions.

(14) Creditors on settlement of transactions

Creditors for the liquidation of operations as of March 31, 2026 and December 31, 2025, are integrated as shown below:

	March 2026	December 2025
	(Unaudited)	
Currencies[(1)]	77,236	59,715
Investments in securities	69,150	18,058
Derivatives	1,704	932
	$148,090	**$78,705**

(1) As of March 31, 2026 (unaudited) and December 31, 2025, the balance of foreign exchange transactions is originally 162,665, with the balance offset of (85,429) giving a net effect of 77,236. As of December 31, 2025 the balance of foreign exchange transactions is originally 120,730, with the balance offset of (61,015) giving a net effect of 59,715.

(15) Stockholders' Equity-

(a) Structure of capital stock

The Institution's capital stock as of March 31, 2026(unaudited) and December 31, 2025 is as follows:

	Number of shares at Par Value of MXN 0.28		
		Issued shares	
	Capital stock	Unsubscribed	Paid-in Capital
Series "F"	9,107,142,859	(1,370,063,922)	7,737,078,937
Series "B"	8,749,999,999	(1,316,335,923)	7,433,664,076
	17,857,142,858	(2,686,399,845)	15,170,743,013

	Number of shares at Par Value of MXN 0.28		
		Issued shares	
	Capital stock	Unsubscribed	Paid-in Capital
Series "F"	$2,550	(384)	$2,166
Series "B"	2,450	(368)	2,082
Subtotal	$5,000	(752)	4,248
Reordering of capital adjustments			10,971
Adjustment to pesos as of December 2007			8,924
Total			$24,143

On February 27, 2026, through the General Ordinary Shareholders' Meeting, the distribution of dividends up to the amount of $67,000 was authorized, from the "Results from previous years," of which $16,750 was paid to shareholders on March 25 at a rate of $1.10409885564911 pesos per share respectively (Unaudited)

On February 28, 2025, pursuant to an General Ordinary Shareholders' Meeting, the distribution of dividends up to the amount of $60,000 was authorized, from the "Results from previous years," of which $15,000, $15,000, $15,000 and $15,000 was paid to shareholders on March 25, June 25, September 26 and December 18 at a rate of $0.988745243864873, $0.988745243864873, $0.988745243864873 and $0.988745243864873 pesos per share respectively.

(b) Stockholders' equity restrictions

The Banking Law requires the Institution to set aside 10% of its profits annually to establish capital reserves, up to the amount of paid-in capital stock. As of March 31, 2026 (unaudited) and December 31, 2025, the Institution has reached the required reserve amount with respect to the historical paid-in capital stock. In the event of profits distribution not subject to taxes applicable to the Institution, such tax must be paid upon distribution of the dividend. Therefore, the Institution must consider the profits subject to each rate.

(c) Capitalization Ratio (Unaudited)

The Capitalization Ratio (ICAP) represents the financial strength of an institution to withstand unexpected losses due to the risks it incurs. The regulatory framework is described in Title One Bis of the General Provisions Applicable to Credit Institutions. The ICAP is calculated as the ratio of Net Capital over Risk Weighted Assets subject to credit, market and operational risk.

- *Capital requirement by credit risk*

The Institution has authorization from the Commission to calculate the capital requirement for credit risk for the Commercial, Consumer and Mortgage portfolios.
For the rest of the credit risk assets; the standard method is used. Under the standard method, operations are classified into twelve different groups according to the counterparty and must be weighted according to the corresponding degree of risk.

- *Capital requirement by market risk*

In accordance with the method established by "Disposiciones de Carácter General Aplicables a las Instituciones de Crédito", the market risk requirement is calculated by adding the requirements of the following sections:
I. Operations in local currency, with nominal interest rate or with a return linked to it.
II. Operations in UDIS, UMA, as well as in local currency with real interest rate or with a return linked to it.
III. Operations in foreign currencies or indexed to exchange rates, with an interest rate.
IV. Operations in UDIS, UMA, as well as in local currency with performance referred to the INPC (National consumer price index).
V. Operations in foreign currencies or indexed to exchange rates.
VI Operations with shares and securities
VII. Operations with options and warrants

- *Capital requirement by operational risk*

Starting in January 2025 the Institution uses the Business Indicator Method to calculate the capital requirement for operational risk. The Business Indicator Component is composed of:
a) a component of interest and dividends
b) a service component
c) a financial component

In addition, calculation takes in account an Internal Loss Multiplier which is 15 times the average of the annual losses due to Operational Risk incurred during the ten years prior to the calculation of the corresponding capital requirements. The Institution's Capitalization Ratio as of March 31, 2026 (unaudited) and December 31, 2025 amounted to 20.14% and 20.15%, respectively which are 1.64% and 1.65% points both respectively higher than the minimum required in each period including the capital conservation supplement of 18.15%, the supplement for Multiple Banking Institutions of Local Systemic Importance of 6.5% and the supplement to the net capital according to Article 2 bis 117 ñ.

The amount of net capital, made up of basic and supplementary capital, is broken down below (shown figures may differ in their presentation in the Institution's consolidated financial statements).

- *Core capital:*

	March 2026	December 2025
	(Unaudited)	
Stockholders' equity, without cumulative effect per conversion	405,202	400,027
Deductions of investments in shares	(890)	(949)
Organization expenses and other intangibles	(11,465)	(11,548)
Deferred taxes and fiscal losses	(4,814)	(5,200)
Allowances for loan losses	-	2,997)
Total core capital	388,033	379,333

– *Supplementary capital:*

	March 2026	December 2025
	(Unaudited)	
Obligations and capitalization instruments	83,352	83,737
Allowances for loan losses	2,277	743
Total, supplementary capital	85,629	84,480
Net capital	473,662	463,813

Computable capitalization instruments as of March 31,2026 (unaudited):

	Amount	Maturity Date	Calculation Percentage	Weighted Average (Basic Capital)
Computable capitalization instruments	17,925	18/01/2033	100%	17,925
Computable capitalization instruments	17,925	13/09/2034	100%	17,925
Computable capitalization instruments	13,444	29/06/2038	100%	13,444
Computable capitalization instruments	17,925	08/01/2039	100%	17,925
Computable capitalization instruments	16,133	08/01/2039	100%	16,133
Total	83,352			83,352

Computable capitalization instruments as of December 31,2025:

	Amount	Maturity Date	Calculation Percentage	Weighted Average (Basic Capital)
Computable capitalization instruments	18,008	18/01/2033	100%	18,008
Computable capitalization instruments	18,008	13/09/2034	100%	18,008
Computable capitalization instruments	13,506	29/06/2038	100%	13,506
Computable capitalization instruments	18,008	00/01/1900	100%	18,008
Computable capitalization instruments	16,207	08/01/2039	100%	16,207
Total	83,737			83,737

BBVA México, S.A., Institución de Banca Múltiple,
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Assets at risk are broken down as follows:

– *Assets subject to market risk:*

	March 31, 2026		December 31, 2025	
	Risk-weighted assets	Capital requirement	Risk-weighted assets	Capital requirement
	(unaudited)			
Transactions in MXN, with nominal rate	471,265	37,701	418,063	33,445
Transactions in MXN, with a real rate or denominated in UDIs	15,781	1,262	8,924	714
Rate of return with respect to the general minimum wage	1,738	139	1,851	148
Interest rate of transactions in foreign currency with nominal rate	24,767	1,981	31,191	2,495
Positions in UDIs or with return referred to the INPC	76	6	78	6
Transactions with respect to the general minimum wage	133	11	126	10
Currency positions or with return indexed to exchange rate	1,767	141	823	66
Positions in shares or with return indexed to the price of a share or group of shares and gold	6,037	483	3,013	241
Spread	5,660	453	7,377	590
Gamma	2,864	229	2,444	196
Vega	259	21	258	21
Total, market risk	530,347	42,427	474,148	37,932

Assets subject to credit and operational risk:

	March 31, 2026		December 31, 2025	
	Risk-weighted assets	Capital requirement	Risk-weighted assets	Capital requirement
	(unaudited)			
Weighted at 0%	-	-	-	-
Weighted at 10%	687	55	811	65
Weighted at 11.5%	615	49	1,857	149
Weighted at 20%	23,863	1,909	23,162	1,853
Weighted at 23%	19	2	10	1
Weighted at 25%	452	36	265	21
Weighted at 28.8%	3,799	304	-	-
Weighted at 50%	2,396	192	5,021	402
Weighted at 57.5%	2,411	193	1,974	158
Weighted at 60%	16	1	5	-
Weighted at 75%	303,241	24,259	290,106	23,208
Weighted at 85%	23,811	1,905	24,951	1,996
Weighted at 90%	-	-	-	-
Weighted at 100%	258,455	20,676	228,319	18,266
Weighted at 115%	5,662	453	6,127	490
Weighted at 120%	-	-	-	-
Weighted at 150%	371	30	396	32
Weighted at 1250%	-	-	127	10
Securitizations	239	19	260	21
Internal Methodology	812,643	65,011	882,199	70,576
C V A (RC06 B)	28,236	2,259	22,071	1,766
E C C (RC 06 C)	27	2	30	2
Derivative counterparty	31,436	2,515	24,094	1,928
Derivative related persons	17,077	1,366	14,652	1,172
Total credit risk	1,515,456	121,236	1,526,437	122,116
Operational risk	306,390	24,511	301,078	24,086

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México y subsidiarias

Capital management

1. Identification, measurement, surveillance, control and mitigation of the risks to which the Institution is exposed

BBVA México, in compliance with the Provisions issued by the Comisión Bancaria y de Valores (CNBV) in article 2 bis 117 a, carries out an annual Capital Sufficiency Assessment exercise (ESC) as part of the Comprehensive Administration of Risks. This exercise is designed to identify, measure, monitor, control and mitigate the risks faced by the institution, including credit, market, operational and liquidity risk. The ESC is carried out considering internal economic-financial scenarios and supervisory scenarios provided by the CNBV itself. Through this process, BBVA México analyzes the potential impact of said risks on its capital level, detects risks preventively and determines necessary actions to address them, thus ensuring the stability and financial solvency of the institution

2. Disclosure of risks in financial reports

BBVA México's financial reports clearly and accurately reflect the risks identified in the previous section. Through them, significant variations in risk-weighted assets, the evolution of capitalization indices and the impact of adverse macroeconomic scenarios on capital adequacy are indicated in detail. This information is approved by different social bodies. Likewise, the ESC is a tool to evaluate the sufficiency and application of the resources, policies, processes and procedures involved in comprehensive risk management, guaranteeing proactive and effective risk management.

3. Management of potential risks in stress scenarios

BBVA México uses a robust methodology for the identification, measurement, surveillance, control and mitigation of potential risks in stress scenarios. This methodology includes conducting stress tests that simulate adverse economic conditions, evaluating the impact on the capital adequacy and liquidity of the institution. The scenarios considered incorporate changes in the structure of the statement of financial position, the composition of assets subject to risk and impacts on the statement of comprehensive income, allowing BBVA México to prepare and respond effectively to critical situations.

Credit risk

The evolution of credit risk is analyzed under different macroeconomic scenarios, considering the probability of default, the severity of the loss and its effects on the portfolios with models based on internal ratings and under standard models. Likewise, concentrations and sensitivities are identified for the main types of exposures, their capital consumption and effects on the ICAP.

Market risk

Operations subject to consumption are monitored due to variations in the levels of rates, currencies, and stock indexes, monitoring their evolution derived from the impacts of macroeconomic variables and movements in portfolios. The stress scenarios include market shocks that affect the trading portfolio and the impact on the capital requirement due to market risk is evaluated.

Operational risk

The Business Indicator Method is used to evaluate the impact of macroeconomic scenarios on operational risk, quantifying the effects of each scenario on future consumption.

Liquidity risk

Regulatory indicators such as the Liquidity Coverage Ratio and the Net Stable Funding Ratio are analyzed under the different scenarios as well as the funding structure, ensuring BBVA México's ability to maintain adequate liquidity levels at all times.

4. Ability to operate under stress scenarios

BBVA México has demonstrated a solid ability to obtain resources and continue operating under stress scenarios while complying with regulatory minimums. However, in compliance with regulations, BBVA México has a Contingency Plan that defines the possible actions to be taken in the event of needing additional measures to maintain the required levels in terms of solvency and liquidity that guarantee operational continuity and financial stability of the institution.

Methodology and Conclusions of the Evaluation

BBVA México's ESC is carried out in full compliance with the guidelines established by the CNBV. The results of the ESC confirm that the institution has sufficient regulatory capital to continue managing business activities, in the short and medium term, complying with the minimum capital required in accordance with the provisions of the Ley de Instituciones de Crédito in all scenarios considered, so it is not necessary to prepare a Preventive Action Plan or an additional Capitalization Plan. Likewise, the institution proposes appropriate response strategies to adverse macroeconomic conditions, ensuring its solvency and long-term viability.

For further details, see “Anexo 1-O,” in compliance with the obligation to disclose information on the Capitalization , available on the webpage https://investors.bbva.mx (Financial Information / Information for Regulators).

(16) Financial margin

For the three months periods ended March 31, 2026 and 2025, the main items comprising the financial margin were as follows:

Interest income:

	2026	2025
	(Unaudited)	
Interest and returns on loan portfolio	67,857	66,403
Interest and returns on financial instruments	11,987	12,575
Interests on availability	2,412	2,731
Interest and premiums on repurchase agreements	2,311	1,731
Interest on margin accounts	14	79
Interest on derivative financial instruments for trading	-	-
Interest on hedging financial instruments	1,428	1,219
Interest on embedded derivative financial instruments	-	-
Interest on subordinated obligations	-	-
Fees charged for the initial granting loans	785	868
Other	276	227
Total, interest income	87,070	85,833

Interest expense:

	2026	2025
	(Unaudited)	
Interest on deposits	(13,750)	(15,490)
Interest on bank and other borrowings	(338)	(366)
Interest on derivative financial instruments for trading	-	(130)
Interest on hedging financial instruments	(346)	(365)
Interest on embedded derivative financial instruments	-	-
Interest on subordinated obligations	(1,445)	(1,535)
Interest and premiums on repurchase/resale agreements and securities lending	(6,706)	(9,883)
Expenses for the initial granting of loan	(865)	(510)
Other	(1,334)	(563)
Total, Interest expense	(24,784)	(28,842)
Financial margin	62,286	56,991

Seasonality of operations

The nature of the operations carried out by the Bank corresponds, above all, to the typical activities of credit institutions; reason why they were not affected significantly due to seasonal factors, therefore specific breakdowns are not included in these notes.

(17) Commissions and fee received and paid-

For the three-month periods ended March 31, 2026 and 2025, the main items for which the Bank recorded commissions and fee income in the interim consolidated statement of income were as follows:

	2026	2025
	(Unaudited)	
Credit cards and debit cards	14,664	13,647
Bank fees	2,131	2,333
Investment funds	2,162	1,916
Insurance	1,101	1,041
Credit operations	1,128	991
Other	2,461	2,228
Total	23,647	22,156

For the three-month periods ended March 31, 2026 and 2025, the main items for which the Bank recorded commission and fee expense in the interim consolidated statement of income were as follows:

	2026	2025
	(Unaudited)	
Credit Card	(5,834)	(5,378)
Effective credit card reward points	(1,697)	(1,440)
Promotion fund collateral	(721)	(591)
Cash management and fund transfers	(528)	(458)
Credit placement	(462)	(354)
Appraisals	(55)	(89)
Buying and selling securities	(32)	(15)
Correspondents	(660)	(596)
Other	(1,013)	(906)
Total	(11,002)	(9,827)

(18) Financial intermediation income-

For the three-month periods ended March 31, 2026 and 2025, the main items comprising the financial intermediation income were as follows:

	2026	2025
	(Unaudited)	
Valuation result:		
Derivatives for trading purposes	7,716	(1,285)
Derivatives for hedging Purposes	(5)	(13)
Embedded derivatives	280	(47)
Currency	(2,536)	(2,874)
Investments in financial instruments	(1,847)	3,390
	3,608	(829)
Purchase-sale result:		
Derivatives for trading purposes	(3,789)	4,140
Derivatives for hedging Purposes	121	-
Embedded derivatives	82	(62)
Currency	2,476	1,996
Investments in financial instruments	2,723	(840)
	1,613	5,234
Total	5,221	4,405

(19) Information by segment-

The Institution participate in various activities within the Financial System, such as lending, treasury operations, international fund transfers, distribution and administration of investment funds, among others. Performance evaluation and risk assessment for these activities, are based on the information generated by the Institution's business units, rather than on the legal entities where the resulting financial results are recorded.

Below the revenues obtained for the three-month periods ended March 31, 2026 and 2025, which show the different segments as indicated above.

Item	Total	Commercial Bank	2026 Corporate and Government Banking	Treasury Transactions	Other Segments
			(unaudited)		
Financial margin	62,286	42,907	13,144	1,044	5,191
Allowance for expected credit losses	(21,303)	(18,970)	(2,333)	-	-
Financial margin adjusted for allowance for expected credit losses	40,983	23,937	10,811	1,044	5,191
Commissions and fee, net	12,645	9,118	4,183	18	(674)
Financial intermediation income	5,221	1,664	618	1,621	1,318
Other operating income (expense)	283	(1,216)	(557)	(75)	2,131
Subtotal operating income	59,132	33,503	15,055	2,608	7,966
Administrative and promotional expenses	(26,183)				
Operating income	32,949				
Interest in net income of other entities	356				
Income before income tax	33,305				
Income tax	(9,752)				
Income before non- controlling interest	23,553				
Non-controlling interest	-				
Net income	23,553				

Item	Total	Commercial Bank	2025 Corporate and Government Banking	Treasury Transactions	Other Segments
			(unaudited)		
Financial margin	56,991	39,031	13,306	171	4,483
Allowance for expected credit losses	(13,745)	(12,535)	(1,210)	-	-
Financial margin adjusted for allowance for expected credit losses	43,246	26,496	12,096	171	4,483
Commissions and fee income, net	12,329	7,979	3,787	(19)	582
Financial intermediation income	4,405	1,288	451	2,594	72
Other operating income (expense)	(1,979)	(45)	7	24	(1,965)
Subtotal operating income	58,001	35,718	16,341	2,770	3,172
Administrative and promotional expenses	(23,698)				
Operating income	34,303				
Equity in income of associates	50				
Income before income tax	34,353				
Income tax	(9,638)				
Income before non- controlling interest	24,715				
Non-controlling interest	-				
Net income	24,715				

(20) Financial indicators (unaudited)-

As of March 31, 2026 and December 31, 2025, according to Article 182 of the Regulations, the Institution's financial indicators are as follows:

	March 2026	December 2025
Delinquency ratio	1.56%	1.63%
Loan portfolio coverage ratio stage 3	204.53%	185.79%
Operating efficiency	3.00%	3.00%
ROE [1]	24.04%	25.82%
ROA [2]	2.77%	2.94%
Capitalization ratio, credit, market and operational risk	20.14%	20.15%
Core capital 1 on credit, market and operational risk	16.50%	16.48%
Liquidity	102.35%	101.31
Net adjusted interest margin (MIN) /Average Productive Assets	5.23%	5.59%

[1] As of December 31, 2025 return on average stockholder´s equity is equal to the net income for the year divided by average stockholder´s equity for the year. As of March 31, 2026 return on average stockholder´s equity is equal to the annualized net income for the period, divided by average stockholder´s equity which are determined based on the latest five quarters of the year, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective June 2024, to calculate in consistency with their published formulas.

[2] As of December 31, 2025 return on average assets is equal to the net income for the year divided by average assets for the year. As of March 31, 2026 return on average assets is equal to the annualized net income for the period, divided by average assets which are determined based on the latest five quarters of the year, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective June 2024, to calculate in consistency with their published formula.

(21) Ratings (unaudited)-

As of March 31, 2026 and December 31, 2025, the ratings assigned to the Institution are as follows:

	Global Scale M. E.		Domestic Scale		
Rating Agency	Long Term	Short Term	Long Term	Short Term	Outlook
Standard & Poor's	BBB	A-2	mxAAA	mxA-1+	Negative
Moody's	A3	P-2	AAA.mx	ML A-1.mx	Negative
Fitch	BBB+	F2	AAA(mex)	F1+(mex)	Stable

(22) Events after the reporting period

Between March 31, 2026 and the date of authorization for issuance of these interim condensed consolidated financial statements, no subsequent events occurred that require recognition or disclosure.

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BBVA México, S.A.,
Institución de Banca Múltiple, Grupo Financiero BBVA México,
acting directly or through its Texas Agency

U.S.$10,000,000,000 Medium-Term Note Program

Under this U.S.$10,000,000,000 Medium-Term Note Program (the "**Program**") described in this base offering memorandum (this "**Offering Memorandum**"), BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States (the "**Bank,**" "**we**," "**us**" and "**our**"), acting through its Texas Agency unless the applicable pricing supplement specifies that the Bank is acting directly (the "**Issuer**"), may from time to time issue notes (the "**Notes**") on a senior or subordinated basis. The Notes will be denominated in any currency agreed upon between the Bank and the relevant Dealer (as defined herein).

THE NOTES WILL BE UNSECURED AND WILL NOT BE INSURED OR GUARANTEED BY ANY OF THE BANK'S SUBSIDIARIES OR AFFILIATES, INCLUDING OUR PARENT COMPANY, OR BY THE SAVINGS PROTECTION AGENCY (INSTITUTO PARA LA PROTECCIÓN AL AHORRO BANCARIO, OR THE "IPAB") OR ANY OTHER MEXICAN GOVERNMENTAL AGENCY, AND THE NOTES ARE NOT CONVERTIBLE, BY THEIR TERMS, INTO ANY OF OUR DEBT SECURITIES, SHARES OR ANY OF OUR EQUITY CAPITAL OR ANY DEBT SECURITIES, SHARES OR EQUITY CAPITAL OF ANY OF OUR SUBSIDIARIES OR AFFILIATES.

An investment in Notes issued under the Program involves certain risks.
For a discussion of these risks, see "Risk Factors" beginning on page 14.

This Offering Memorandum does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). This Offering Memorandum has not been reviewed or approved by any regulator which is a competent authority under the Prospectus Regulation. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the approval of this document as base listing particulars and for Notes issued under the Program to be admitted to the Official List and trading on Euronext Dublin (the "**Global Exchange Market**") for a period of 12 months from the date of these base listing particulars. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). There is no assurance that any Series of Notes will be listed and admitted to trading on the Global Exchange Market. The Notes may also be listed and traded on other non-EU regulated markets or not be listed and traded on any market.

We have not registered, and will not register, the Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any securities laws of Mexico or any state or any other jurisdiction. The Notes may not be offered or sold within the United States or to U.S. persons, except to persons reasonably believed to be qualified institutional buyers ("QIBs") in reliance on the exemption from registration provided by Rule 144A ("Rule 144A") under the Securities Act and to certain non-U.S. persons in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act. You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or any state securities laws. See "Transfer Restrictions" and "Plan of Distribution—Sales Restrictions."

Neither the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the "CNBV") nor the U.S. Securities and Exchange Commission (the "SEC"), nor any state or foreign securities commission or regulatory authority, has approved or disapproved of the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of an offering of the Notes or the accuracy, adequacy or completeness of this Offering Memorandum. Any representation to the contrary is a criminal offense.

Arranger
BNP PARIBAS

Dealers

Barclays	**BBVA**	**BNP PARIBAS**
BofA Securities	**Citigroup**	**Credit Agricole CIB**
Deutsche Bank	**Deutsche Bank Securities**	**Crédit Agricole CIB**
HSBC	**J.P. Morgan**	**Goldman Sachs & Co. LLC**
MUFG	**Nomura**	**Morgan Stanley**
Standard Chartered Bank	**UBS Investment Bank**	**SMBC Nikko**
	Wells Fargo Securities	

The date of this Offering Memorandum is April 24, 2026.

This Offering Memorandum should be read and understood in conjunction with any supplement hereto. Full information on the Issuer and any Notes issued under the Program is available on the basis of the combination of this Offering Memorandum (including any supplement and any document incorporated by reference herein) and the applicable Pricing Supplement.

We, in our capacity as issuer, accept responsibility for the information contained in this Offering Memorandum. We, having taken all reasonable care to ensure that such is the case, confirm that the information contained in this Offering Memorandum is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR "RNV"), MAINTAINED BY THE CNBV AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO. THE NOTES MAY BE OFFERED OR SOLD IN MEXICO, ON A PRIVATE PLACEMENT BASIS, TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR QUALIFIED INVESTORS, SOLELY PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. WE WILL NOTIFY AND FILE CERTAIN DOCUMENTATION WITH THE CNBV IN RESPECT OF THE TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV FOR STATISTICAL AND INFORMATIONAL PURPOSES, TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY OF SUCH NOTICE TO, AND RECEIPT BY, THE CNBV IS NOT A REQUIREMENT FOR THE VALIDITY OF THE NOTES, AND DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV, AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

No person is or has been authorized to give any information or to make any representations, other than that which is contained in or consistent with this Offering Memorandum, and we take no responsibility for any other information or representations that you may receive from others. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Program or to advise any investor in the Notes of any information that comes to their attention. Neither this Offering Memorandum nor any other information supplied in connection with the Program or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Bank or any of the Dealers that any recipient of this Offering Memorandum or any recipient of any other information supplied in connection with the Program or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Bank. In the absence of an applicable Pricing Supplement, neither this Offering Memorandum nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of the Bank or any of the Dealers to subscribe for or to purchase any Notes.

Neither this Offering Memorandum nor any Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Bank and the Dealers do not represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

In particular, no action has, to date, been taken by the Bank or the Dealers that would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. There are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, Mexico, Canada, Japan, Hong Kong, Singapore, the European Economic Area and the United Kingdom, among others. See "Transfer Restrictions" and "Plan of Distribution—Sales Restrictions." In particular, the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. SEE "RISK FACTORS" IN THIS OFFERING MEMORANDUM AND ANY SUPPLEMENT HERETO FOR A DESCRIPTION OF SPECIFIED FACTORS RELATING TO AN INVESTMENT IN THE NOTES. NEITHER WE, THE DEALERS, NOR ANY OF OUR OR THEIR RESPECTIVE REPRESENTATIVES IS MAKING ANY REPRESENTATION TO YOU REGARDING THE LEGALITY OF AN INVESTMENT BY YOU UNDER APPROPRIATE LEGAL INVESTMENT OR SIMILAR LAWS. YOU SHOULD CONSULT WITH YOUR OWN ADVISORS AS TO LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF A PURCHASE OF THE NOTES.

The Notes issued under the Program have not been, and will not be, approved or disapproved by the CNBV, the SEC or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Memorandum or confirmed the accuracy or the adequacy of the information contained in this Offering Memorandum. Any representation to the contrary is a criminal offense.

The Notes are not deposits with us and are not insured by the United States Federal Deposit Insurance Corporation or any other United States governmental agency or any Mexican governmental agency, including, without limitation, the IPAB, and are not guaranteed or secured, in any manner, by any entity that is part of the GFBM Group (including its holding company).

A Series of Notes issued under the Program may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Program. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Bank may adversely affect the market price of the Notes issued under the Program. The rating of certain Series of Notes to be issued under the Program may be specified in the applicable Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be (1) issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009/EC (as amended, the "**CRA Regulation**") or (2) issued by a credit rating agency established in the United Kingdom (the "**UK**") and registered under the CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") (as amended, the "**UK CRA Regulation**"), will be disclosed in the Pricing Supplement. In general, and subject to and in accordance with the provisions of the CRA Regulation, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union or the UK and registered under the CRA Regulation. In general, and subject to and in accordance with the provisions of the UK CRA Regulation, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation.

In making an investment decision, investors must rely on their own examination of the Bank and its subsidiaries and the terms of the Notes being offered, including the merits and risks involved.

NOTICES TO INVESTORS

NOTICE TO RELATED PARTIES OF THE ISSUER

PURSUANT TO BULLETIN 3/2012 ISSUED BY *BANCO DE MÉXICO*, AS AMENDED FROM TIME TO TIME, INCLUDING THE AMENDMENT THROUGH BULLETIN 16/2018, NO RELATED PARTY OF THE ISSUER, AS DEFINED IN ARTICLE 73 OF THE MEXICAN BANKING LAW (*LEY DE INSTITUCIONES DE CRÉDITO*), MAY ACQUIRE, DIRECTLY OR INDIRECTLY, ANY SUBORDINATED NOTES TO BE ISSUED UNDER THE PROGRAM.

Notice to Persons in the United States

The offer and sale of Notes has not been, and is not required to be, registered with the SEC. The Notes will be offered and sold in the United States solely to persons reasonably believed to be "qualified institutional buyers" under Rule 144A of the Securities Act, and in offshore transactions to persons other than U.S. persons, in reliance on Regulation S under the Securities Act. Following any such offering, the Notes may be sold:

- to persons reasonably believed to be "qualified institutional buyers" under Rule 144A;
- to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act; or
- under other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, as described under "Transfer Restrictions."

Accordingly, each purchaser, in making its purchase, will be deemed to have represented to, and agreed with, the Bank that it is:

- a "qualified institutional buyer" under Rule 144A; or
- a non-U.S. person purchasing the Notes in an offshore transaction, to the extent such offering is made in accordance with Regulation S under the Securities Act.

Notice to Persons in the United Kingdom

In the UK, this Offering Memorandum is being distributed only to, and is directed only at, qualified investors (as defined in the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), or (ii) high net worth entities and other persons to whom it may be lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). Unless otherwise specified in the applicable Pricing Supplement, the Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Notes in the UK will be engaged in only with, relevant persons. Any person in the UK who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

Prohibition on Sales to UK Retail Investors

Unless the applicable Pricing Supplement in respect of any Notes indicates "Prohibition of Sales to UK Retail Investors" as "Not Applicable," any Notes offered hereunder are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MiFIR Product Governance / Target Market

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of such Notes and which channels for distribution of such Notes are appropriate. Any person subsequently offering, selling or recommending the Notes in the UK (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject

to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of the Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Prohibition on Sales to EEA Retail Investors

Unless the applicable Pricing Supplement in respect of any Notes indicates "Prohibition of Sales to EEA Retail Investors" as "Not Applicable," any Notes offered hereunder are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II Product Governance / Target Market

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of the Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Conflicts of Interest

Because BBVA Securities Inc., a dealer under the Program, is under common control with the Bank, a conflict of interest under Financial Industry Regulatory Authority, Inc. ("**FINRA**") Rule 5121 is deemed to exist. Accordingly, any offering of the Notes in which BBVA Securities Inc. participates will be conducted in accordance with this rule. Pursuant to FINRA Rule 5121, BBVA Securities Inc. will not confirm sales to any account over which it exercises discretionary authority without the specific prior written approval of the account holder.

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AS REQUIRED UNDER APPLICABLE MEXICAN LAW, *BANCO DE MÉXICO*, THE MEXICAN CENTRAL BANK, MUST AUTHORIZE EACH ISSUANCE OF SUBORDINATED NOTES. FURTHERMORE, EACH INDENTURE FOR THE ISSUANCE OF SUBORDINATED NOTES WILL BE REQUIRED TO BE EXECUTED AND ACKNOWLEDGED BY AN AUTHORIZED OFFICIAL OF THE CNBV. AUTHORIZATION OF ANY ISSUANCE OF THE SUBORDINATED NOTES BY *BANCO DE MÉXICO* DOES NOT ADDRESS THE LEGAL, TAX OR OTHER CONSEQUENCES TO THE HOLDERS OF THE SUBORDINATED NOTES, NOR DOES IT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE SUBORDINATED NOTES OR AS TO THE BANK'S SOLVENCY, LIQUIDITY OR CREDIT QUALITY, OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN OR IN ANY AMENDMENT OR SUPPLEMENT HERETO, OR THE TRANSLATION OF THE TERMS OF APPLICABLE MEXICAN LAW AND REGULATION, INCLUDING ARTICLES 121 AND 122 OF THE MEXICAN BANKING LAW (*LEY DE INSTITUCIONES DE CRÉDITO*), RELEVANT PROVISIONS OF BULLETIN 3/2012 ISSUED BY *BANCO DE MÉXICO* AND THE GENERAL RULES APPLICABLE TO MEXICAN BANKS (*DISPOSICIONES DE CARÁCTER GENERAL APLICABLES A LAS INSTITUCIONES DE CRÉDITO*) ISSUED BY THE CNBV.

Unless otherwise indicated or the context otherwise requires, references to:

- the "**Bank**," "**we**," "**us**" and "**our**" are to BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, a multi-purpose bank incorporated in accordance with the laws of the United Mexican States, and its consolidated subsidiaries;
- "**GFBM**" is to Grupo Financiero BBVA México, S.A. de C.V., a Mexican financial services holding company;
- the "**GFBM Group**" are to GFBM, and its subsidiaries, including us;
- "**BBVA Spain**" are to our indirect parent, Banco Bilbao Vizcaya Argentaria, S.A.;
- the "**BBVA Group**" are to BBVA Spain and its subsidiaries;
- the "**Issuer**" are to the Bank, acting through its Texas Agency unless otherwise specified in the applicable Pricing Supplement;
- the "**Texas Agency**" are to the Texas Agency of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México;
- "**Dealers**" are to Banco Bilbao Vizcaya Argentaria, SA, Barclays Capital Inc., Barclays Bank PLC, BBVA Securities Inc., BNP PARIBAS, BNP Paribas Securities Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, Credit Agricole Securities (USA) Inc., Deutsche Bank AG, London Branch, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., Nomura Securities International, Inc., SMBC Nikko Securities America, Inc., Standard Chartered Bank, UBS AG London Branch, UBS Securities LLC and Wells Fargo Securities, LLC, and any other Dealer appointed from time to time in accordance with the Dealer Agreement;
- "**relevant Dealer**" are, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, to all Dealers agreeing to purchase such Notes;
- "**Mexico**" are to the United Mexican States; and
- "**SHCP**" are to the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*).

AVAILABLE INFORMATION

We file annual and quarterly reports and other information, all of which are in the Spanish language, with the Bolsa Mexicana de Valores, S.A.B. de C.V. (the "**BMV**") and the Bolsa Institucional de Valores, S.A. de C.V. (the "**BIVA**") in accordance with the requirements applicable to issuers of securities registered with the RNV maintained by the CNBV. Our BMV and/or BIVA filings are available to the public on the Internet at our website, www.bbva.mx, at the BMV's website, www.bmv.com.mx, and at the BIVA's website, www.biva.mx. The addresses of our websites and these websites are included in this Offering Memorandum as textual references only. The information on our website is not a part of, and is not incorporated by reference into, this Offering Memorandum or any supplement thereto.

To permit compliance with Rule 144A under the Securities Act in connection with resales of Notes in reliance on Rule 144A, we will be required under the indenture relating to such Notes, upon the request of a holder of Rule 144A notes or Regulation S notes (during the restricted period, as defined in the legend included under "**Transfer Restrictions**"), to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Application has been made to Euronext Dublin for the approval of this document as listing particulars. This Offering Memorandum forms, in all material respects, the listing particulars for admission to Euronext Dublin. We will be required to comply with any undertakings given by us from time to time to Euronext Dublin in connection with the Notes issued under the Program, and to furnish to it all such information as the rules of Euronext Dublin may require in connection with the listing of the Notes.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a multi-purpose bank (*institución de banca múltiple)* incorporated in accordance with the laws of Mexico with limited liability (*sociedad anónima*). Most of the members of our board of directors (the "**Board of Directors**"), executive officers and controlling persons named herein are non-residents of the United States and substantially all of the assets of such non-resident persons and substantially all of our assets are located in Mexico or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or us or to enforce against them or us in courts of any jurisdiction outside Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws.

No treaty exists between the United States and Mexico for the reciprocal enforcement of foreign judgments. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements were met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy; *provided* that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, there is uncertainty as to the enforceability, in original actions in Mexican courts of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated on the civil liability provisions of U.S. federal securities laws. See "Risk Factors."

If proceedings are brought in Mexico seeking to enforce our obligations in respect of the Notes, we would not be required to discharge such obligations in a currency other than the peso. Pursuant to Mexican law, an obligation in a currency other than the peso, which is payable in Mexico, as a result of the enforcement of a judgment or an initial claim, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by *Banco de México* (the Mexican Central Bank) each business day in Mexico and published the following banking-business day in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*, or the "**Federal Official Gazette**").

We have been advised by Texas counsel that a money judgment rendered in Mexico for amounts due under any indenture governing the Notes issued under the Program or such Notes (other than a judgment for taxes, fines or other penalties) that has become final, conclusive and enforceable under the judicial system of Mexico would generally

be recognized and enforceable against the Issuer in a Texas court if such judgment meets the requirements of the Uniform Foreign-Country Money Judgment Recognition Act as then in effect in the State of Texas and the judgment creditor complies with the applicable procedures for recognition. However, a Texas court is not permitted to recognize a foreign money judgment against the Texas Agency (as Issuer) (a) that was rendered under a judicial system that does not provide impartial tribunal or procedures compatible with due process of law, (b) if the Mexican court did not have personal jurisdiction over the Texas Agency (as issuer), or (c) if the Mexican court did not have jurisdiction over the subject matter. Moreover, a Texas court may decide not to recognize a foreign money judgment against the Texas Agency (as Issuer) if (a) the Issuer did not receive notice of the Mexican court proceeding in sufficient time to enable an adequate defense, (b) the judgment was obtained by fraud that deprived the Issuer of an adequate opportunity to present its case, (c) the cause of action or defense in such judgment is repugnant to the public policy of Texas or the United States, (d) the judgment conflicts with another final and conclusive judgment, (e) the proceeding in the Mexican court was contrary to an agreement between the parties under which the dispute was to be determined otherwise than by proceedings in Mexican courts, (f) personal jurisdiction was based only on personal service and the Mexican court was a seriously inconvenient forum for the trial of the case, (g) the judgment was rendered in circumstances that raise substantial doubt about the integrity of the Mexican court with respect to the judgment, (h) the specific proceeding in the Mexican court leading to the judgment was not compatible with due process of law or (i) Mexican courts would not recognize a comparable money judgment rendered by a Texas court simply because the judgment was rendered by a Texas court. A Texas court would ordinarily only render or enforce a judgment for money relating to the indenture governing the Notes issued under the Program or such Notes in U.S. dollars.

The Bank has appointed or will appoint CT Corporation System, with offices located at 28 Liberty St., New York, New York 10005, as its authorized agent upon which process may be served in any action which may be instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan, The City of New York, New York arising out of or based upon the Notes issued under the Program or any indenture pursuant to which such Notes are issued. See “Description of the Notes.”

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum relating to our plans, forecasts and expectations regarding future events, strategies and projections are estimates. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our results of operations and financial position, (ii) statements of plans, objectives or goals, including those related to our operations, and (iii) statements of assumptions underlying such statements. Words such as "may," "might," "will," "would," "shall," "should," "consider," "can," "could," "believe," "anticipate," "continue," "expect," "estimate," "plan," "intend," "assume," "foresee," "seeks," "predict," "project," "potential," or the negative of these terms, and other similar terms are used in this Offering Memorandum to identify such forward-looking statements. Forward-looking statements included in this Offering Memorandum are based on our current expectations and projections related to future events and trends that affect or would affect our business.

Forward-looking statements include risks, uncertainties and assumptions, since these refer to future events and, therefore, do not represent any guarantee of future results. Therefore, our financial condition, results of operations, strategies, competitive position and market environment may significantly differ from our estimates as a result of a number of factors, including, but not limited to:

- changes in economic, political, social and other conditions in Mexico and elsewhere;
- material adverse effects as a result of geopolitical and/or military conflicts, such as the current conflict in Israel, Ukraine, and other developments and other global uncertainties;
- changes in exchange rates, market interest rates or inflation rates;
- financing plans and limitations on our access to sources of financing on competitive terms;
- changes in general economic, business, social, political, public health or other conditions in Mexico, the United States or elsewhere;
- changes in public sector lending in Mexico;
- reductions in investor confidence as a result of a sovereign debt crisis or fiscal instability in Mexico;
- the ability or willingness of our customers to meet their payment obligations;
- the monetary, foreign exchange, liquidity and interest rate policies of *Banco de México*;
- disruptions in the financial services industry globally or in Mexico;
- possible disruptions to commercial activities due to natural and man-made disasters, including health epidemics, pandemics, weather events, terrorist activities and armed conflicts;
- limitations on financing as a result of stricter international or local climate regulations;
- material changes to, or withdrawals from, or renegotiations of free trade agreements to which Mexico is a party, including the United States—Mexico—Canada Agreement (the "**USMCA**") that replaced the North American Free Trade Agreement ("**NAFTA**");
- disruptions in trade resulting from the implementation and enforcement of trade embargoes, asset freezes, restrictions on financial transactions, travel bans, sanctions and tariffs and non-tariff measures by the United States or other entities;
- competition in the banking and financial services industry in Mexico;
- profitability of our businesses;
- credit and other risks of lending, such as increases in default of borrowers, and changes required to loan loss reserves and amounts;
- changes and risks faced by other financial institutions;
- limitations on our access to sources of financing on competitive terms;
- failure to meet capital or other requirements;

- additional capital requirements relating to our classification as a systemically important local bank and to countercyclical risks;
- limitations on our ability to freely determine interest rates;
- changes in reserve or capital requirements, changes in the laws or regulations applicable thereto, or the interpretation of how such reserve or capital requirements are to be calculated;
- our inability to hedge against market risks, including but not limited, to interest rate and exchange rate movements;
- changes in requirements to make contributions to or for the receipt of support from programs organized by the Mexican government;
- inability to timely and duly enforce our claims on collateral provided by borrowers;
- changes in our or Mexico's domestic and international credit ratings;
- changes in regulations relating to the products we offer or otherwise;
- changes in capital markets in general that may affect policies or attitudes towards investing in Mexico or securities issued by companies in Mexico;
- any failure or weakness in our operating controls or procedures or our risk management policies;
- changes in consumer spending and saving habits;
- a deterioration of labor relations with our employees and changes in the laws or regulations applicable thereto that would result in additional costs relating to employee benefits;
- our ability to implement new technologies and to safeguard against cyber-attacks and other breaches of our information technology systems;
- interruptions or failures in our technology systems;
- actions taken by the Mexican Antitrust Commission (*Comisión Nacional Antimonopolio*, or "**CNA**"), CNBV or the SHCP, among others, with respect to our business and the Mexican banking industry generally;
- actions taken by the United States Financial Crimes Enforcement Network ("**FinCEN**") and other government agencies of the United States, with respect to our business and the Mexican banking industry generally;
- any adverse administrative or legal proceedings against us;
- organized criminal activities and other geopolitical events;
- any failure to detect money laundering or other illegal or improper activities;
- increased compliance costs resulting from stricter financial regulations related with anti-money laundering and capital adequacy requirements;
- cyber-attacks and their impact on our reputation, operations and results;
- the impact of acquisitions and divestitures;
- restrictions on foreign currency convertibility and remittance outside of Mexico;
- actions and/or sanctions resulting from our failure to maintain required Capital Ratios;
- the impact of transactions with our parent GFBM and its subsidiaries or affiliates;
- the effect of changes in accounting principles, new legislation, intervention by regulatory authorities, government directives or monetary or fiscal policy in Mexico; and
- the other factors discussed under "Risk Factors" in this Offering Memorandum.

Therefore, our actual performance may be adversely affected and may significantly differ from the expectations set forth in these forward-looking statements, which do not represent a guarantee of our future

performance. Accordingly, you should not place undue reliance on the estimates and forward-looking statements included in this Offering Memorandum to make an investment decision.

Additional factors affecting our business may arise periodically and we cannot predict such factors, nor can we assess the impact of all these factors on our business or the extent to which such factors or combination of factors could cause our results to materially differ from those contained in any forward-looking statement. Although we consider the plans, intentions, expectations and estimates reflected in, or suggested by, forward-looking statements included in this Offering Memorandum to be reasonable, we cannot provide any assurance that our plans, intentions, expectations and estimates will be achieved. Additionally, historical trends in our statements should not be interpreted as a guarantee that these trends will continue in the future.

Forward-looking statements included herein are made only as of the date of this Offering Memorandum. Except as required by law, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Accounting Principles

Our audited consolidated financial statements as of December 31, 2025 and 2024 and for the years then ended (our **"2025 Audited Financial Statements"**) and our audited consolidated financial statements as of December 31, 2024 and 2023 and for the years then ended (our **"2024 Audited Financial Statements"** and, together with our 2025 Audited Financial Statements, our **"Audited Financial Statements"**) contained in this Offering Memorandum have been prepared in accordance with the accounting principles and regulations prescribed by the CNBV for banks, as amended (**"Mexican Banking GAAP"**).

To the extent that Mexican Banking GAAP does not address a given accounting topic, Mexican Financial Reporting Standards (**"MFRS"**) prescribed by the Mexican Board for the Research and Development of Financial Information Standards (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*) are applied. Mexican banks prepare their financial statements in accordance with the foregoing criteria.

Mexican Banking GAAP differs in certain respects from MFRS. Mexican Banking GAAP also differs in certain respects from generally accepted accounting principles in the United States of America (**"U.S. GAAP"**), and the guidelines of the SEC applicable to banking institutions in the United States and from International Financial Reporting Standards (**"IFRS"**). See "Annex A—Summary of Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Summary of Significant Differences Between Mexican Banking GAAP and IFRS." No reconciliation of our Audited Financial Statements to U.S. GAAP or IFRS has been prepared for the purposes of this Offering Memorandum. Any such reconciliation would likely result in material differences. See "Risk Factors—Risks Relating to Our Business—Our Audited Financial Statements included elsewhere in this Offering Memorandum have been prepared and are presented in accordance with Mexican Banking GAAP, which differs in certain respects from U.S. GAAP and IFRS."

Unless otherwise specified, in accordance with Mexican Banking GAAP, our Audited Financial Statements and the other financial information with respect to us contained in this Offering Memorandum are presented in consolidated form. We consolidate entities (including special-purpose entities, such as securitized transaction trusts) over which we exercise control. Our investments in affiliates are accounted for under the equity method. See Notes 3, 17 and 24 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

Our financial information should be read together with our Audited Financial Statements, the notes thereto, and the reports of our independent auditor, each of which are included in this Offering Memorandum.

Currencies

In this Offering Memorandum, references to **"pesos"** and **"Ps."** are to Mexican pesos, and references to **"U.S. dollars"** and **"U.S.$"** are to United States dollars.

This Offering Memorandum contains translations of peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, we have translated peso amounts into U.S. dollars at the exchange rate of Ps.17.9528 to U.S.$1.00, which was the rate on December 31, 2025, as published by *Banco de México* in the Federal Official Gazette on December 31, 2025. On April 22, 2026, the rate published by *Banco de México* in the Federal Official Gazette was Ps.17.3323 to U.S.$1.00.

Terms Relating to Our Loan Portfolio

As used in this Offering Memorandum, the following terms relating to our loan portfolio and other credit assets have the meanings set forth below, unless otherwise indicated.

"**Total current loans**" and "**total current loan portfolio**" refer to the aggregate of (1) the total principal amount of loans outstanding as of the date presented, (2) amounts attributable to "accrued interest, but unpaid," and (3) "rediscounted loans." Under Mexican Banking GAAP, we include as income for any reporting period interest accrued but unpaid on current loans during that period. Such "accrued interest" is reported as part of our total current

loan portfolio in our financial statements until it is paid or becomes part of the total past due loan portfolio in accordance with the CNBV's rules.

"**Rediscounted loans**" are peso- and U.S. dollar-denominated loans made to finance projects in industries that qualify for priority status under the wholesale lending programs of the Mexican government's development banks and are generally funded in part by such development banks. In accordance with Mexican Banking GAAP, rediscounted loans are recorded on the balance sheet as outstanding loans until they are paid or become past due in accordance with the CNBV's rules.

The terms "**total past due loans**" and "**total past due loan portfolio**" include past due principal and past due interest. For a description of our policies regarding the classification of loans as past due, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio." The term "**net past due loans**" refers to total past due loans less the allowance for loan losses on these loans.

References in this Offering Memorandum to "**provisions"** or "**reserves**" are to additions to the loan loss allowance or reserves recorded in a particular period and charged to income, except in the case of certain provisions associated with loans and foreclosed assets and other loan losses that were charged to stockholders' equity (net of deferred taxes). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

References in this Offering Memorandum to "**allowance**" are to the aggregate loan loss allowance or reserves shown as of a particular date as a balance sheet item.

The terms "**total loans**" and "**total loan portfolio**" include total current loans plus total past due loans, each as defined above. The terms "**net total loans**" and "**net total loan portfolio**" refer to net total current loans plus net past due loans, as defined above.

The loan portfolio information provided in "Selected Statistical Information" was determined in accordance with the manner in which we have presented the components of our loan portfolio elsewhere in this Offering Memorandum, except that the loan portfolio data presented under "Selected Statistical Information" does not include amounts attributable to accrued interest, which represented 0.61% of our total loan portfolio as of December 31, 2025. See "Selected Statistical Information—Loan Portfolio" and the footnotes to the tables included therein.

Terms Relating to Our Capital Adequacy

As used in this Offering Memorandum, the following terms relating to our capital adequacy have the meanings set forth below, unless otherwise indicated.

- "**Total Capital**" or "**Total Net Capital**" refers to total net capital (*capital neto*), as such term is determined based on the Mexican Banking Law (*Ley de Instituciones de Crédito*) and the Rules for Capitalization referred to below.

- "**Tier 1 Capital**" refers to the basic capital (*parte básica*) of the Total Net Capital, as such term is determined based on the Rules for Capitalization.

- "**Fundamental Capital**" refers to our fundamental capital (*capital fundamental*) or "Core Equity Tier 1 Capital."

- "**Tier 2 Capital**" refers to the additional portion (*parte complementaria*) of the Total Net Capital, as such term is determined based on the Rules for Capitalization.

- "**Capital Ratios**" refers to each of the ratios of (i)(a) the Total Net Capital, (b) Fundamental Capital or (c) Tier 1 Capital to (ii) risk-weighted assets, market risk and operational risk, calculated in accordance with the methodology established from time to time by the SHCP or the CNBV, as the case may be, pursuant to the Rules for Capitalization and the Mexican Capitalization Requirements.

- "**Capital Conservation Buffer**" refers to the capital supplement required to be equivalent to 2.5% of a Mexican bank's total risk-weighted assets, pursuant to Section III(a) of Article 2 Bis 5 of the General Rules Applicable to Mexican Banks.

- "**General Rules Applicable to Mexican Banks**" means the General Rules Applicable to Mexican Banks (*Disposiciones de Carácter General Aplicables a las Instituciones de Crédito*) issued by the CNBV, as such regulations have been amended and may be amended from time to time.

- "**Rules for Capitalization**" means the provisions regulating the capitalization of banks included in the General Rules Applicable to Mexican Banks issued by the CNBV, as such regulations may be amended or superseded.

- "**Mexican Capitalization Requirements**" refers to the capitalization requirements for commercial banks set forth under the Mexican Banking Law, the Rules for Capitalization and the General Rules Applicable to Mexican Banks, as such regulations may be amended or superseded.

Other Definitions

The following additional definitions are used in this Offering Memorandum:

- "**Repurchase agreement**" means a Mexican law governed repurchase and resale agreement (*reporto*) pursuant to which a party acquires the ownership of receivables for a sum of money, and agrees to transfer to another party the ownership of receivables of the same type, within an agreed deadline and against reimbursement of the same sum of money plus a premium, which is payable to the first party, unless otherwise agreed.

- "**Sofom**" means multi-purpose financial entities, or *sociedades financieras de objeto múltiple*.

Rounding Adjustments

Certain amounts and percentages included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetical aggregation of the figures preceding them.

Market Share and Ranking Information

Unless otherwise indicated, the market share and ranking information included in this Offering Memorandum is derived from statistics of the CNBV, *Banco de México* or the Mexican Banking Association (*Asociación de Bancos de México, A.C.*), each as of December 31, 2025.

We accept responsibility for accurately reproducing the information and, as far as we are aware and are able to ascertain from information published by *Banco de México*, the CNBV or the Mexican Banking Association, no facts have been omitted which would render such reproduced information inaccurate or misleading.

SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Offering Memorandum and any supplement thereto. For a more complete understanding of us and the Program, you should read the entire Offering Memorandum and any supplement thereto, including the risk factors and our Audited Financial Statements included elsewhere in this Offering Memorandum and any supplement thereto.

The Bank

We are a leading multi-purpose bank with limited liability organized under Mexican law. As of December 31, 2025, we had total assets of Ps.3,437,361 million, total deposits of Ps.2,184,708 million and stockholders' equity of Ps.400,134 million. For the year ended December 31, 2025, our net income was Ps.98,946 million. As of December 31, 2025, based on assets, loans and deposits, we were the largest bank in Mexico according to information published by the CNBV as of December 31, 2025. In 2025, we offered our products and services to 33.8 million customers.

We are the principal subsidiary of Grupo Financiero BBVA México, S.A. de C.V., a holding company authorized to establish and operate as a subsidiary financial group of BBVA Spain, a global financial group that controls and owns the majority of GFBM's share capital. As of December 31, 2025, the Bank represented 87.3% of GFBM's total assets and 85.0% of GFBM's net income for 2025.

We are present in all 32 states of Mexico, serving our clients through a vast branch network and alternative distribution channels such as ATMs, bank correspondents, point-of-sale ("**POS**") terminals, internet and cellular telephony, among others. Additionally, we have specialized executives who provide differentiated and personalized service to individuals, corporations, small and mid-sized companies, and government entities.

We are primarily focused on distributing our banking products and services efficiently. As of December 31, 2025, we distributed our products and services in Mexico through a nationwide network of 1,635 branches strategically located throughout all 32 states of Mexico. In addition, the Texas Agency is located in Houston, Texas.

As of December 31, 2025, we operated 14,381 ATMs and 844,552 POS terminals, and we also offer our products and services through mobile phone apps and internet banking.

The Mexican economy decelerated from 1.2% in 2024 to 0.8% in 2025. The inflation rate reached a level of 3.7% year-on-year in December 2025, a decrease from the closing level of 4.7% year-on-year in December 2024, and below the closing level of 5.6% in December 2023. This creates a favorable environment for the gradual reduction of interest rates, encouraging investment and consumption in the medium term.

The Bank has maintained its focus on the growth and development of the country through the granting of credit, which is reflected in the balance of the Bank's current loan portfolio as of December 31, 2025, which was Ps.2,043,826 million. The current loan portfolio balance grew by 7.3% in 2025 with respect to 2024, and 15.8% in 2024 with respect to 2023. The evolution of the Bank's current loan portfolio has been accompanied by a total past due loan portfolio ratio of 1.6% as of December 31, 2025, 1.6% as of December 31, 2024 and 1.7% as of December 31, 2023.

In terms of portfolio composition, with respect to Stage 1 and Stage 2 loans, as of December 31, 2025, the total balance of our performing commercial loan portfolio, which includes loans to companies, as well as to financial and government entities, represented 54.0% of our total loan portfolio, while the total balance of our consumer loan portfolio represented 26.9% of our total loan portfolio and the mortgage portfolio represented the remaining 19.1% of our total loan portfolio. For information on the different loan stages reflected in our 2025, 2024 and 2023 financial information as a result of the new accounting criteria applied starting January 1, 2022, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio" and Note 10 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

The Bank's net income increased by 6.2% for the year ended December 31, 2025, as compared to 2024, mainly driven by a disciplined execution of the business model, supported by efficient funding management and growth in loan origination. The Bank's net income increased by 6.3% for the year ended December 31, 2024, as compared to 2023, mainly driven by a growth in our loan portfolio combined with a favorable mix of deposits. The Bank's net income was Ps.87,604 million for the year ended December 31, 2023, mainly driven by an environment of higher interest rates, higher commissions related to the volume of transactions, as well as our focus on not increasing expenses.

The Bank forms part of a financial group that is innovating to address new market trends and focused on catering to the needs of our customers, aimed at maintaining the Bank as a leader in innovation, and as a benchmark institution. Our main priority is our customers, offering the best service and generating the best experience. Our business model is based on customer segmentation, with personalized and specialized attention that allows us to offer products and services adapted to their needs. We offer our products and services through the following business units:

- **Retail Network:** Serves all retail segments through our extensive branch network. The Retail Network business unit focuses on providing financial products such as consumer loans, car loans, savings products and life insurance, among many others, both for retail clients and micro or small companies. It works in coordination with the Bank's business development teams to continue transforming and innovating in the offer of digital products and services, aimed to enhance sales and post-sale services. This has allowed us to remain a leading institution in the banking sector.

- **Business and Institutional Banking:** Specializes in serving medium-sized companies, government entities, housing developers and distributors in the automotive sector. It focuses on providing a wide range of banking services and products such as cash management for companies, loans for the distribution and acquisition of vehicles for car dealers, and tax collection and payment services for government entities, among others. This unit also relies on digital channels to improve the experience through digital services, with the *BBVA Empresas* mobile application, which allows our clients to manage and administer their businesses from cell phones, as well as contact a financial advisor.

- **Corporate and Investment Banking:** Focuses on providing banking services to international entities and large corporations, including the Bank's global clients, offering a wide range of services within the investment banking portfolio. For example, we offer *BBVA Net Cash*, a global electronic banking solution that allows handling high volumes of operations through a robust and easy-to-use platform, and we also offer *BBVA Trader Mx*, a platform that allows investors to carry out their own investments online and in real time. This unit also includes the Bank's global markets team which, together with Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México (our brokerage unit), offers more sophisticated products and services such as debt and capital issuances, structured financing and M&A, among others.

The business units are accompanied by a structure of support to promote the consistent performance of our business, while offering integral management that promotes the creation of synergies for continuous growth.

Organizational Structure

We are the principal subsidiary of GFBM, a holding company authorized under Mexican law to establish and operate a financial group.

In addition to our own products and services, we distribute and earn fee income and commissions from a wide range of financial and related products and services in Mexico for GFBM and other affiliates that are not our subsidiaries, including:

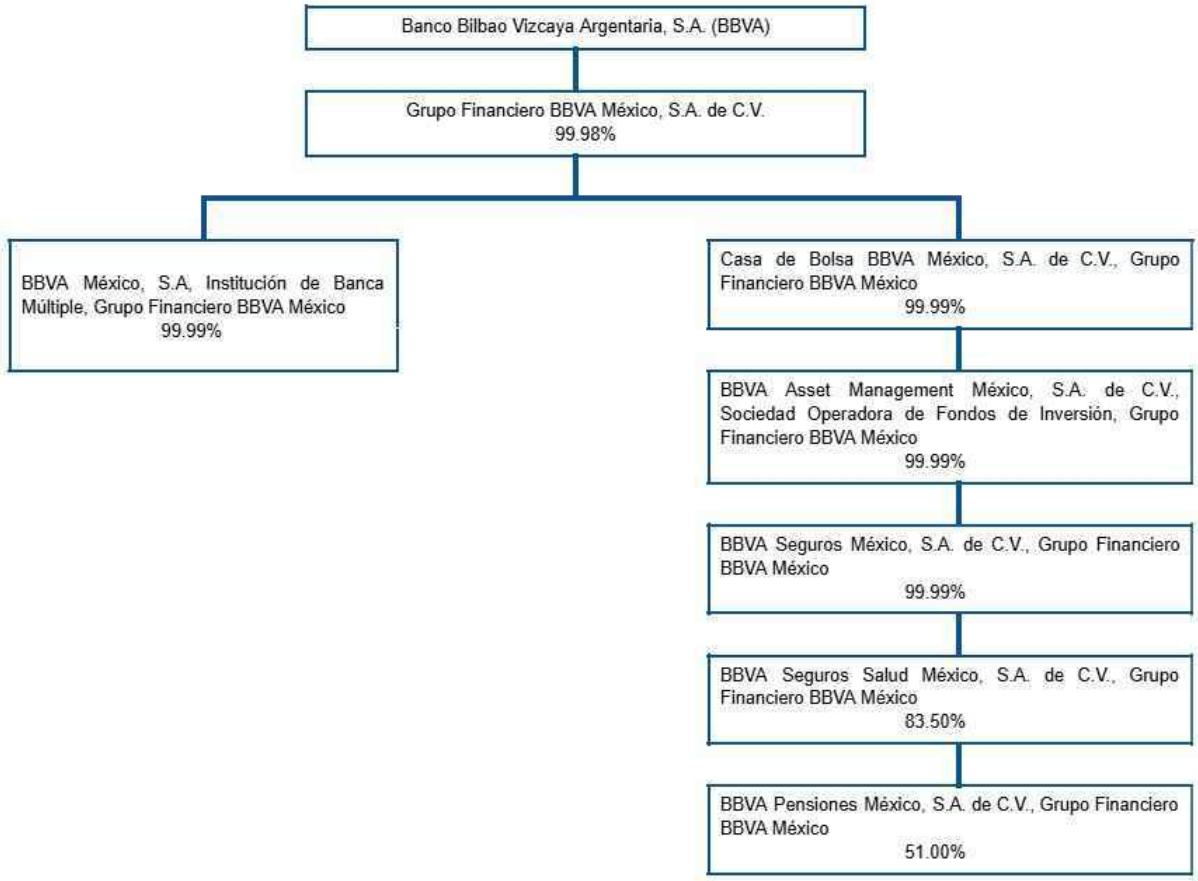
- bank insurance products on behalf of BBVA Seguros México, S.A. de C.V., Grupo Financiero BBVA México;

- mutual funds on behalf of BBVA Asset Management México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero BBVA México;

- pension fund management on behalf of BBVA Pensiones México, S.A. de C.V., Grupo Financiero BBVA México; and

- health insurance products on behalf of BBVA Seguros Salud México, S.A. de C.V., Grupo Financiero BBVA México.

The following chart presents our current holding organizational structure and that of GFBM, including principal subsidiaries and affiliates, as well as respective ownership interests as of the date of this Offering Memorandum:[(1)]



(1) See our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum for a complete list of our subsidiaries.

Our headquarters are located at Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, Mexico, C.P. 06600. Our telephone number is +52 (55) 5621-3434.

Our History

General

The Bank was incorporated under the name "El Nuevo Mundo, S.A." on October 8, 1945 in Mexico City. The Bank's name was changed in 1951 to "Industria y Crédito, S.A." and then to "Financiera Bancomer, S.A." in 1957.

In 1977, several institutions forming a part of the Bancos de Comercio System, including Banco de Comercio S.A. and Hipotecaria Bancomer S.A., merged with Financiera México, S.A., as the merging company. As a result, Financiera Bancomer, S.A. changed its name to "Bancomer, S.A."

Bancomer, like most other Mexican commercial banks, was nationalized in 1982. At the end of the 1980s, a series of measures were implemented to deregulate the Mexican financial system. This process of deregulation resulted in the re-privatization of commercial banks, including Bancomer, S.A.

As part of the subsequent privatization process, in 1991, a group of Mexican investors consisting of the major shareholders of Valores Monterrey Aetna, S.A. de C.V. acquired 56% of the outstanding capital stock of Bancomer, S.A. GFBM was incorporated in 1991 to acquire and hold a controlling interest in Bancomer and other financial institutions. GFBM subsequently increased its ownership of Bancomer through acquisitions and, in 1993, the Mexican government exchanged its remaining stake in Bancomer for shares of GFBM's capital stock, which gave GFBM control of nearly 100% of Bancomer's outstanding capital.

In July 2000, BBVA Spain acquired control of GFBM (through a Ps.1.4 billion capitalization), and as a result changed its name to Grupo Financiero BBVA Bancomer, S.A. de C.V.

In August 2000, the merger of GFBM and BBV-Probursa took effect.

On September 15, 2000, the merger of the Bank, as the merging party, was agreed upon and continued with Banca Promex, S.A., Institución de Banca Múltiple, which was extinguished, which took effect on October 6, 2000.

In November 2000, in the extraordinary general meetings of shareholders of the Bank and BBV México, S.A., their respective spin-off and merger agreements were approved, and these agreements took effect in December 2000. As a result, both credit institutions continued forming part of the BBVA Group, with different but complementary purposes. Subsequently, in 2001, their respective shareholders approved the name change of Bancomer, S.A., BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, and BBV-México, S.A. to BBVA Bancomer Servicios, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

The extraordinary general meeting of shareholders of the Bank that was held on October 3, 2001 approved the transformation of the Bank into a multiple banking institution subsidiary of GFBM, carrying out the corresponding modifications to its bylaws, as well as to reflect the reforms to the Credit Institutions Law, published in the Federal Official Gazette on June 4, 2001. The transformation was authorized by the SHCP on May 30, 2003. On May 9, 2002, GFBM obtained authorization to incorporate and operate as a subsidiary holding company of BBVA International Investment Corporation (BBVAIIC), through an indirect investment of 51% in its share capital. At that time, BBVAIIC, in turn, was wholly owned by BBVA Spain. The transformation of the Bank was formalized when these changes were registered in the Public Registry of Property and Commerce of the Federal District in 2003.

In 2009, after obtaining the corresponding authorizations, BBVA Spain increased its direct participation in the capital stock of GFBM to 99.98%.

In August 2009, after having obtained the necessary authorizations, the merger of the Bank as a merging company with BBVA Bancomer Servicios, S.A. was completed. As a result of this merger, the Bank now carries out the commercial activities of BBVA Bancomer Servicios, S.A., including fiduciary and ATM services.

On April 24, 2019, the global unification of the brand was reflected in all the geographies in which the BBVA Group operates. Consequently, in Mexico the brand changed from "BBVA Bancomer" to "BBVA." The announcement to the public of this unification was made on June 10, 2019, announcing the unique brand and the new logo with the aim of continuing to advance in the transformation and globality in the new digital era. The ownership of the "BBVA" brand belongs to BBVA Spain and is used by the Bank under a license agreement signed by both entities.

As part of the unified identity of the BBVA Group of which the GFBM Group is a part, on January 24 and 27, 2020, the authorization requests for the modification of the corporate name were submitted to the SHCP and the CNBV, respectively, with respect to GFBM and the Bank, as well as other subsidiaries of GFBM. On September 4, 2020, the CNBV authorized the modification of the Bank's corporate name, as well as that of other subsidiaries of GFBM. The SHCP granted authorization to modify the name of GFBM on March 19, 2021.

The financial entities that make up the GFBM Group changed their corporate names effective as of September 20, 2021. In the case of the Bank, the main subsidiary of GFBM, the new name is *BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México*, which replaced the previous name of *BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer*.

Strategy and Strengths

The constant transformation and innovation of products based on experience and customer service, aligned with strategic priorities marked by our purpose and values, is one of the main hallmarks of our identity.

Our values, which are at the core of our strategy, are the following:

- *Customer Comes First* - our customers' experience and needs are our highest priority
- *We Think Big* - we want to help our customers achieve their most relevant goals by being more than a bank

- *We Are One Team* - we encourage everyone at the Bank to actively participate so that everyone works towards the same common objectives

The 2025-2029 strategic plan gives new momentum to the vision with the purpose: *"Support your drive to go further,"* reinforcing BBVA's role as a key ally for individuals and businesses. More than just a bank, BBVA aims to be a springboard that helps those who seek to go further and achieve their goals.

To continue accelerating and deepening the impact of the transformation, we have taken another step that will allow us to adapt to the trends that are changing the world and the financial industry. With a clear vision of the future and anticipating future needs, the guideline for the entire Group is based on the following six strategic priorities, based on the following three pillars:

- Differentiation:
  - Embed a Radical Client Perspective (RCP) in All We Do
- Full commitment to growth and value creation:
  - Boost Sustainability as a Growth Engine
  - Scale up All Enterprise Segments
  - Promote a Value and Capital Creation Mindset
- Meaningful impact across the board:
  - Unlock the Potential of AI and Innovation through Data Availability and Next Gen Tech
  - Strengthen Our Empathy, Succeed as a Winning Team

The Bank is a participant and a leader in the commitment to a more environmentally responsible world. In this sense, the Bank has set objectives to decarbonize its portfolio in eight emissions-intensive sectors, with the objective of being neutral in carbon emissions by 2050, taking into account both the Bank's direct emissions (in which it has been carbon-neutral since 2020), as well as the indirect emissions. In line with the endorsement of the Mexican agenda for a sustainable recovery, the Bank will continue to work together with its customers to strengthen its green and inclusive offer for the country.

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 27.1 million digital customers as of December 31, 2025, equivalent to an increase of 8.6% compared to 2024. As of December 31, 2025, digital customers represented 80.1% of our total customer base.

Financial transactions carried out by clients on our digital platform from January to December of 2025 totaled more than 4,663 million, which represented an increase of 11.2% 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 our website, which represented 73.5% of the total in 2025 (compared to 69.9% in 2024, and 65.0% in 2023), and reflected an annual growth of 16.9% in the number of such transactions year-over-year. Our digital strategy and transformation allow 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.

In addition, we continue to promote the use of digital channels among our customer base, which is reflected in the percentage of digital sales (measured in units), which during 2025 reached 75.0% of the total sales made in the Bank (compared to 76.5% in 2024, and 76.8% in 2023).

Sustainable Finance

We incorporate sustainability in our daily activities, and it is part of our management both in our relationship with customers and in our internal processes. We are aware of our outstanding and relevant role as a bank in the transition towards a more sustainable world through financial services and products. We seek to accompany our retail, business, corporate and institutional clients in adopting more sustainable habits that help reduce their emissions, using

data-based tools and solutions that help them control their consumption and emissions. For example, our digital application is able to calculate how much emissions a client is producing based on the expenses reflected on the account statement. To this end, we continuously seek to improve our provision of advisory services, as well as focusing on the development and innovation of a wide range of sustainable investment and financial products.

Recent Developments

For the year ended December 31, 2025, we declared and paid dividends in an aggregate amount of Ps.60,000 million from our retained earnings.

At a meeting held on February 28, 2025, our shareholders approved the distribution of dividends in the aggregate amount of Ps.60,000 million and authorized each of the Chairman, Vice Chairman and Secretary of our Board of Directors to take the following actions individually: (i) decide on the payment of dividends to shareholders on a pro rata basis; (ii) determine the amount of each dividend payment, which shall not exceed the total amount of distributable dividends authorized by our shareholders' meeting; (iii) announce the dividend payment dates; and (iv) determine the proportion of dividend payment for each of our outstanding shares.

Recent Ratings Information

Our ratings are key components of our liquidity profile. Among other factors, our ratings are based on the financial strength, credit quality and concentrations in our loan portfolio, the level and volatility of our income and utilities, our capital sufficiency and leverage, the high quality management, the liquidity of our balance sheet, the availability of a significant retail and commercial deposit base, and our ability to access a broad range of wholesale funding sources. In addition, our credit ratings are affected by an assessment of overall Mexican sovereign risk.

On October 16, 2025, Fitch Ratings upgraded the Bank's Foreign Currency and Local Currency Long-Term Issuer Default Ratings (IDRs) to 'BBB+' from 'BBB', and its Shareholder Support Rating (SSR) to 'bbb+' from 'bbb', while affirming its Short-Term IDRs at 'F2' and assigning a Stable Outlook. The upgrade followed a similar rating action on the Bank's parent company, Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), whose Long-Term IDR was upgraded to 'A-' from 'BBB+', reflecting improved standalone performance and a stronger operating environment in Spain.

On November 15, 2024, Moody's Investor Services Inc. ("**Moody's**") adjusted the outlook of Mexico's 'Baa2' government bond rating from 'stable' to 'negative'. As a result, Moody's also changed the Bank's outlook from 'stable' to 'negative', and did so for all systemic financial institutions in the country. However, Moody's affirmed the Bank's financial strength Baseline Credit Assessment (BCA) at 'Baa2', as a result of the Bank's long-track record of prudent underwriting policies and portfolio mix, that contribute to solid asset quality metrics, as well as the Bank's leading position in the banking industry, its diversified earnings structure and access to a broad deposit funding mix that result in strong profits, while supporting a robust capitalization. On November 24, 2023, Fitch Ratings Inc. ("**Fitch**") affirmed the Bank's ratings at BBB with a stable outlook. Standard & Poor's Financial Services LLC ("**S&P**") affirmed the Bank's ratings at BBB on March 28, 2023.

Recent Issuances of Indebtedness

On February 12, 2026, we issued three series of senior notes in the local market in an aggregate principal amount of Ps.15,272 million. The first series was issued in the aggregate principal amount of Ps.6,124 million, initially bears interest at a floating rate equal to the Funding Overnight Interbank Equilibrium Interest Rate (the **"TIIE de Fondeo"**) + 32 basis points, and matures three and a half years after the issue date. The second series was issued in the aggregate principal amount of Ps.8,876 million, bears interest at an annual rate of 9.26% and matures 10 years after the issue date. The third series was a re-opening of the BBVAMX 25D bond, and was issued in the aggregate principal amount of U.S.$16 million (Ps.272 million), bears interest at an annual rate of 4.19% and matures three years after the original bond's issue date.

Market Information

The following table provides comparative information with respect to the Bank and certain selected leading banks in Mexico as of December 31, 2025 (unless otherwise indicated).

	The Bank[1]	Banamex	Banorte	Santander	HSBC	Scotiabank
	(millions of Ps., except percentages)					
Total loan portfolio	2,089,062	521,572	1,231,946	985,629	478,622	535,207
Total deposits funding[2]	2,202,390	820,850	1,271,061	1,117,057	578,129	576,114

	The Bank[1]	Banamex	Banorte	Santander	HSBC	Scotiabank
	(millions of Ps., except percentages)					
Market share (total loans)	25.58%	6.39%	15.09%	12.07%	5.86%	6.55%
Total assets	3,437,361	1,112,198	1,966,230	2,074,455	902,875	893,217
Total loan portfolio / total assets	60.78%	46.90%	62.66%	47.51%	53.01%	59.92%
Total loan portfolio / total deposits funding	94.85%	63.54%	96.92%	88.23%	82.79%	92.90%
Total stockholders' equity	400,134	181,010	152,103	162,470	86,236	95,155
Net income	98,946	16,096	47,380	32,329	7,312	10,241
Return on average assets (ROA)	2.94%	1.46%	2.50%	1.61%	0.80%	1.15%
Return on average stockholders' equity (ROE)	25.82%	9.10%	29.04%	19.95%	8.53%	11.11%
Cost of funding[3]	2.61%	2.50%	3.18%	3.28%	3.96%	7.40%
Delinquency ratio[4]	1.63%	2.97%	1.41%	2.06%	3.06%	4.16%
Efficiency ratio[5]	32.70%	61.23%	38.14%	43.55%	60.88%	47.92%
Branches	1,635	1,257	1,216	986	727	407

(1) Data for the Bank is derived from our 2025 Audited Financial Statements. Data for the other financial institutions is derived from information reported by the CNBV.
(2) "Total deposits funding" includes "Deposits" and "Interbank and other borrowings."
(3) Source: *Banco de México*.
(4) Delinquency ratio is equal to total past due loan portfolio divided by total loans.
(5) Efficiency ratio is equal to total administrative and promotional expenses as a percentage of the aggregate of financial margin and non-interest income (fee income (net) plus financial intermediation income plus other operating income (expense)). For this purpose, financial margin and non-interest income are calculated before allowance for loan losses.

SUMMARY OF THE PROGRAM

The following is a summary of the description of Notes which may be offered under the Program, and any decision to invest in any Notes should be based on a consideration of this Offering Memorandum as a whole, including any supplement hereto. The specific terms of the Notes will be as set forth in the applicable Pricing Supplement and may contain terms and conditions which differ from, or are in addition to, those set forth below. Capitalized terms used but not defined in this section have the meanings assigned to them in "Description of the Notes." For a more complete description of the terms of the Notes, see "Description of the Notes."

Issuer:	BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, acting through its Texas Agency, unless the applicable Pricing Supplement specifies that the Bank is acting directly (each, a "**Pricing Supplement**").
Arranger:	BNP Paribas Securities Corp.
Dealers:	Banco Bilbao Vizcaya Argentaria, SA, Barclays Capital Inc., Barclays Bank PLC, BBVA Securities Inc., BNP PARIBAS, BNP Paribas Securities Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, Credit Agricole Securities (USA) Inc., Deutsche Bank AG, London Branch, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., Nomura Securities International, Inc., SMBC Nikko Securities America, Inc., Standard Chartered Bank, UBS AG London Branch, UBS Securities LLC and Wells Fargo Securities, LLC, and any other Dealer appointed from time to time in accordance with the Dealer Agreement. Notes may also be issued to or placed through other dealers and to third parties other than dealers.
Trustee, Registrar, Transfer Agent and Paying Agent:	The Bank of New York Mellon will act as trustee, registrar, transfer agent and paying agent (the "**Trustee**").
Listing Agent:	Arthur Cox Listing Services Limited will act as the Euronext Dublin listing agent, unless otherwise stated in the applicable Pricing Supplement.
Program Size:	The maximum aggregate principal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement), subject to increase in accordance with the terms of the Dealer Agreement.
Distribution:	The method of distribution of each Tranche (as defined below) will be stated in the applicable Pricing Supplement. Notes may be distributed (i) to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (ii) outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the Securities Act) in offshore transactions meeting the requirements of Regulation S under the Securities Act, in each case on a syndicated or non-syndicated basis, subject to the selling restrictions described under "Transfer Restrictions" and "Plan of Distribution—Sales Restrictions."
Issuance:	Unless otherwise specified in the applicable Pricing Supplement, each Series of Notes may contain one or more tranches of Notes (each, a "**Tranche**") having identical terms, including the Original Issue Date and the public offering price. Unless specified in the applicable Pricing Supplement, Additional Notes may be issued as part of existing Series of Senior Notes. See "Description of the Notes—General—Further Issuances." Unless otherwise specified in the applicable Pricing

	Supplement, Additional Notes may not be issued as part of an existing Series of Subordinated Notes. See "Description of the Notes—General—Further Issuances." The specific terms of each Tranche will be set forth in the applicable Pricing Supplement.
Series:	Each original issue of Notes, together with any further issues of Notes expressed to form a single series with the original issue, which are denominated in the same currency, have the same Maturity Date (as indicated in the applicable Pricing Supplement) and Interest Payment Dates (if any) and have identical terms (including listing, but excluding the Original Issue Date or the initial Interest Payment Date, as the case may be, and the public offering price) shall constitute a "**Series**." The expression "Notes of the relevant Series" shall be construed accordingly.
Status of the Notes:	Each Note will be unsecured and will be either a senior or a subordinated debt obligation of the Bank. Notes that are senior debt obligations will rank equally with all other senior unsecured and unsubordinated obligations of the Bank, as described in the Senior Notes Indenture and the applicable Pricing Supplement. Notes that are subordinated debt obligations will rank (i) subordinated and junior to all of the Bank's present and future senior indebtedness, (ii) *pari passu* with all of the Bank's other present and future subordinated preferred indebtedness and (iii) senior to Subordinated Non-Preferred Indebtedness (*obligaciones subordinadas no preferentes*) and all classes of the Bank's capital stock, as specified in the applicable Subordinated Notes Indenture and the applicable Pricing Supplement. See "Description of the Notes—General."
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Bank and the relevant Dealer(s), as indicated in the applicable Pricing Supplement.
Use of Proceeds:	Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from each issue of Notes will be used for general corporate purposes of the Bank and its subsidiaries. If there is a particular identified use of proceeds, it will be set forth in the applicable Pricing Supplement. Where the "Use of Proceeds" section of the applicable Pricing Supplement are stated to be for "green," "social" or "sustainability" purposes as described in the "Use of Proceeds" section, the net proceeds from each such issue of SDG Notes (as defined under "Risk Factors—Risks Relating to the Notes—The application of the net proceeds of SDG Notes as described under "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria") will be used as so described; *provided* that any such event or failure to apply the net proceeds of any issue of SDG Notes for any Sustainability Projects or to obtain and publish any such reports, assessments, opinions and certifications, will not constitute an event of default under the relevant SDG Notes or give rise to any other claim of a holder of such SDG Notes against the Bank.
Issue Price:	Notes may be issued at an issue price which is equal to, less than or more than their principal amount, as provided in the applicable Pricing Supplement.
Form of Notes:	Notes will be issued in registered form in the nominal amount of a specified denomination as provided in the applicable Pricing Supplement. Notes offered and sold in offshore transactions in reliance on Regulation S to persons which are non-U.S. persons will be represented by one or more global notes in registered form (each, a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be

	offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through The Depository Trust Company ("**DTC**"), Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream**"), and such Regulation S Global Note will bear a legend regarding such restrictions on transfer. Notes offered and sold to persons reasonably believed to be "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act will be represented by one or more global notes in registered form (each, a "**Rule 144A Global Note**" and, together with each Regulation S Global Note, the "**Global Notes**"). We will not issue Notes in bearer form.
Deposit:	Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear, Clearstream or any other clearance system, as specified in the applicable Pricing Supplement. No beneficial owner of an interest in a Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable.
Fixed Rate Notes:	The Issuer will pay interest on Notes that are Fixed Rate Notes on the dates specified in the applicable Pricing Supplement.
Fixed Reset Notes:	The Issuer will pay interest on Notes that are Fixed Reset Notes on the dates specified in the applicable Pricing Supplement. The interest rate on Fixed Reset Notes will reset on each Fixed Reset Date by reference to the relevant Reset Margin and Reset Reference Rate.
Floating Rate Notes:	The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Pricing Supplement. Each series of Floating Rate Notes will have one or more interest rate bases as indicated in the applicable Pricing Supplement. The interest rate on each Floating Rate Note for each interest period will be determined by reference to the applicable interest rate bases specified in the applicable Pricing Supplement for that interest period, plus or minus the applicable spread, if any, and/or multiplied by the applicable spread multiplier, if any. The applicable Pricing Supplement will also specify the maximum or minimum interest rate, if any, and certain additional terms. Interest on Floating Rate Notes will be computed in the manner and will be payable on the dates described under the section entitled "Description of the Notes—Floating Rate Notes." Interest on Floating Rate Notes will be calculated on the basis of such Floating Day Count Fraction (as defined under "Description of the Notes—Floating Rate Notes—How Interest Is Calculated") as may be set forth in the applicable Pricing Supplement.
Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes:	Such period(s) or date(s) as may be indicated in the applicable Pricing Supplement.
Fixed/Floating Rate Notes:	Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate. See "Description of the Notes—Floating Rate Notes—Regular Floating Rate Note; Fixed/ Floating Rate Note; Floating/Fixed Rate Note; Inverse Floating Rate Note—Fixed/Floating Rate Note."

Floating/Fixed Rate Notes:	Floating/Fixed Rate Notes bear interest at a rate that converts from a floating rate to a fixed rate. See "Description of the Notes—Floating Rate Notes—Regular Floating Rate Note; Fixed/ Floating Rate Note; Floating/Fixed Rate Note; Inverse Floating Rate Note—Floating/Fixed Rate Note."
Indexed Notes:	Notes may be issued with the principal amount payable at maturity, or interest to be paid thereon, or both, to be determined with reference to the price or prices of specified commodities or securities, baskets of securities, indices of securities, stocks, the exchange rate of one or more specified currencies relative to an indexed currency or other formulae, assets or bases of reference, as may be specified in such Note and the applicable Pricing Supplement.
Extendible Notes:	Notes may be issued with an Initial Maturity Date, which may be extended from time to time upon the election of the holders on specified Election Date(s) up to a Final Maturity Date, as set forth in the applicable Pricing Supplement. The Pricing Supplement relating to each issue of Extendible Notes will set forth the terms of such Notes.
Dual Currency Notes:	Notes may be issued under which the Issuer is permitted under certain circumstances to pay principal, premium, if any, and/or interest in more than one currency or in a composite currency. The terms of any Dual Currency Notes will be as set forth in the applicable Pricing Supplement related to any such Notes.
Amortizing Notes:	Amortizing Notes are Fixed Rate Notes for which payments combining principal and interest are made in installments over the life of the Note. Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. The terms and conditions of any Amortizing Notes, including the amortization schedule, will be set forth in the applicable Pricing Supplement related to any such Notes.
Original Issue Discount Notes:	Notes may be issued at a discount from the principal amount payable at maturity that is equal to or more than the *de minimis* threshold (as determined for U.S. federal income tax purposes). Certain additional considerations relating to Original Issue Discount Notes may be described in the applicable Pricing Supplement relating thereto.
Redemption:	The Pricing Supplement relating to each Tranche of Notes will indicate either that the Notes of that Series cannot be redeemed prior to their stated maturity, that such Notes will be redeemable for taxation reasons or at the option of the Issuer and/or the Noteholders or, with respect to Subordinated Notes, in the case of the occurrence of a Special Event.
Events of Default, Notice and Waiver:	An Event of Default with respect to Senior Notes shall take place as set forth in "Description of the Notes—Certain Terms and Conditions Applicable to Senior Notes—Events of Default, Notice and Waiver." An Event of Default with respect to Subordinated Notes shall take place as set forth in "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes—Events of Default, Notice and Waiver."
Consolidation, Merger, Sale or Transfer of Assets:	The Bank may not, without the consent of holders of at least 66⅔% in aggregate principal amount of the outstanding Notes of each Series outstanding, consolidate with or merge into, or convey or transfer, in one transaction or a series of transactions, all or substantially all of its properties and assets to any person, as described under "Description of the Notes—Covenants—Consolidation, Merger, Sale or Transfer of Assets."

Denomination of Notes:	Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement.
Additional Amounts:	All payments made by or on the Issuer's behalf in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of Mexico, the United States, or any other jurisdiction through which payments are made or any authority or agency therein or thereof having power to tax (collectively, "**Relevant Tax**") unless the withholding or deduction of such Relevant Tax is required by law or by the interpretation or administration thereof. In that event, the Issuer will pay additional amounts, subject to certain exceptions and limitations, as described under "Description of the Notes—Other Terms and Conditions Applicable to the Senior and Subordinated Notes—Payment of Additional Amounts," or as otherwise provided in the applicable Pricing Supplement, so that the net amounts received by holders or beneficial owners of the Notes or their nominees after such withholding or deduction will equal the amount which would have been received in respect of the Notes in the absence of such withholding or deduction.
Rating:	The Notes of each Series issued under the Program may be rated or unrated. Where the Notes of a Series are rated, such rating will be set out in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and Admission to Trading:	Application has been made to Euronext Dublin for the approval of this document as base listing particulars. Application may be made to Euronext Dublin to admit a Series of Notes to the Official List and for admission to trading of such Series of Notes on the Global Exchange Market, which is the exchange-regulated market of Euronext Dublin. Application may be made to list a Series of Notes on another exchange or a Series of Notes may be unlisted, in each case as specified in the applicable Pricing Supplement.
Governing Law:	The Senior Notes Indenture is, and any Subordinated Notes Indenture and the Notes will be, governed by, and construed in accordance with, the law of the State of New York; *provided* that the ranking and subordination of the Subordinated Notes, certain matters arising under Mexican law as set forth in the applicable Pricing Supplement, and matters relating to the Bank's insolvency or liquidation will be governed by, and construed in accordance with, Mexican law (as amended from time to time). See "Description of the Notes—Governing Law; Consent to Jurisdiction." The Issuer has consented in the Senior Notes Indenture, and will consent in any Subordinated Notes Indenture and the Notes to the jurisdiction of the Supreme Court of the State of New York, Borough of Manhattan, County of New York, and the United States District Court for the Southern District of New York. See "Description of the Notes—Governing Law; Consent to Jurisdiction."
Transfer Restrictions:	The Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except to persons reasonably believed to be "qualified institutional buyers" in accordance with Rule 144A or outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act. Additional transfer restrictions may be set forth in an applicable Pricing Supplement. See "Transfer Restrictions."

	As required under Article 7, second paragraph, of the Mexican Securities Market Law, Articles 24 Bis, 24 Bis 1 and other related Articles of the General Provisions Applicable to Securities Issuers and other Securities Market Participants (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y otros Participantes del Mercado de Valores*), we will notify the CNBV of the terms and conditions of any offering of the Notes outside of Mexico, for statistical and informational purposes only. The Notes have not been and will not be registered with the RNV maintained by the CNBV and, therefore, the Notes may not be publicly offered or sold in Mexico. The Notes may be offered and sold in Mexico, on a private placement basis, solely to investors that qualify as institutional or accredited investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law and regulations thereunder. See "Transfer Restrictions."
Risk Factors:	You should carefully consider all of the information contained in this Offering Memorandum prior to investing in the Notes. In particular, we urge you to carefully consider the information set forth under "Risk Factors" beginning on page 14 for a discussion of the risks and uncertainties relating to us, our business, the Mexican financial industry, our stockholders, Mexico and the Notes.

RISK FACTORS

An investment in the Notes involves risk. You should carefully consider the risks and uncertainties described below and the other information contained in this Offering Memorandum before making an investment in the Notes. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The risks described below are not the only ones facing us or Mexican banks and other corporations in Mexico. Additional risks and uncertainties not currently known to us or that we currently deem non-material may also materially and adversely affect our business and our ability to make payments on the Notes.

Risks Relating to Our Business

Reforms to laws relating to labor, social security and tax matters could result in additional modifications to the Bank's hiring regime.

On April 20, 2021, reforms to various laws relating to labor, social security and tax matters were approved with the aim of, among others: (i) prohibiting subcontracting, unless it relates to specialized services or the execution of specialized works, which are not part of the corporate purpose or the economic activity of the beneficiary, (ii) establishing the authorizations and records that specialized personnel companies must obtain for the provision of such services, and (iii) establishing penalties and tax consequences for companies that use or benefit from the subcontracting of personnel in violation of such laws.

Since the above-referenced reforms were implemented, the Bank modified its contracting scheme which resulted in the incurrence of extraordinary expenses and an increase in the Bank's operating costs which had an immaterial effect on the Bank, since part of the reform requirements were absorbed by the variable compensation available to the Bank.

Any future reforms to laws relating to labor, social security and tax matters could result in additional modifications to the Bank's hiring regime and, accordingly, may have an adverse effect on the Bank's financial position and results of operations.

Modifications to the regulation of the electric energy sector in Mexico could cause the Bank and its clients to modify their sources of electricity supply.

In January 2025, the Mexican federal government introduced a comprehensive energy reform bill aimed at reinforcing state control over the electricity sector while encouraging private investment in renewable energy projects. The proposed legislation mandates that the *Comisión Federal de Electricidad* (the Mexican government-owned electric company, **"CFE"**) generate at least 54% of Mexico's electricity, with the remaining 46% open to private companies. This reform was approved by the Mexican Senate in March 2025.

During 2022, the Mexican Congress rejected an initiative to amend the Political Constitution of the United Mexican States with respect to the electricity sector announced by the Mexican federal government during 2021. Nonetheless, by means of amendments to the sector's secondary regulation, including to the Electric Industry Law (*Ley de la Industria Eléctrica*), several changes have been implemented. On April 7, 2022, the Mexican Supreme Court discussed a constitutional claim presented by members of the Senate against certain modifications to the Electric Industry Law published in the Federal Official Gazette on March 9, 2021. The Supreme Court dismissed such constitutional claim. Thus, the amendments to the Electric Industry Law and the remaining regulation continue to be applicable. Moreover, on January 31, 2024 the Supreme Court ruled that the legal changes introduced in 2021 infringed upon the constitutional principles of free competition, sustainable development and market participation, determining that the changes should be suspended.

The Bank has entered into electricity supply contracts with various suppliers. If the corresponding generators or suppliers cannot fulfill their obligations under the contracts entered into with the Bank due to the implementation of any modifications of the regulations governing the electricity sector, the Bank would have to pay, at least temporarily, the regulated tariff of the basic supply charged by CFE ,which could represent a significant increase in the Bank's costs for electricity and, therefore, adversely affect its operating results. The implementation of any modifications to the current energy regulation could also materially negatively affect the financial position of the Bank's clients that are large consumers of electricity, and, therefore, their ability to meet their credit obligations to the Bank. In addition, if approved, any further initiatives could materially negatively affect the financial situation of the Bank's private energy sector clients and, therefore, their ability to fulfill their loan obligations to the Bank. Furthermore, it would eliminate investment incentives to the private sector, weakening the industry overall.

Currently, it is not possible to predict with certainty whether any additional modifications to the regulations governing the electricity sector will be enacted and, if so, the magnitude of the impact that any such modifications could have on the Bank or its clients.

Geopolitical challenges and other global uncertainties could negatively affect the BBVA Group.

The BBVA Group could experience negative impacts on its business, financial condition and results of operations due to geopolitical challenges and other uncertainties worldwide. Currently, the global economy faces a number of exceptional challenges. The conflict in Ukraine, as well as other existing, or new, geopolitical tensions, particularly in the Middle East and Asia, could continue to cause significant disruption, instability and volatility in global markets, as well as prolong the currently elevated inflation rates (including contributing to further increases in energy, oil and other commodity prices and causing further disruption in supply chains) and lower or negative growth.

The European Union, the United Kingdom, the United States and other governments have imposed significant sanctions and export controls against Russia and its interests, as well as limitations of certain Russian citizens free transit and assets seizure within territories of the European Union, and have threatened to impose additional sanctions and controls. Although the impact of such measures and Russia's possible responses to them are uncertain, any such measures could materially and adversely affect the BBVA Group's business, financial condition and results of operations.

Moreover, geopolitical and economic risks have also increased in recent years as a result of trade tensions between the United States and China, the rise of populism and tensions in the Middle East, including the conflict in Gaza. Increasing trade tensions may lead, among other things, to a de-globalization of the world economy, increased protectionism or barriers to immigration, overall reduction in international trade in goods and services, as well as reduced financial market integration. All of the above could materially and adversely affect the BBVA Group's and our business, financial condition and results of operations.

We have been, and may continue to be, adversely affected by global economic conditions, particularly those in the United States and in international financial markets that affect us, our clients, our business and/or the financial services industry in general.

On July 1, 2020, the agreement between the United States, Mexico and Canada (USMCA) entered into force and substituted NAFTA. Unlike NAFTA, the USMCA includes a sunset clause that requires the USMCA to be analyzed and modified, if applicable, every six years, and after 16 years the terms of the USMCA will expire, at which point they will need to be renegotiated and restated. This treaty also includes amendments to the rules of origin in practically all sectors in order to certify a product as originating in the region, rules to deter artificial changes to exchange rates to obtain commercial advantages, additional intellectual property protections, as well as amendments in labor matters and information technologies, among other provisions. More generally, there may be changes in other existing trade agreements, greater restrictions on free trade in general and significant increases in tariffs on goods imported from Mexico into the United States. Modifications in regimes affecting foreign trade may adversely affect Mexico, our clients and our business, results of operations and financial condition.

Adverse changes affecting the European economy, and the Spanish economy more specifically, such as increased inflation rates, could adversely affect the BBVA Group and its credit ratings. Such events could affect the perception of our brand among our clients, which could, in turn, have an impact on our business, results of operations and financial condition.

Geopolitical events or global economic or other conditions generally, and related uncertainty could have the one or more of following effects:

- an economic downturn or insufficient recovery of the economy generally and the financial markets and any adverse social or political developments for any reason, including illnesses or epidemics, which may adversely impact our business, financial condition and results of operations;
- increased regulation of the financial industry, which may increase our costs of capital, capital reserves and liquidity requirements, affect the pricing of our products and services and limit our ability to pursue business opportunities or to grow our loan portfolio;
- trade disruptions resulting from the imposition of tariffs;

- the inability to estimate losses inherent in credit exposure or to make difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of our customers to pay their leases and loans;
- the inability of corporate and individual borrowers to timely or fully comply with their existing obligations;
- the derivatives markets and similar operations, including volatility affecting those operations, could adversely impact global financial systems and the solvency of its participants;
- the value of our portfolio of investment securities may be adversely affected; and
- our ability to obtain capital and liquidity on favorable terms, or at all, whether due to increasing our cost of capital or funding or forcing us to increase the fees we charge to customers, may have a significant adverse effect on our margins, financial condition and results of operations.

Uncertainty exists concerning the future economic environment in the United States, Mexico and the international markets. In particular, the banking industry and the capital and credit markets have recently experienced significant volatility. Such economic uncertainty could have a negative impact on our business, results of operations and financial condition and adversely affect our ability to access financial markets. A slowing or decline in economic activity in the United States and/or Mexico, the global economic effects of geopolitical conflicts, fluctuations in crude oil prices, uncertainties relating to the monetary policies of the U.S. and Mexican governments may aggravate the adverse effects of these difficult economic and market conditions on us and other participants in the financial services industry.

Volatility in the global financial markets could have a significant adverse effect on our business, including on our ability to obtain capital and liquidity on acceptable terms, or at all. If capital markets financing ceases to become available, or becomes excessively expensive, we may be forced to raise the rates we pay on deposits to attract more customers or we may become unable to pay our obligations as they become due. Any such increase in deposit rates or availability of capital markets funding could have a material adverse effect on our margins and liquidity.

If all or some of the foregoing risks were to materialize, this could have a material adverse effect on our financing availability and terms and, more generally, on our results, financial condition and prospects.

Changes in international trade policies, trade disputes, trade barriers or stricter immigration controls could affect our business and financial performance.

Since January 20, 2025, actions taken by the U.S. government have negatively impacted international trade. Changes in the U.S. international trade policy, including the imposition of tariffs on economic partners and other countries, could create uncertainty by raising trade barriers, increasing costs, disrupting supply chains, and sparking trade disputes, and which, along with the imposition of stricter immigration controls, could increase inflationary pressures and weaken economic growth.

Tariffs on goods imported into the United States from Mexico or Canada went into effect on March 4, 2025, at a rate of 25%, while tariffs on goods imported from China became effective on February 4, 2025. On March 6, 2025, the U.S. government announced a suspension of tariffs on goods that comply with the USMCA. On April 2, 2025, the U.S. government announced the imposition of additional tariffs, which, as of the date of this offering memorandum, do not apply to goods eligible for treatment under the USMCA.

No assurances can be provided that the exemption for goods complying with the USMCA will continue nor that additional tariffs will not be imposed by the U.S. government, and we cannot guarantee that changes in U.S. global trade and immigration policies will not adversely affect our business and financial performance.

Downgrades in our credit ratings, those of any of our subsidiaries or those of Mexico could increase our cost of funding and negatively affect our ability to obtain additional funds, attract deposits or renew our maturing debt.

Our credit ratings are an important component of our liquidity profile. Among other factors, our credit ratings are based on the financial strength, credit quality and concentrations in our loan portfolio, the level and volatility of our income and profit, our capital adequacy and leverage, the quality of management, the liquidity of our balance sheet, the availability of a significant base of core retail and commercial deposits, and our ability to access a broad array of wholesale funding sources. In addition, our credit ratings are affected by an assessment of Mexican sovereign

risk generally. For example, on November 15, 2024, Moody's adjusted the outlook of Mexico's 'Baa2' government bond rating from 'stable' to 'negative'. As a result, Moody's algo changed the Bank's outlook from 'stable' to 'negative', and did so for all systemic financial institutions in the country. However, Moody's affirmed the Bank's financial strength Baseline Credit Assessment (BCA) at 'Baa2', as a result of the Bank's long track record of prudent underwriting policies and portfolio mix, that contribute to solid asset quality metrics, as well as the Bank's leading position in the banking industry, its diversified earnings structure and access to a broad deposit funding mix that result in strong profits, while supporting a robust capitalization.

On October 16, 2025, Fitch Ratings upgraded the Bank's Foreign Currency and Local Currency Long-Term Issuer Default Ratings (IDRs) to 'BBB+' from 'BBB', and its Shareholder Support Rating (SSR) to 'bbb+' from 'bbb', while affirming its Short-Term IDRs at 'F2' and assigning a Stable Outlook. The upgrade followed a similar rating action on the Bank's parent company, Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), whose Long-Term IDR was upgraded to 'A-' from 'BBB+', reflecting improved standalone performance and a stronger operating environment in Spain.

Our creditors and counterparties in derivative financial transactions are sensitive to the risk of a downgrade. Changes in our credit rating would increase our funding costs and our ability to obtain funds in the capital markets or through private creditors and could restrict our participation in certain activities. We cannot assure you that rating agencies will confirm our current credit ratings.

Further, our ability to compete effectively in the deposit market depends on several factors, including our financial stability reflected in our credit ratings. A downgrade in our credit rating could have an adverse effect on the perception of our financial stability and our ability to obtain deposits or other funds, which could significantly affect our business, financial condition and results of operations.

Intensified competition from banks and from non-bank financial institutions may adversely affect us, including our operational margin.

The Mexican financial sector is highly competitive. Our main bank competitors are Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte (**"Banorte"**), Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander, a subsidiary of Banco Santander Central Hispano, S.A., Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank (**"Scotiabank"**), a subsidiary of The Bank of Nova Scotia, HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, a subsidiary of HSBC Holdings plc, and Banco Nacional de México, S.A., Institución de Banca Múltiple, Grupo Financiero Banamex (**"Banamex"**), currently owned by Citigroup. In addition, we face increasing competition from non-bank financial institutions.

Financial institutions incorporated in the United States, Canada, member states of the European Union, Japan and other countries that have entered into a free trade agreement with Mexico are permitted to establish financial groups, banks, broker-dealers and other financial entities in Mexico. According to the CNBV, as of December 31, 2025, Mexico's 10 largest domestic banks, measured in terms of assets, held 79.8% of the total assets in the Mexican banking system. Six of these 10 banks are foreign-owned. As of December 31, 2025, total assets of the multiple banking sector in Mexico were equal to Ps.15,569 billion, which represented a real annual growth of 2.35%.

The SHCP has granted a number of banking licenses for the establishment and operation of several new banking institutions and is likely to continue granting banking licenses to new participants.

Further, certain of our competitors, such as *Sofomes*, financial technology institutions (*instituciones de tecnología financiera*, or "**fintech**"), among others, are not required to comply with all of the same regulatory framework as banks, including not being subject to the requirement to maintain certain levels of capital and reserves for loan losses. As a result, certain of our competitors may have advantages in conducting certain businesses and providing loans and the provision of other financial services. Moreover, competition is likely to increase as a result of the entrance of new participants into the financial services sector. For example, new smaller operators, including fintech companies, assisted by their operational flexibility and relatively lower capital requirements, have recently entered the market and compete with traditional banks.

In addition to legal and regulatory reforms in the Mexican banking industry, which have increased competition among banks and among other financial institutions, we believe that the Mexican government's commitments and policies of adopting market-oriented reforms in, and the liberalization of, the financial industry have

also resulted in increased competition from traditional banking institutions. As financial sector reform continues, foreign financial institutions, some with greater resources than us, have entered and may continue to enter the Mexican market either by themselves or in partnership with existing Mexican financial institutions and compete with us. There can be no assurance that we will be able to compete successfully with such domestic or foreign financial institutions or that increased competition will not have a substantial adverse effect on our business.

An increase in competition or a more aggressive competitive strategy adopted by our competitors could require us to lower certain interest rates or pay higher interest rates to depositors and creditors, in order to avoid losing clients to banks offering more attractive rates, which would increase our interest expense and could affect us.

In addition, the widespread adoption of new technologies to provide services, such as cryptocurrencies and payments, could require substantial expenditures to modify or adapt our existing products and services as we continue to grow our internet and mobile banking capabilities. Our customers may choose to conduct business or demand products in areas that may be considered speculative or risky. Such new technologies could negatively impact the value of our investments in bank premises, equipment and personnel for our branch network.

The persistence or acceleration of this shift in demand towards innovative payment methods and other new technologies may require changes to our retail distribution strategy, which may include closing and/or selling certain branches and restructuring our remaining branches and workforce. These actions may lead to increased expenditures to renovate, reconfigure or close a number of our remaining branches or to otherwise change our retail distribution channel. Furthermore, our failure to swiftly and effectively implement any such changes to our distribution strategy could have an adverse effect on our competitive position.

Our financial results are exposed to market risk and we are subject to fluctuations in interest rates and other market risks, which may significantly and adversely affect our profitability and results of operations.

Market risk refers to the probability of variations in our financial margin or in the market value of our assets and liabilities due to volatility of interest rates, inflation, exchange rates or equity prices. Changes in interest rates affect, among others, the following areas of our business:

- financial margin;
- the volume of loans originated;
- credit spreads;
- the market value of our securities portfolio;
- the value of our loans and deposits; and
- the value of our derivatives transactions.

Interest rates are sensitive to many factors beyond our control, including increased regulation of the financial sector, monetary policies and domestic and international economic and political conditions. Variations in interest rates could affect the interest earned on our assets and the interest paid on our borrowings, thereby affecting our financial margin, which comprises the majority of our revenue, reducing our growth rate and potentially resulting in losses. In addition, costs we incur as we implement strategies to reduce interest rate exposure could increase in the future (which, in turn, will impact our results). We monitor our interest rate risk using the net interest margin sensitivity, which is the difference between the return on our assets and the financial cost of our financial liabilities based on a one-year period and a parallel movement of 100 basis points (1%) in market interest rates.

Increases in interest rates may reduce the volume of loans we originate. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in loans and deterioration in the quality of assets. Increases in interest rates could also reduce the propensity of our customers to prepay or refinance fixed-rate loans. Increases in interest rates could reduce the value of our financial assets and our profit or require us to record losses on sales of our securities or loans. We hold a substantial portfolio of debt securities and loans that refer to both fixed and floating interest rates.

Likewise, we could experience increased delinquencies in a low interest-rate environment if such an environment is accompanied by high levels of unemployment and recessionary conditions. We are also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies.

Fluctuations in the exchange rate between currencies may negatively affect our earnings and the value of our assets and liabilities.

We are also exposed to equity price risks in our investments in equity securities in the banking book and in the trading portfolio. The performance of financial markets could cause adverse changes in the value of our investment portfolio. The volatility of world equity markets due to the continued economic uncertainty has had a particularly strong impact on the financial sector. Continued volatility could affect the value of our investments in equity securities and, depending on their fair value and future recovery expectations, could become a permanent impairment which would affect our results. To the extent any of these risks materialize, our financial margin or the market value of our assets and liabilities could be materially adversely affected, which would, in turn, adversely impact our business.

Market conditions have resulted, and in the future could result, in material changes to the estimated fair values of our financial assets. Negative fair value adjustments could have a material adverse effect on our operating results, financial condition and prospects.

Since 2008, financial markets have been subject to significant stress resulting in steep falls in financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads. We have material exposure to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of our financial assets and these may also translate into increased impairments. In addition, the value ultimately realized by us on disposal may be lower than the current fair market value. Any of these factors could require us to record negative fair value adjustments, which may have a material adverse effect on our operating results, financial condition or prospects.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, our valuation methodologies require us to make assumptions, judgments and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on our operating results, financial condition and prospects.

The rules applicable to loan loss provisions have been modified over time.

In an effort to conform its regulations to the recommendations issued by the Basel Committee on Banking Supervision (the "**Basel Committee**"), since 2009, the Mexican government has implemented new rules regarding the methodology that Mexican banks must use to classify loans and to determine loan loss provisions. The new regulatory framework shifted away from an accrued losses methodology to an expected losses methodology. This new methodology has been implemented in phases, as follows:

- in 2009, for credit card loans;
- in 2011, for consumer, mortgage and government loans;
- in 2013, for commercial loans;
- in 2014, for loans to financial institutions;
- in 2015, for revolving consumer loans;
- in 2017, for term loans and mortgages, and accounting for loan losses and write-offs;
- in 2018, for reserves and capital related to credit card loans;
- in 2020, for the adoption of IFRS 9;
- in 2021, for loans granted to female borrowers;
- in 2022, for enhanced supervisory guidelines on climate-related financial risks;
- in 2023, for parallel reporting under the revised market risk framework (the "**FRTB**"); and
- in 2024, for the final preparatory measures to implement the Basel III output floor and revised credit and operational risk approaches.

Additionally, the CNBV has strengthened the regulatory framework in alignment with international standards. In 2022, it issued guidelines to enhance banks' management and disclosure of climate-related financial risks. In 2023, it began requiring parallel reporting under the FRTB, as part of Mexico's gradual adoption of the final Basel III reforms. In 2024, the CNBV issued preparatory rules for the implementation of the Basel III output floor and updated methodologies for credit and operational risk measurement.

In the future, the CNBV could modify the accounting rules applicable to loan loss allowances, and further modify the methodology to measure credit risk or the requirements for loan loss provisions of other portfolios. Any such modifications could require us to increase our allowance for loan losses and, therefore, adversely affect our results of operations and financial position.

Many of our public sector loans are secured by cash flows from the Mexican federal government.

Most of our loans to Mexican states and municipalities are secured by such entities' right to receive participaciones federales (which are the resources allocated to them by the Mexican federal government) on the terms established in the *Ley de Coordinación Fiscal* and the covenants in the *Sistema de Coordinación Fiscal* and through the administrative collaboration in federal tax matters, and, in certain cases, with *aportaciones federales*. Any changes to Mexican laws regarding the use of *participaciones federales* as a source of payment for these loans or defects in the perfection of a security interest in such collateral could require amendments to our credit facilities and impact the credit risk of such facilities or the manner in which we operate with state and municipal governments in Mexico, which, in turn, could adversely affect our business, financial condition and results of operations.

Furthermore, as *participaciones federales* are subject to the conditions of the Mexican economy and dependent on the Mexican federal government's tax collections, we cannot give any assurances that the participaciones federales will remain at their current levels or that they will be sufficient for the timely payment of the respective loans. If *participaciones federales* are reduced as a result of changes to Mexican laws or for any other reason, our results of operations and financial condition could be adversely affected. Moreover, there can be no assurance that the Mexican federal government will not apply retentions, compensations, reductions or adjustments to such *participaciones federales* and *aportaciones federales*. In addition, pursuant to the *Ley de Tesorería de la Federación*, the Mexican Treasury (*Tesorería de la Federación*) is responsible for the transfer of such participaciones federales and aportaciones federales in the corresponding bank accounts, and any delays in such transfers, whether due to technical or legal reasons or otherwise, affecting the cash flows securing our loans.

Defects in the perfection of our security interests or the granting of guarantees that are fraudulent to creditors by our borrowers could impair our ability to recover on our collateral. Accordingly, we cannot assure you that we will be able to realize the full value of our collateral, or timely realize the real value of collateral granted by Mexican state and municipal governments. If we are not able to realize the full value of our collateral, our results of operations and financial condition could be adversely and significantly affected.

The future of public sector lending in Mexico is uncertain.

Our business is subject to a continuously evolving regulatory regime of financial services laws, administrative actions and policies at the state level and at the federal level. In particular, due to certain high profile restructurings of Mexican state and municipal debt, in April 2016, the Mexican Congress approved certain amendments related to government sector lending. As a result, state and municipal governments are now subject to the Law of Financial Discipline for States and Municipalities (*Ley de Disciplina Financiera de las Entidades Federativas y los Municipios*), which seeks to organize and align the budgetary and financial instruments of the states, municipalities and their agencies to ensure sustainable management of local public finances. This law establishes general principles of financial discipline, and includes, among others, rules on the incurrence of indebtedness and a registry for such indebtedness, applicable to states and municipalities.

Additionally, although state and municipal public debt is regulated by the respective state laws in Mexico, there are certain provisions and limitations set forth in the Mexican constitution and other federal laws of Mexico (including in the Law of Financial Discipline for States and Municipalities), in particular in connection with the use of *participaciones federales* and *aportaciones federales* as a source of payment or as a public funding investment. In the past, there have been inconsistencies between state and federal law with respect to these uses of participaciones federales which have been addressed by the Mexican Supreme Court. Some of these judgments have had an adverse effect on the manner in which state and municipal loans have been granted. We cannot ensure that future judicial interpretations or resolutions, or policies implemented by the Mexican government, will not have an adverse effect on us, including the value of our government loan portfolio.

Our borrowers of public sector loans may claim privileges under Mexican law, and our ability to sue and recover may be limited.

In Mexico, foreclosure procedures may be subject to delays and administrative requirements that may result in lower levels of recovery on collateral compared to its value. Articles 9 and 49 of the Fiscal Coordination Law (*Ley de Coordinación Fiscal*) provide that *participaciones federales* and *aportaciones federales* used by states or municipalities may not be subject to attachment or liens, may not be assigned or subject to retention or withholding, except that they may be used to satisfy payment obligations of such states and municipalities, provided that they have the authorization of the state's congress and are registered with the SHCP in the Registry of Obligations and Loans of the States (*Registro de Obligaciones y Empréstitos de Entidades Federativas*).

In addition, Article 4 of the Mexican Federal Code for Civil Procedure (*Código Federal de Procedimientos Civiles*) does not allow attachment prior to judgment or attachment in and of execution upon a judgment by a Mexican court upon any of the assets of the federal, state or municipal governments. As a result, the ability of a creditor to enforce judgment against such governments or agencies, upon the occurrence of a default, may be limited, and this could materially affect our business, financial condition and results of operation. Furthermore, other factors such as defects in the perfection of our security interests, fraudulent transfers by borrowers or a reduction in the value or liquidity of the collateral may impair our ability to recover on our collateral. Accordingly, we can provide no assurance that we will be able to realize the full value of our collateral or realize it in a timely manner. Furthermore, many secured creditors may compete for collateral granted by state or municipal governments, as *participaciones federales* are available, on a pro rata basis, to secured creditors. As a result, lower recovery rates, asset quality deterioration and decreased value of collateral could have a material and adverse effect on our results of operations and financial condition.

We are subject to the laws of the CONDUSEF that could limit the activities of Mexican banks.

The Mexican National Commission for the Protection and Defense of Financial Service Users (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros*, or the "**CONDUSEF**") has broad powers to regulate our activities and the activities of other Mexican banks. The CONDUSEF is entitled to:

- order amendments to our standard form commercial banking documentation (such as loan and deposit agreements), if the CONDUSEF deems that the provisions included in such agreements are deemed as detrimental to users;
- publish information that may be detrimental to our business and reputation as well as any action taken against any Mexican banks;
- impose fines;
- order the attachment of our assets for the benefit of our customers; and
- initiate class actions for the benefit of groups of customers.

The CONDUSEF has broad discretionary authority to take the foregoing and other actions. Actions taken by the CONDUSEF against us, whether on an isolated or recurrent basis, could have a material impact on our business.

Regulatory changes applicable to the Mexican card payments could increase our costs, modify our activities and reduce our revenues.

We are subject to extensive regulation and supervision by the CNBV and *Banco de México*, with respect to our participation in the Mexican card payments network. Each of these authorities has broad powers to regulate our activities and the activities of other participants in the card payments network, and changes in applicable laws, rules, regulations, policies or regulatory interpretations, including changes affecting the operation, economics or permissible activities of participants in the card payments network, could adversely affect our business.

On October 27, 2025, the CNBV and *Banco de México* published for public comment draft amendments to the General Provisions applicable to the card payments network (*Disposiciones de carácter general aplicables a las redes de medios de disposición*). Although the stated purpose of the proposed amendments was to promote the acceptance of card payments in Mexico and to generate benefits for consumers and businesses, the draft amendments would also impose additional compliance obligations and costs on participants in the card payments network, and would introduce a cap on transaction fees, which represent a source of our revenues. The draft amendments received

comments from regulated and non-regulated financial institutions, and the Mexican authorities are reportedly reviewing the proposal.

There can be no assurance as to whether the draft amendments will be adopted, the timing of any such adoption, and the scope or final terms of any resulting regulation. Any such amendments, or any other similar regulatory measures adopted by the CNBV and *Banco de México*, could increase our operating and compliance costs, limit or modify our activities in the card payments network, reduce our revenue and otherwise materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to capitalization requirements, and our failure to maintain required Capital Ratios could result in administrative actions or sanctions against us which could affect our ability to comply with our obligations, including those under our banking license and our debt obligations, including the Notes.

In December 2010, the Basel Committee reached an agreement on comprehensive changes to the capital adequacy framework, known as Basel III. A revised version of Basel III was published in June 2011. The Basel III framework includes heightened capitalization standards reflecting increases in both the quality and quantity of the regulatory capital base and enhancements to the risk coverage of the capital framework. Basel III capital standards also include capital buffers that must be maintained above the minimum capital requirements. These capital buffers include, on a fully phased-in basis, the Capital Conservation Buffer, a variable surcharge of up to 2.5% of total risk-weighted assets for certain global systemically important banks, a countercyclical buffer of up to 2.5% (during excessive credit growth periods) and a systemic entities supplemental buffer up to 3.5% of total risk-weighted assets, which may be deployed at the discretion of our regulators. The CNBV issued amendments to the Mexican Capitalization Requirements, which became effective on January 1, 2013 and implemented Basel III in all relevant respects.

As a result of these amendments, as a Grade IV bank of systemic importance, we are required by the CNBV to constitute a Systemically Important Bank Capital Supplement (as defined herein) of 1.5% of our Tier 1 Capital. The Systemically Important Bank Capital Supplement was required to be implemented over a four-year period in four equal parts from December 2016. As of December 31, 2025, our Capital Supplement was fully implemented in compliance with the CNBV requirements. The CNBV reconfirmed our status as a Grade IV bank of systemic importance on April 16, 2025. In addition, in 2022, the CNBV published guidance on the identification and management of climate-related financial risks. In 2023, it introduced parallel reporting requirements aligned with the FRTB. The CNBV has also adopted certain elements of the final Basel III reforms, including the Business Indicator approach for operational risk, and may implement additional reforms in the future. Any amendments to the Capital Requirements or their implementation could have a material adverse effect on our business, financial condition or results of operations.

Currently, the minimum Capital Ratios required to be classified as Class I are (i) 10.5% in the case of the Total Net Capital (*capital neto*), which includes the Capital Conservation Buffer, (ii) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (iii) 7.0% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, plus, in each case, any other applicable Capital Supplement.

In addition to the changes to the capital adequacy framework described above, the Basel Committee also published its global quantitative liquidity framework, comprising the Liquidity Coverage Ratio (the **"LCR"**) and Net Stable Funding Ratio (**"NSFR"**) metrics, with the objectives of (1) promoting the short-term resilience of banks' liquidity risk profiles by ensuring they have sufficient high-quality liquid assets to survive a significant stress scenario; and (2) promoting resilience over a longer term by creating incentives for banks to fund their activities with more stable sources of funding on an ongoing basis. The LCR was subsequently revised by the Basel Committee in January 2013, which included an amended definition of high-quality liquid assets and a revised timetable for the phase-in of the standard from 2015 to 2019, as well as some technical changes to some of the stress scenario assumptions. The LCR was implemented in December 2015. In October 2014, the Basel Committee published the final NSFR, which established a standard for banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The first effective date of the NSFR under the Basel Committee standard was January 1, 2018. A proposed disclosure standard related to the NSFR was published in December 2014. During 2015, the CNBV and *Banco de México* modified general regulatory dispositions related to operational risk, counterparty and market risk and credit risk. On August 23, 2021, both authorities issued a new set of liquidity rules which includes both the LCR and the NSFR applicable to Mexican banks. In 2022, the CNBV issued additional guidance to strengthen liquidity risk management practices and enhance stress testing frameworks, particularly in light of post-pandemic volatility. In

2023, it reinforced supervisory expectations regarding the composition and quality of high-quality liquid assets (HQLA), and in 2024, it introduced updates to align liquidity reporting standards with international disclosure practices, as part of the broader effort to implement the final Basel III reforms by 2025. Additionally, the CNBV and *Banco de México* have continued to strengthen the regulatory framework, aligning with international standards. As part of these efforts, a new set of reports was implemented starting in 2025, requiring banks to report their intraday liquidity information to enhance supervisory monitoring and risk management. Since 2026, the Bank, as a subsidiary of BBVA Spain, reports intraday liquidity information to the European regulator indirectly through its parent company, which consolidates this data to comply with European regulatory requirements.

The effective management of our capital position is important to our ability to operate our business, continue to grow organically and to pursue our business strategy. However, as these changes to the legal framework of our capitalization and other changes are implemented, or as future changes are considered or adopted that limit our ability to manage our balance sheet and capital resources effectively or to access funding on commercially acceptable terms, we could experience a material adverse effect on our financial condition and regulatory capital position. In addition, the implementation and maintenance of enhanced liquidity risk management systems could result in significant costs, and more stringent requirements to hold liquid assets could significantly affect our credit business as more funds could be required to acquire or maintain a liquidity buffer, thereby reducing our future profitability.

With respect to our credit activity, if the SHCP determines, after an evaluation, that we have not complied with applicable requirements, we may be forced to lend to certain sectors of the economy or to certain persons that may not meet our credit quality standards, that we may not know or that may entail unacceptable credit risks, which, in turn, may impact our financial condition, results of our operations and the quality of our assets. Moreover, if we were to fail any evaluation, publicity surrounding such failure may impact our reputation, which, in turn, may adversely impact our ability to conduct business in Mexico and our financial condition and results of operations.

Any legislative or regulatory actions and any required changes to our business operations resulting from such legislation could result in significant loss of revenue, limit our ability to pursue business opportunities and affect the value of our assets, require us to increase our rates and therefore reduce demand for our services and products, impose additional costs on us and otherwise adversely affect our businesses. Accordingly, there can be no assurance that future changes in legislation or in their interpretation or application will not adversely affect us.

We are subject to extensive regulation and supervision that could result in intervention, sanctions and other penalties by our regulators and supervisors, which could harm our reputation or have a material adverse effect on our results of operations, financial condition or prospects.

We are subject to comprehensive regulation and supervision by Mexican regulatory authorities and, in respect of our Texas Agency, certain U.S. regulatory authorities. The Mexican regulatory authorities include *Banco de México*, the CONDUSEF, the CNBV, the IPAB and the SHCP. See "The Mexican Financial Industry." These regulatory authorities have broad powers to adopt rules that could affect our capitalization, organization and operations, including changes to capital adequacy and reserve requirements, requirements relating to the maintenance of liquidity ratios, compliance with rules relating to secrecy, the imposition of anti-money laundering measures and the authority to regulate the terms of products, including the interest rates we charge and the fees we collect in exchange for services. Moreover, Mexican and U.S. financial regulatory authorities have broad powers to enforce legal requirements, including imposing fines, requiring advance notice or approval of certain transactions, requiring that new capital be contributed, inhibiting us from paying dividends to our shareholders or paying bonuses to our employees, or revoking licenses to operate our business (including our banking or broker-dealer licenses).

Furthermore, if we face significant financial problems or become insolvent or in danger of becoming insolvent, Mexican banking authorities would have the power to take over our management and operations. The regulatory burden of our business and commercial operations affect our financial returns.

As of June 25, 2025, FinCEN issued orders identifying three Mexico-based financial institutions as being of primary money laundering concern in connection with illicit opioid trafficking, and prohibit, respectively, certain transmittals of funds involving those financial entities. These orders were the first actions by FinCEN pursuant to the Fentanyl Sanctions Act and the FEND Off Fentanyl Act, which provide the U.S. Department of the Treasury with additional authorities to target money laundering associated with the trafficking of fentanyl and other synthetic opioids, including by cartels ("**FinCEN Orders**"). Therefore, as of June 26, 2026, the IPAB and the CNBV, among their faculties, imposed certain administrative actions against the designated financial entities, in order to protect the interests of the financial users, investors and the general public, which derived in their administrative intervention. As

of the date of this Offering Memorandum, some of the designated entities or certain of their assets were transmitted or acquired by other financial institutions, while some of those authorizations granted by Mexican authorities were revoked or those designated entities started liquidation process, according with the Mexican regulation.

The regulators seek to maintain the safety and soundness of Mexican financial institutions with the aim of strengthening the protection of customers and the financial system. The continuing supervision of financial institutions is conducted through a variety of regulatory tools, reports, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, regulators in Mexico have an outcome-focused approach that involves more proactive enforcement and more punitive penalties for infringement, including intervening in and restricting the payment of dividends or bonuses to employees. As a result, we face significant high levels of supervision, resulting in increasing internal compliance costs and supervision fees (*derechos*), and, in the event of a breach of our regulatory obligations, we could face regulatory fines that could be significant.

Some of our regulators focus on the protection of users of financial services, including on the design and operation of products, the behavior of customers and the operation of markets. Applicable legislation may prevent institutions such as ours from providing products to customers until changes are made to address the regulators' views on potential detriment to users of financial services. Regulations cover several aspects of our business, including the training, authorization and supervision of personnel, systems, processes and documentation. If we fail to comply with applicable legislation, we could face sanctions, penalties, fines or other regulatory actions imposed by the authorities, including the revocation of our authorization and the intervention in our operations, any of which may have an adverse impact on our business, financial condition or results of operations.

Furthermore, customers of financial institutions, including our customers, could seek compensation if they suffer loss as a result of a product offered, or on the occasion of the incorrect application of the terms and conditions of a particular product. Given the inherent unpredictability of litigation and judgments by the authorities, it is possible that an adverse outcome in some matters could harm our reputation or have a material adverse effect on our results of operations and financial condition and prospects as a result of any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing our profitability.

We are subject to several laws regarding our organization, operations, credit and funding activities, capitalization, transactions with related parties, and taxation and other matters. These laws impose several requirements on us, including the maintenance of minimum credit risk-based, market risk-based and operating risk-based capital levels and allowance for impairment losses, prohibited activities, regulation of our business practices and practices relating to risk-profile and sales of securities, regulation on money laundering, regulation on derivatives, commissions charged, application of accounting regulations and tax obligations. Many of the applicable laws have changed extensively in recent years and some have had a negative impact on our business. There may be future changes in the legal system or in the interpretation of the laws, which could have a relevant adverse effect on our business.

Likewise, the laws, and policies to which we are subject, could be changed at any time, and the interpretation and the application of those laws and regulations by regulators may also be subject to change. See "The Mexican Financial Industry."

Any legislative or regulatory actions and any required changes to our business operations resulting from such legislation could result in significant loss of revenue, limit our ability to pursue certain business opportunities, affect the value of our assets, require us to increase our rates and, therefore, reduce demand for our products and impose additional costs on us. Accordingly, we cannot assure you that future changes in legislation or in their interpretation or application will not adversely affect us.

Changes in legislation and regulations may increase our compliance costs and limit our ability to pursue certain business opportunities and offer certain products and services to our clients. Since certain of the banking laws, including the norms implementing Basel III, have been recently adopted in Mexico, the application of those laws and related regulations to the operations of financial institutions is evolving.

Furthermore, pursuant to Mexican case law (*jurisprudencia*) issued by the Mexican *Pleno en Materia Penal del Primer Circuito* of the Mexican Federal Judicial Power (*Poder Judicial de la Federación*) in June 2019, which is binding on courts in the first circuit (*tribunales colegiados en el primer circuito*) and only in respect of criminal matters in which a banking institution acts as auxiliary authority to immobilize or seize bank accounts, a Mexican banking institution may be deemed as responsible authority (*autoridad responsable*) for purposes of an amparo suit (*juicio de amparo*) under circumstances that may imply that certain actions taken by a Mexican banking institution may be suspended or revoked, among other potential results. Even if, pursuant to Mexican law and related case law,

a Mexican banking institution is only deemed as responsible authority when (i) such institution acts in a manner equivalent to a governmental authority, (ii) affects rights of individuals, and (iii) its functions are determined by law, such case law permits interpretation and subjective elements decided by each judge. The characterization of a Mexican banking institution, under certain circumstances, as a responsible authority, may subject such institution to the provisions of the Mexican *Ley de Amparo*, the effects and consequences of which are currently unknown, and may increase the regulatory charges applicable to, and affect the activities of the Bank. Recent non-binding Mexican judicial criteria (*tesis aisladas*) provide that, if a banking institution is acting in its ordinary course of business, it cannot be deemed as a responsible authority under the Mexican *Ley de Amparo*.

We cannot assure you that our internal control policies and procedures will protect us from reckless or criminal actions, behavior or performance by our employees, directors or officers, any of which could damage the reputation of the Bank or expose the Bank to investigations or even to legal liability. In addition, while the Bank operates as a stand-alone subsidiary within the BBVA Group, the Bank's reputation could be damaged by the actions, behavior or performance of other members of the BBVA Group, their employees, affiliates, suppliers, intermediaries, counterparties or customers, or those of the financial services industry generally. The actions of any such persons or any investigations conducted by any governmental authority with respect to such actions could damage our reputation and adversely affect the confidence of our clients, credit rating agencies, regulators, creditors and other parties, which could have an adverse effect on our business, financial condition and results of operations.

We are subject to litigation and other legal, administrative and regulatory proceedings.

We are party to various litigation and other legal proceedings related to claims arising in the normal course of business. Litigation is subject to uncertainties and adverse judicial or administrative decisions or arbitration awards could be issued against us in these proceedings. In addition, the current regulatory environment, which has resulted in increased oversight, combined with uncertainty about the evolution of the regulatory regime, could generate significant compliance costs and subject us to regulatory compliance actions, fines, and penalties.

We cannot assure you that these or other legal, administrative or judicial proceedings will not adversely affect our ability to operate in the way we expect or that they will not adversely affect our results of operations and financial condition should we obtain any adverse judicial or administrative decisions, or arbitration awards.

Our business activities take place in a highly regulated sector. Mexican banking regulators and other authorities, including antitrust and tax authorities, have increased their supervision, and the frequency and amount of fines and assessments have increased. Although we intend to vigorously defend ourselves when proceedings are initiated or fines are imposed by authorities, we cannot assure you that we will be successful in that defense. As a result, we may be required in the future to pay penalties that could be significant, which could adversely affect us.

There are various investigations, administrative proceedings, legal actions and claims pending or related to us, in the ordinary course of business. In the opinion of our management, none of these investigations, procedures, actions or claims will have an adverse effect on our business; however, we cannot predict the outcome of any of these investigations, procedures, actions, or claims, or the impact on our business, financial position, or results of operations.

The Bank and certain of its affiliates, including BBVA Spain and BBVA Securities Inc., as well as other international financial entities, were named as defendants in a class action filed in the District Court for the Southern District of New York in the United States of America, claiming that the defendant banks were part of an alleged collusion with respect to the purchase and sale of Mexican government bonds. This class action is based on the investigations commenced by the former *Comisión Federal de Competencia Económica* (COFECE) in January 2021, and the plaintiffs sought to obtain an indeterminate amount of economic compensation. In September 2019, the District Court dismissed the claim. However, in December 2019, the plaintiffs filed a modified version of their original claim in which they named the Bank as defendant, but not the remainder of the entities that were named in the original complaint. In November 2020, the District Court dismissed the modified version of the claim on the grounds of lack of personal jurisdiction of the court over the defendants. In May 2021, the plaintiffs filed a motion for reconsideration of the dismissal of the claim. On March 30, 2022, the District Court rejected the motion for reconsideration and confirmed its decision to dismiss the suit. In September 2022, the plaintiffs appealed the District Court's decision to the United States Court of Appeals for the Second Circuit. On February 9, 2024, the United States Court of Appeals for the Second Circuit vacated the District Court's decision and the case was remanded for further proceedings. On June 12, 2024, the plaintiffs filed an amended complaint. On January 15, 2025, the District Court denied the Bank's and the other defendants' motion to dismiss the plaintiffs' amended complaint. We cannot predict the timing for the conclusion of this proceeding, or its outcome.

The Mexican Supreme Court of Justice has ruled that Mexican judges are entitled to reduce interest rates agreed in promissory notes (*pagarés*) that are considered inequitable.

The interest rates of Mexican banking institutions are entitled to the presumption that such rates are not usurious. On November 11, 2016, the Mexican Supreme Court of Justice published a separate resolution (*tesis aislada*) establishing that the interest rates charged on loans made by Mexican banking institutions are not excessive nor usurious, due to the fact that the loans offered to the public by credit institutions are supervised by *Banco de México*, which supervision has the objective of ensuring that their conditions are accessible and reasonable for the public. Additionally, a number of Mexican courts have rendered new judgments that extended judicial powers regarding loan and credit interest rate reductions, which have established a pattern of limiting freedom in the negotiation of interest rates and their assessment. However, in November 2022, the Mexican Supreme Court of Justice issued an additional ruling of mandatory application setting forth that, in the event a judge determines that an interest rate is effectively excessive pursuant to the foregoing, the reduction thereof should apply retroactively with respect to amounts of interest already paid; as such, reduction arises as a dissuasive measure to prevent future credits or loans from including notoriously excessive rates of interest which violate the human right to property. The mandatory and partly discretionary application of such criteria in lawsuits affecting our loan portfolio could have a material adverse effect on the interest rates we charge and on our operating results. To date, Mexican courts have not issued an order reducing the interest rates on any of our loans.

Current loan loss reserve requirements in Mexico differ from those in the United States and other countries.

Except for loans granted to the public sector, *Banco de México*, the IPAB and certain multilateral organizations and public development banks, we are required to classify each loan or type of loan according to an assessment of risk based on criteria set forth in Mexican bank legislation and to establish corresponding reserves.

Starting on January 1, 2022, the CNBV implemented new accounting criteria that aligns more closely with international standards and significantly reduces the differences between Mexican and U.S. banking legislation relating to loan classification and determination of loan loss reserves. Under both frameworks, loans (or portions thereof) must be written off when deemed uncollectible, based on objective evidence and after all collection efforts have been exhausted.

That being said, Mexican banking legislation relating to loan classification and determination of loan loss reserves could still be less stringent than those applicable to banks in the United States and certain other countries.

We believe our loan loss reserves are adequate to cover all known or knowable losses in our loan portfolio. We may, however, be required to increase our loan loss reserves in the future. Any required increases in our reserves could adversely affect us, including our results of operations, financial condition and our ability to pay our debt, including the Notes.

Liquidity and funding risks could adversely affect us.

Some Mexican banks have suffered severe liquidity problems at different times, particularly in connection with refinancing short-term U.S. dollar liabilities in the international capital markets.

We anticipate that our customers will continue, for the foreseeable future, to make short-term deposits (particularly demand deposits and short-term time deposits), and we intend to maintain our emphasis on the use of banking deposits as our principal source of funding. The short-term nature of this funding source could cause liquidity problems for us in the future if deposits are not made in the amounts we expect or such are not renewed.

We cannot assure you that the Mexican banking system or we will not be subject to liquidity or funding problems in the future. While we expect to be able to pay or refinance our liabilities, we cannot assure you that we will be able to repay our liabilities or refinance our liabilities on favorable terms.

Currency and interest rate risks may adversely affect us.

Regarding the Structural Balance of interest and exchange rates, there is a broad set of metrics, as well as an evaluation of different scenarios. Among others, Economic Value and Financial Margin sensitivities are calculated in the event of parallel movements in the curves of +/-100 basis points in the local curve and Dollar, according to the methodology authorized by the Risk Committee. An alert scheme has been established for the aforementioned metrics and in the event of exceeding the alert limits, mitigation measures have been established.

To monitor the risk of the Structural Balance of interest and exchange rates, the Assets and Liabilities Committee is the executive body in charge. This Committee is not a delegated body of the Board of Directors. It adopts investment and hedging strategies within the policies and risk limits approved by the Board of Directors and the Risk Committee delegated by the Board. The effects of the discontinuation, on December 31, 2021, of the London Interbank Offered Rate and its replacement with the Secured Overnight Financing Rate ("**SOFR**") have not had any material impact on the Bank to date but may do so in the future.

Failure to successfully implement and continue to improve our credit risk management system could have a material adverse effect on our business, financial condition and results of operations.

As a commercial bank, credit risk is one of the main types of risks inherent to our business. We may not be able to improve our credit risk management system so that it can function effectively. For example, an important feature of our credit risk management system is to employ an internal credit rating system to assess the particular risk profile of a customer. As this process involves a detailed analysis of the customer or credit risk, taking into account both quantitative and qualitative factors, it is subject to human error. In exercising their judgment, our employees may not always be able to assign an accurate credit rating to a customer or credit risk, which could result in a higher exposure to credit risks than that indicated by our risk rating system. In cases where we rely on third party information to assess credit risk, we cannot assure you this information is accurate. In addition, we have been trying to refine our credit policies to address potential risks associated with particular industries or types of customers, such as affiliated entities and group customers. However, we may not be able to timely detect these risks before they occur or, due to the limitations of the tools that we have, our employees may not be able to effectively implement them, which could increase our credit risk. Failure to effectively implement, follow or adjust our credit risk management system could have an adverse effect on our business or financial condition.

High levels of past due portfolio or insufficient loan loss reserves to cover loan losses, may have a material adverse effect on our business, financial condition or results of operations.

Past due portfolio or low credit quality loans may negatively impact our results of operations. We cannot assure you that we will be able to effectively control and reduce the number of impaired or past due loans in our portfolio. In particular, the principal balance of our reported past due loans could increase in the future as a result of growth in our loan portfolio balance or factors beyond our control, such as the impact of macroeconomic trends, internal and external political events affecting Mexico or events affecting certain industries.

In addition, while we believe our current loan loss reserve is adequate to cover all losses in our loan portfolio, our current loan loss reserves could prove to be inadequate to cover an increase in the amount of past due loans or any future deterioration in the overall credit quality of our portfolio. As a result, if our credit quality deteriorates, we may have to increase our loan loss reserves.

Moreover, there is no precise method for predicting loan and credit losses, and we cannot assure you that our loan loss reserves will be sufficient to cover losses. Failure to control the level of our past due loans could have a material adverse effect on our business, financial condition and results of operations.

Our loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on our business.

Our loan and investment portfolios are subject to the risk of prepayment as a result of the right of a borrower or issuer to pay its loan prior to maturity. Typically, in a downward interest rate environment, prepayment activity increases, reducing the weighted average lives of our interest earning assets, and such activity could have a relevant adverse effect on our business.

Prepayment risk also might have a significant adverse impact on our credit card and mortgage loans since prepayments could also shorten the weighted average life of these loans. Prepayment risk is inherent in our commercial lending activities and an increase in prepayments could have a material adverse effect on our business.

Our revenues from commissions could be reduced.

The commissions we charge from the diverse banking and other financial products and services that we provide represent an important source of our revenues. Market downturns have led, and will probably continue leading, to a decline in the volume of transactions we make for our customers and, therefore, to a decline in our revenues. In addition, because the commissions that we charge for managing our clients' portfolios are in many cases based on the

value or performance of those portfolios, a market downturn that reduces the value of our clients' portfolios or increases the withdrawals would reduce the revenues we receive from our private banking and custody businesses.

Moreover, risk tolerance of our clients to non-deposit investments such as stocks, debt instruments and mutual funds, could decrease, which would adversely affect our commission income.

Even in the absence of a market downturn, our revenues from fees may also be reduced by legislative changes affecting this business model of the financial system.

We could be adversely affected if our customers face financial problems.

Volatility in the worldwide markets has significantly, and may continue to, adversely affect the liquidity, credit ratings, businesses or financial condition of our borrowers, which could in turn increase our past due loan ratios, affect our financial assets and result in decreased demand for borrowings in general. In addition, the tolerance of our customers to the risk related to non-deposit investments that we offer could decrease significantly, which would adversely affect our commission income. We could also be adversely affected by the negative effects of increased regulatory requirements relating to our clients, due to the high costs associated with regulatory compliance.

Potential market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of our borrowers. In 2024, inflation moderation prompted central banks, including *Banco de México*, to cautiously consider rate cuts, however, new geopolitical tensions, particularly in the Middle East and Asia, as well as uncertainty regarding political matters between the United States and Mexico, could potentially contribute to a slowdown of the global and local economies. These or other conditions causing market turmoil or economic recession in the future could increase our total past due loan portfolio ratios, impair our loan and other financial assets and result in decreased demand for borrowings and deposits in general.

Macroeconomic conditions may cause decreases in our customers' risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect our fee and commission income. We may also be adversely affected by the negative effects of the heightened regulatory environment on our customers due to the high costs associated with regulatory compliance and proceedings. Any of the conditions described above could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to risks faced by other financial institutions, and in particular, financial institutions in Europe.

On a daily basis we transact with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry in general have led to liquidity problems and could lead to losses or defaults by other financial institutions. Many of the routine transactions we enter into expose us to significant credit risk in the event of default by one of our significant counterparties. A default by a significant financial counterparty, or liquidity problems in the financial services industry generally, could have a material adverse effect on our business, financial condition, results of operations or prospects.

We may be required to make significant contributions to the IPAB.

The IPAB manages the bank savings protection system in Mexico. In accordance with Mexican law, banks are required to make monthly contributions to the IPAB to support its operations that are equal to 1/12 of 0.004% (the annual rate) multiplied by the average of certain liabilities minus the average of certain assets. Mexican authorities impose regular assessments on banking institutions covered by the IPAB. We contributed Ps.8,864 million, Ps.7,883 million and Ps.7,241 million to the IPAB for the years ended December 31, 2025, 2024 and 2023, respectively. If the IPAB's reserves are insufficient to manage the Mexican bank savings protection system and provide the necessary financial support required by troubled banking institutions, the IPAB has the right to require extraordinary contributions of participants in the system. Such extraordinary contributions could increase our expenses and could have a material adverse effect on our businesses.

We may need additional capital in the future, and may not be able to obtain such capital on acceptable terms, or at all.

To be able to grow, remain competitive, enter into new businesses, or meet capital adequacy requirements, we may require new or additional capital in the future. Moreover, we may need to obtain additional capital if we suffer any significant losses in any of our activities. Our ability to obtain additional capital in the future is subject to various situations, including:

- our future financial position, results of operations and cash flows;
- any necessary government regulatory approvals;
- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- economic, political and other conditions in Mexico and elsewhere.

We may not be able to obtain additional capital in a timely manner or on acceptable terms, if at all, which could affect us, including our ability to pay our debt, including the Notes.

We are subject to market, operational and other related risks associated with our derivative financial transactions that could have a material adverse effect on our business.

We enter into derivative financial transactions for trading and hedging purposes. We are subject to market and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the financing or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to perform its obligations thereunder, including providing sufficient collateral).

In addition, Mexican courts have had limited relevant experience with such derivative financial transactions. As a result, the outcome of derivatives disputes being decided through the Mexican judicial system is not fully predictable.

Our ability to adequately monitor, analyze and report derivative transactions continues to depend, to a great extent, on our information technology systems and, accordingly, any failure in our systems increases the risks associated with these transactions.

The retail banking market is exposed to macroeconomic and other situations that could negatively impact household income and consumer demand, and a downturn in the economy could result in increased loan losses.

One of our main strategies is to focus on the retail banking sector and to grow our consumer loan portfolio rapidly. Demand for the loan products we offer depends on economic conditions, including GDP growth rates, inflation, unemployment, the cost of energy and other supplies, the ability of consumer credit, interest rates, consumer confidence, retail trends and exchange rates. These economic conditions are beyond our control. If economic conditions worsen, demand for our products, including our consumer products, could decline. A decline in demand for consumer goods would also reduce demand for our durable goods loans and would also likely reduce demand for our payroll loans, to the extent those loans are used to finance consumer purchases. As a result, our loan portfolio may become increasingly vulnerable to macroeconomic situations that could negatively impact the household income of our retail customers and result in increased loan losses.

In addition, because the penetration of bank lending products in the Mexican retail sector historically has been low, there is little basis on which to evaluate how the retail sector will perform if an economic crisis arises, such as a recession or a significant peso devaluation. Consequently, our historical loan loss experience may not be indicative of the performance of our loan portfolio over time.

Natural disasters and weather conditions may adversely affect us.

Our operations and those of our customers could be located in areas subject to natural disasters and severe weather conditions. Natural disasters or severe weather conditions could increase our operating costs or the operating costs of our customers. Moreover, if our insurance or our clients' insurance does not fully cover the losses resulting from these events, our income, liquidity or capital resources could be adversely affected. Some experts believe that climate change resulting from global warming could lead to an increase in the frequency and intensity of natural disasters in the future. Our operations have insurance that cover damage caused by natural disasters, accidents and other similar events. However, we cannot assure you that the losses caused by damages to our operations or to the operations of our clients will not exceed the limits established in the corresponding insurance policies.

As a result of the severe impact of Hurricane Otis in the state of Guerrero, Mexican authorities declared a State of Emergency on October 26, 2023. As a result, the CNBV issued temporary accounting criteria for credit institutions through the official letter P-307/2023, applicable to borrowers residing or with payment sources in the affected areas. These measures allow deferral of principal and/or interest payments for up to six months on consumer, housing, and commercial loans for clients classified in Stage 1 or 2 as of October 24, 2023. Restructured or renewed loans that meet the specified conditions will not be reclassified to a higher risk stage and will not be considered

restructured under standard regulations. Additional provisions include flexibility in revolving credit lines, deferral of provisioning requirements in case of debt forgiveness, and restrictions on imposing new guarantees or commissions. All changes must be properly documented and agreed upon by the parties.

Our continuing focus on individuals and small and medium-sized companies (SMEs) could lead to higher levels of past due loans and subsequent charge-offs.

We lend and provide other services to individuals and to small and medium-sized companies. As of December 31, 2025, small and medium-sized companies represented 14.0% of our Retail Network lending portfolio. As individuals and small and medium-sized companies are more likely to be adversely affected by a downturn in the Mexican economy than large companies, the balance of our past due loans could increase, which could result in higher allowance for loan losses.

There can be no assurance that the levels of past due loans and subsequent charge-offs will not be materially higher in the future.

We engage in transactions with our parent GFBM and its subsidiaries or affiliates.

We cannot assure you that transactions between us and our parent GFBM or any of its or our subsidiaries or affiliates have been or will be conducted on terms equal to those of other transactions. For example, occasionally we enter into agreements, including service agreements, with our affiliates. We have entered into service agreements with our affiliates, including with BBVA Seguros México, S.A. de C.V., Grupo Financiero BBVA México, for the sale of insurance policies, and Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México, to offer brokerage services.

Applicable laws to companies that offer securities to the public and financial groups and institutions, as well as our bylaws, provide for several procedures designed to ensure that the transactions entered into with or among companies in our financial group are carried out on an arm's-length basis, including the requirement that our Board of Directors approve such transactions and that transactions with affiliates do not exceed certain thresholds.

We are likely to continue to engage in transactions with our parent and its and our subsidiaries or affiliates, and no assurance can be given that we will do so on an arm's-length basis. In addition, future conflicts of interest between us and GFBM or any of its or our subsidiaries or affiliates could arise. See "Related Party Transactions."

While in the past the CNBV has not disagreed with our determinations that the terms of these transactions are "substantially on market conditions," we cannot assure you that the CNBV will agree with our future determinations to that effect.

Resources and business opportunities could be channeled to other entities within the GFBM Group.

We are the principal subsidiary of GFBM. GFBM could, at any time, devote more resources or divert business opportunities to other subsidiaries of GFBM that could directly or indirectly compete with us, as well as transfer certain operations of other subsidiaries of GFBM to us, on grounds of capital efficiency, regulatory constraints or other criteria. Any diversion of our resources or business opportunities to other subsidiaries of GFBM, or the transfer to us of unprofitable operations of other subsidiaries of GFBM, may have an adverse effect on us.

Cyber-attacks or other breaches of network or information technology security could have an adverse effect on our business.

Our technologies, systems, networks, and those of our business partners could be the target of cyberattacks or information security breaches that could result in the unauthorized release, misuse or loss of confidential information, as well as a disruption of our business operations. Cyber-security risks for financial institutions have significantly increased because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other parties. Our business is highly dependent on our technology infrastructure and that of our service providers, and we are not immune to attacks against our or their network or systems. Although we have not experienced any significant loss as a result of cyber-attacks, there can be no assurance that we will not be the target of cyber-attacks in the future that could adversely affect our operations or financial condition. As cyber threats continue to evolve, we could have to incur additional expenses to enhance our protective measures or to remediate any information security vulnerability. If we are not able to effectively manage our cybersecurity risk, including as a result of failing to update our systems and processes in response to new threats, this situation could hold us responsible

to pay compensation, lead us to lose customers, or assets, or to become the object of penalties and fines, any of which could have a material adverse effect on our reputation, results of operations and financial condition.

Future mergers or acquisitions of other institutions could disrupt our operations.

In the past we have acquired some companies and it is possible that we conduct further mergers or acquisitions. See "The Bank—Our History." Such mergers and acquisitions could lead to difficulties and delays in the integration of acquired companies, or delays in receiving regulatory approvals that could divert our management's attention and human resources. Any future acquisitions could require us to operate in new markets and may subject us to regulation in other countries with which we have not had prior experience. Such transactions are likely to entail risks, including unknown or unforeseen liabilities relating to the acquired assets or business, difficulty in integrating and managing new or combined operations, labor unrest and loss of key personnel.

We are subject to anti-corruption laws in Mexico and to similar laws of other jurisdictions.

In July 2016, as part of the historic constitutional reform which created the National Anticorruption System (*Sistema Nacional Anticorrupción*, or the "**SNA**"), the Mexican Congress approved a group of laws that comprises the legal framework that aims to ensure the implementation of the public strategies and policies for fighting corruption and impunity. The objective of this reform is to achieve full coordination of efforts from the federal, state and municipal governments, and the government of Mexico City, in order to prevent, investigate and punish administrative violations and corrupt practices by public officers, companies and individuals.

For the operation of the SNA, the Mexican Congress approved the General Law on the National Anticorruption System (*Ley General del Sistema Nacional Anticorrupción*), the General Law on Administrative Accountability (*Ley General de Responsabilidades Administrativas*) and the Organic Law of the Federal Tribunal of Administrative Justice (*Ley Orgánica del Tribunal Federal de Justicia Administrativa*). In addition, it approved the Law on Auditing and Accountability of the Federation *(Ley de Fiscalización y Rendición de Cuentas de la Federación*) and amendments on internal controls of the federal executive branch to the Organic Law of Public Administration (*Ley Orgánica de la Administración Pública Federal*), to the Fiscal Coordination Law (*Ley de Coordinación Fiscal*) and to the General Law for Governmental Accounting (*Ley General de Contabilidad Gubernamental*). The SNA requires us to enhance internal controls and audits, as a means to reduce the exposure to liability.

We cannot assure you that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees, directors, officers, shareholders, affiliates or agents. Violations of these laws, or allegations of such violations, could disrupt our business and could have a significant adverse effect on our business.

Any deterioration of labor relations with our employees could have a material adverse effect on our business, financial condition and results of operations.

We depend on intensive use of human resources in our activities. As of December 31, 2025, approximately 27.3% of our employees were unionized. In the future we could incur higher ongoing labor costs and disruptions in our operations in the event of a strike or other work stoppage. In addition, their employment contracts are regulated by collective bargaining agreements. Any collective bargaining agreement executed in the future could have shorter terms than our previous agreements and, if we are not able to negotiate collective bargaining agreements on acceptable terms to us, we could be subject to a significant increase in labor costs, deterioration of employee relations, or strikes, which could have a material adverse effect on us and on the market price of the Notes.

Our businesses rely heavily on data collection, processing and storage systems, the failure of which could affect our risk management and internal control systems.

As transaction processes have become increasingly bulky and complex in recent years, our main businesses are highly dependent on our ability to timely collect and process a large amount of financial and other information across numerous and diverse markets and products at our various branches. The proper functioning of financial control, accounting or other data collection and processing systems is critical to our business and to our ability to compete effectively. A partial or complete failure of any of these primary systems could materially and adversely affect our decision-making process and our risk management and internal control systems, as well as our timely response to changing market conditions.

Furthermore, we are dependent on information systems in order to process transactions, respond to customer inquiries on a timely basis and maintain cost-efficient operations. We could experience operational problems with our

information systems as a result of system failures, viruses, computer "hackers" or other causes. Any important disruption or the slowdown of our systems could cause information, including data related to customer requests, to be lost or to be delivered to our customers with delays or errors, which could reduce demand for our services and products and could significantly and adversely affect our customers which, in turn, could have a material adverse effect on our reputation, financial condition and results of operations.

Any failure to effectively improve or upgrade our information technology infrastructure and management information systems in a timely manner could have an important adverse effect on our business.

Being able to be competitive depends in part on our ability to upgrade our information technology on a timely and cost-effective basis. We must continually make significant investments and improvements in our information technology infrastructure. On the other hand, we could experience difficulties in upgrading, developing and expanding our information technology systems quickly enough to accommodate our growing customer base while still ensuring the security of our information technology infrastructure. Any failure to effectively improve or upgrade our information technology infrastructure and management information systems in a timely manner could materially adversely affect us.

Our Audited Financial Statements included elsewhere in this Offering Memorandum have been prepared and are presented in accordance with Mexican Banking GAAP, which differs in certain respects from U.S. GAAP and IFRS.

Our Audited Financial Statements included elsewhere in this Offering Memorandum have been prepared and are presented in accordance with Mexican Banking GAAP. Certain differences exist between Mexican Banking GAAP and U.S. GAAP and Mexican Banking GAAP and IFRS, which could be material to our Audited Financial Statements and other financial information included elsewhere in this Offering Memorandum. We have made no attempt to identify or quantify the impact of those differences in this Offering Memorandum. In making an investment decision, potential investors must rely upon their own examination of the Bank, including the financial information included in this Offering Memorandum, and the terms of this offering. Potential investors should consult their own professional advisors for an understanding of the differences between Mexican Banking GAAP and U.S. GAAP and Mexican Banking GAAP and IFRS, and how those differences might affect the financial information included in this Offering Memorandum. See "Annex A—Summary of Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Summary of Significant Differences Between Mexican Banking GAAP and IFRS."

We may not be able to detect money laundering and other illegal activities, on a timely basis or at all, which could expose us to liabilities and have a material adverse effect on our business.

We are required to comply with applicable anti-money laundering and anti-terrorism financing laws in Mexico and abroad. These laws require us, among other things, to adopt and enforce "know your customer" policies and procedures, to monitor our customers' activity in order to detect and report suspicious activity and transactions exceeding certain thresholds to the corresponding authorities, to apply know your customer and enhanced due diligence procedures to high risk customers and to keep customers' files and records for a certain period of time. These laws have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of more detailed government supervision. Recent rules have been adopted in Mexico restricting the ability of Mexican banks to physically receive currencies, as a result of foreign exchange and other similar transactions. The Mexican and U.S. government agencies to which we report have the power to impose fines and other penalties on us, such as FinCEN Orders. See "Supervision and Regulation—Money Laundering Regulations."

While we have adopted policies and procedures, have implemented controls that we consider strong which are aimed at detecting and preventing the use of our banking network for money laundering or terrorism financing activities, and continually work on improving and strengthening those controls, there is a risk that we may be used by other persons to engage in money laundering considering that we are the largest bank in Mexico with an important presence throughout the country and that our main activity is retail banking.

To the extent we fail to fully comply with applicable laws, the relevant competent government agencies have the power to impose fines and other penalties on us, including the revocation of our banking license. In addition, our business and reputation could suffer if our infrastructure is used by third parties for money laundering or illegal purposes and some of our operations could be suspended by competent authorities. Any of these events could have a material adverse effect on our business, financial condition or results of operations.

Likewise, if we were to be accused of being associated with, or become a party to money laundering activities, then our reputation could suffer and we could become subject to fines, sanctions or being included to any "blacklist" which would prevent any third parties from transacting business with us.

Risks Relating to Mexico and Other Markets

Economic, political and social developments in Mexico could affect Mexican economic policy and our business, financial condition and results of operations.

We are a Mexican bank and most of our operations and assets are located in Mexico. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy, the devaluation of the peso against the U.S. dollar, price instability, inflation, changes in crude oil prices, interest rates, regulation, taxation, social instability, acts of terrorism, outbreaks of disease and pandemics and other political, social and economic developments in or affecting Mexico over which we have no control.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy and occasionally makes significant changes to policies and laws. The Mexican government's actions to control inflation and other policies historically have resulted, among other things, in increases to interest rates, changes in tax policies, price controls, currency fluctuations, exchange controls and limits on imports. Mexican government actions concerning the economy and regulation of certain industries, including the banking sector, could have a significant effect on Mexican private sector entities in general, and us in particular, and on market conditions, prices and returns on Mexican securities, including our securities.

Decreases in the growth rate of the Mexican economy, periods of negative growth or reductions in disposable income could result in lower demand for our services and products. The Mexican government cut spending as a result of the implementation of the current administration's austerity plan, and could further cut spending in the future. These cuts could adversely affect the Mexican economy.

Because the Mexican economy is heavily influenced by the U.S. economy, policies adopted by the U.S. government could adversely affect economic conditions in Mexico. Changes in the U.S administration as a result of the election of Donald J. Trump in 2024 may have an impact on the worldwide economy and the Mexican economy. See "—Risks Relating to Our Business—We have been, and may continue to be, adversely affected by U.S. and international financial markets and economic conditions."

We could be adversely affected by changes in policies or laws involving, among others:

- interest rates;
- tariffs and trade agreements between Mexico and other jurisdictions;
- exchange rates and exchange controls and restrictions on the movement of capital in or out of Mexico;
- reserve requirements;
- levels of crude oil production and crude oil prices;
- capital requirements;
- funding and lending limits;
- commissions charged to customers;
- inflation;
- liquidity of the domestic capital and lending markets; and
- tax, monetary and regulatory matters.

We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. Furthermore, we cannot assure you that political, economic or social events in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition, results of operations and prospects.

Mexico has recently experienced periods of violence and crime due to the activities of organized crime. In response, the Mexican government has implemented various measures to increase security and has strengthened its police and military forces. Despite these efforts, organized crime (drug-related crime in particular) continues to exist

and operate in Mexico. These activities, their possible escalation and the violence associated with them could have a negative impact on the Mexican economy or on our operations in the future. See, "—Violence in Mexico has adversely impacted, and may continue to adversely impact, the Mexican economy." The social and political situation in Mexico could adversely affect the Mexican economy, which could have a material adverse effect on our business, financial condition and results of operations.

Political, economic and social conditions in Mexico could adversely and significantly affect Mexican economic policy and, in turn, our business.

Over the last few years, various rating agencies have downgraded the rating or put the rating of Mexican sovereign debt and that of Petróleos Mexicanos ("**PEMEX**") on a negative perspective. We cannot assure you that the rating agencies will not announce additional reductions to Mexico's or PEMEX's credit ratings or those of other entities such as CFE. Any reduction in the sovereign rating could adversely affect the level of inflation or interest rates in particular and the Mexican economy in general and, consequently, our funding costs and our business, financial condition, results of operations and prospects.

Political circumstances in Mexico could significantly and adversely affect Mexican economic policy and, in turn, our operations. The Mexican Federal Executive has historically influenced and currently influences policies affecting the country's economy to a significant extent. This administration has implemented and could implement substantial changes in law policy in Mexico in the future, which has adversely affected and could adversely affect economic, political and social conditions in Mexico.

On June 2, 2024, presidential elections, congressional elections, elections for eight governorships and elections for certain other state and municipal officials were held in Mexico. The political party of the former president of Mexico, Andrés Manuel López Obrador, *Movimiento Regeneración Nacional* (National Regeneration Movement), obtained favorable results in the majority of the elections and won, among others, the presidential election and a majority in each of the chambers of Congress. Claudia Sheinbaum Pardo was inaugurated as president of Mexico, and the other elected officials took office on October 1, 2024, except for those elected officials to Congress who took office on September 1, 2024.

On September 15, 2024, a constitutional reform was published in the Federal Official Gazette, introducing significant changes to Mexico's judicial system. Among the modifications, the most notable is that judges, magistrates, and ministers will now be elected through popular vote. Similarly, on September 25, 2024, after receiving approval from the Chamber of Deputies, the Senate approved a constitutional reform related to the transfer of the functions of the National Guard to the Secretariat of National Defense, which consolidates military control over the National Guard. Additionally, on December 20, 2024, constitutional reforms were enacted to abolish several constitutionally autonomous bodies, such as the Federal Competition Commission, the Federal Telecommunications Institute, the National Institute for Transparency, Access to Information, and Personal Data Protection, the National Council for the Evaluation of Social Development Policy, the National Commission for the Continuous Improvement of Education, the Energy Regulatory Commission and the National Commission of Fossil Fuels and, pursuant to such reforms, such bodies will transfer their functions to government ministries controlled by the executive branch of the Mexican government. Implementing regulations have not yet been issued; however, credit agencies have identified these changes as likely to contribute to a decrease in the resilience of the Mexican economy in the event of a global economic downturn. The Mexican president and Congress could further propose and enact new policies that could have substantial changes in law, policy and regulations in Mexico. We cannot provide any assurances that similar measures will not be taken in the future, which could have an adverse effect on the Mexican economy and, in turn, our business and results of operations.

In June 2025, Mexico held elections for the Supreme Court Justices and 50% of federal judges, with the remaining half to be elected in 2027. Uncertainty surrounding the newly configured judicial branch could lead to various risks that may affect investment outcomes. Additionally, it may contribute to increased market volatility as investors react to new judicial criteria, political developments, and policy proposals. Fluctuations in currency exchange rates, stock prices, and other financial instruments could occur, posing challenges for investors seeking stable returns. The new judiciary system may influence Mexico's international relations and trade policies. Changes in diplomatic stances or trade agreements may impact cross-border investments, import/export activities, and overall economic relationships, introducing additional risks for investors with exposure to international markets.

Adverse economic conditions in Mexico may have a material adverse effect on our business, financial condition and results of operations.

Most of our operations are dependent upon the performance of the Mexican economy, mainly on matters such as peso/U.S. dollar exchange rates, rates of inflation, levels of interest rates, legislation, taxation, social instability and other political, social and economic developments in Mexico, over which we have no control. In the past, Mexico has experienced both prolonged periods of weak economic conditions and deterioration in economic conditions that have had a negative impact on us. We cannot assure you that these conditions will not return or will not have a significant and adverse effect on our business.

During 2025, GDP increased by 0.8% in Mexico, compared to 1.2% during 2024, and 3.2% during 2023. In addition, in December 2025 the inflation rate reached 3.7% year-on-year, compared to 4.7% year-on-year in December 2024, and 5.6% year-on-year in December 2023.

Mexico also has, and is expected to continue to have, relatively high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities (*Certificados de la Tesorería de la Federación*, or "**Cetes**"), averaged 8.23%, 10.77% and 11.14% for the years ended December 31, 2025, 2024 and 2023, respectively. Accordingly, if we incur peso-denominated debt in the future, such debt may require payment of interest at relatively high rates.

A local recession, including one resulting from a global recession, could affect our operations to the extent that we are unable to reduce our costs and expenses in response to falling demand for our products and services. Similarly, our loan portfolio could deteriorate as a result of higher delinquency rates. These factors could have a material adverse effect on our business, financial condition and results of operations.

Events in other countries, including the United States, the United Kingdom and countries in Europe, could adversely affect us.

Economic and market conditions in other countries could, to varying degrees, affect the market value of securities of Mexican companies. Although economic conditions in other countries could differ significantly from economic conditions in Mexico, investors' reactions to developments in other countries could have an adverse effect on the market value of securities of Mexican companies.

Inflationary pressures, which had already begun to recede during 2023–24, eased further in 2025, partly reflecting the effects of tight monetary policies. As inflation moderated, central banks continued to lower interest rates throughout the year. In the United States, the Federal Reserve maintained its gradual easing cycle, cutting the federal funds rate by a total of 75 basis points and bringing the target range to 3.75–4.50% by year-end. In Mexico, *Banco de México*'s monetary policy stance entered the neutral range following the November rate decision—an important milestone after three years of restrictive policy and more than two and a half years since the policy rate reached 11.25% in March 2023. The year closed with the policy rate at 7.00%.

We anticipate that our customers will continue, in the near future, to make deposits, and we intend to maintain our emphasis on the use of banking deposits as our main source of funds. The short-term nature of some deposits could cause liquidity problems for us in the future, if deposits are not made in the volumes we expect or if we face a higher than expected churn rate. If a substantial number of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, we may be materially and adversely affected.

We cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, we will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, our results of operations or financial condition could be materially adversely affected.

Likewise, economic conditions in Mexico could also be affected by U.S. international trade policies. Because the Mexican economy is heavily influenced by the U.S. economy, international commercial disputes around the USMCA and/or other U.S. trade policies that may be adopted by the U.S. government may adversely affect economic conditions in Mexico. The U.S. government's current policies have generated volatility in the global capital markets, in Mexico in particular, and could create uncertainty regarding key policies, such as trade, immigration, fiscal and defense policy

Despite the new tariffs imposed by the administration of President Trump during 2025 on a variety of goods originating in a variety of countries, Mexico maintained its status as leading exporter to the United States and the main

destination for U.S. goods exports. Moreover, several scenarios are possible for the USMCA review process scheduled to commence on July 1, 2026. In addition, increased, or perceptions of increased, economic protectionism in the United States or Mexico could lead to lower levels of trade and investment and economic growth, which could have a similarly negative impact on the Mexican economy and therefore, our business, financial condition or results of operations.

We cannot assure you that the U.S. government will not have future plans to impose additional tariffs on goods originating in Mexico, nor when or in what form the eventual final tariff regime may be adopted. In the event of certain changes in U.S. policy, the Mexican government could implement retaliatory actions, such as the imposition of restrictions or tariffs on Mexican imports of products from the United States, or imports and exports of products to the United States. If the United States were to impose tariffs on Mexican products, this could adversely affect our business and results of operations.

The current United States administration's policies, particularly with regards to trade and security, and the higher degree of uncertainty surrounding their scope and reach, can further impact U.S.-Mexico relations, and we may be subject to their adverse effects. Additionally, economic conditions in Mexico may also be affected by other political developments in the United States.

Further, although the effects of the Russia-Ukraine conflict have largely been absorbed by global markets, new geopolitical tensions, such as the new conflict between the United States and Iran, as well as other tensions in the Middle East and Asia, could cause an economic impact on global and local financial markets by increasing volatility due to the increase in unusual uncertainty, declines in stock markets, risk perception in international markets, changes in the value of investment funds, impact on the prices and availability of commodities (gold, gas, oil and raw materials). Continuing violence in the Middle East, including limits on passage through the straight of Hormuz, as well as attacks between Russia and Ukraine targeting crude oil infrastructure influenced crude oil prices in 2025 and could continue to pose risks in 2026.

Rising uncertainty, in particular relating to the conflict with Iran, could continue to drive higher oil prices due to supply chain disruptions and rerouting of maritime traffic, which has also increased transportation costs globally. These pressures have contributed to inflationary spikes in some regions and added volatility to financial markets. Any prolonged or escalating conflict in the future could further increase elevated energy prices, complicate the disinflation process, delay interest rate cuts by central banks, and heighten risk aversion in global markets, potentially reducing capital flows to emerging economies such as Mexico, and putting pressure on global trade and industrial production. Both the economic uncertainty and the events described above could have a negative impact on our business and results of operations.

We cannot assure you that the events in the United States, Europe, the United Kingdom or elsewhere will not materially and adversely affect us in the future.

Global economic conditions, volatility in the financial markets and volatility in the price of oil may negatively affect our business, financial condition, results of operations and prospects.

The market value of the securities of Mexican companies is affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investor reactions to developments in any of these other countries may have an adverse effect on the market value of the securities of Mexican issuers, including our securities.

Crude oil prices decreased during 2025 as a result of excess oil supply with a moderate growth in demand, particularly in key economies such as China. However, this dynamic has recently reversed given geopolitical conflicts in the Middle East and interruptions in transit through the Strait of Hormuz. This situation has reintroduced a high risk premium, driving Brent prices above U.S.$100.00 per barrel in recent real-time futures market pricing as of the date of this Offering Memorandum. The persistence of tensions in the Middle East and other geopolitical conflicts, along with OPEC+ production policy and uncertainty about the stability of supply routes, continues to generate substantial volatility that could continue to materially affect the price of oil and, in turn, have a material adverse effect on the Bank's operating results.

Changes in taxes and other fiscal assessments may adversely affect our business, financial condition or results of operations.

The Mexican government continuously enacts reforms to the tax regime and other laws to which we and our customers are subject. Such reforms include changes in the tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes. The effects of any future tax reform

cannot be quantified and there can be no assurance that any such reforms will not have an adverse effect on our business. Furthermore, any reform of this nature may produce uncertainty in the financial system, increasing the cost of borrowing and our past due portfolio.

Exposure to Mexican sovereign debt and to debt of Mexican government-owned entities could have an adverse effect on our business, financial condition or results of operations.

Like many other Mexican banks, we invest in debt securities issued by the Mexican federal government and Mexican government-owned entities. Any failure by the Mexican government or any of those government-owned entities to timely pay its debt, or a significant decrease in their market value derived from a downgrade to its credit rating, could have an adverse effect on our business.

On September 8, 2025, S&P reaffirmed Mexico's long-term foreign currency rating at 'BBB' with a stable outlook, citing a prudent monetary policy, the independence of the central bank, and cautious fiscal management. On April 16, 2025, Fitch reaffirmed Mexico's long-term foreign currency rating at 'BBB-' with a stable outlook, as a reflection of prudent macroeconomic policy, sound external finances, and a moderate public debt-to-GDP ratio. However, Fitch noted that risks to Mexico's ratings persist due to low growth, weakness at PEMEX and fiscal challenges.

Regarding PEMEX, on October 2, 2025, Fitch Ratings upgraded PEMEX's long-term issuer default rating to 'BB+' from 'B+' with a stable outlook. The upgrade reflects PEMEX's completion of a U.S.$9.9 billion tender offer covering eight series of securities, which was financed with funds provided by the Mexican government. In addition, on September 8, 2025, Moody's upgraded PEMEX's credit rating from 'B3' to 'B1' with a stable outlook, reflecting expectations of continued government support.

The market value of the securities of Mexican companies, including the Bank, is affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investor reactions to developments in any of these other countries may have an adverse effect on the market value of the securities of Mexican issuers, including our securities.

As of the date of this Offering Memorandum, we can provide no assurance that the rating agencies will not announce downgrades to Mexico's and/or PEMEX's credit ratings in the future. Any such downgrade may negatively affect the Mexican economy and, consequently, our business, financial conditions, operational results and prospects.

Fluctuations in the peso/U.S. dollar and other currencies may have an adverse effect on us.

Given the nature of the Bank's operations as a financial institution, high rates of fluctuations in the peso could limit our ability to transfer pesos or to convert pesos into U.S. dollars and other currencies and could have an adverse effect on our financial condition, results of operations and cash flows in future periods. Among other effects, fluctuations could modify the amount of our foreign currency-denominated liabilities and could impact the level of defaults from our borrowers.

Considerable fluctuations in the peso could also result in the imposition of exchange controls, as has occurred in Mexico or in other countries, or disruption of international foreign exchange markets. While the Mexican government does not currently restrict the right or ability of Mexican or foreign persons or entities to convert pesos into U.S. dollars or to transfer currencies outside of Mexico, the Mexican government could enact restrictive exchange control policies in the future.

Fluctuations in the peso against the U.S. dollar could also have a material adverse effect on our financial condition or our ability to pay our debt, including the Notes.

Violence in Mexico has adversely impacted, and could continue to adversely impact, the Mexican economy.

On January 20, 2025, U.S. President Donald Trump signed an executive order to designate certain Mexican drug cartels as Foreign Terrorist Organizations (FTOs). This designation was formalized on February 19, 2025, when the U.S. Department of State officially included six Mexican cartels and two Central and South American gangs in its list of global terrorist organizations. This designation increases the risk of unilateral intervention in Mexico, and adds uncertainty to the future of cross-border cooperation. From an economic and financial perspective, this development may lead to heightened compliance requirements for Mexican financial institutions, increased scrutiny of cross-border transactions, and a potential chilling effect on foreign investment, as well as possible sanctions for Mexican financial

institutions. Deterioration in U.S.-Mexico relations as a result of this policy could adversely impact investor confidence, trade flows, and overall financial stability in Mexico.

Mexico has experienced a significant increase in violence in recent years relating primarily to illegal drug trafficking, particularly in Mexico's northern states near the U.S. border, although recently in other states like Guerrero, Guanajuato and Michoacán. This increase in violence has had an adverse impact on economic activity throughout Mexico. In addition, social instability in Mexico or social or political events in the country could adversely affect our ability to conduct our operations, offer our services and obtain financing. We cannot assure you that the levels of violent crime in Mexico, over which we have no control, will not increase or will decrease and will have no further adverse effects on Mexico's economy or on our business.

Furthermore, illegal activities have resulted in more detailed and comprehensive anti-money laundering rules and increased supervision of such activities by the competent authorities, which have affected the way in which we conduct our business and has resulted in the need to make important investments to enhance our systems and reinforce our compliance measures.

The perception of higher risk in other countries, particularly in emerging economies, could adversely affect the Mexican economy and adversely affect the price of the Notes.

Emerging economies such as Mexico are subject to greater risks than more developed markets, and financial volatility in any emerging market could disrupt business in Mexico and adversely affect the price of the Notes.

Likewise, financial crisis in any important emerging market country could adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. Any increase in the perceived risks associated with investing in emerging markets could dampen capital flows to Mexico and adversely affect the Mexican economy in general.

Risks not contemplated in our insurance policies may materially adversely affect us.

We maintain insurance for amounts that we believe to be adequate to cover risks related to our operations including, among others, general banking liability insurance for our business, general professional liability insurance for services we provide, general directors and officers liability insurance and general liability insurance against fraudulent activity. However, it is possible that the terms and conditions of our insurance policies will not cover a specific event or incident or that our insurance will cover only part of the losses that we may incur.

If any uninsured events occur with respect to a significant part of our operations, or we are obliged to pay high deductibles, our financial condition and results of operations could be affected. Additionally, if we are unable to renew our insurance policies upon expiration or losses or other liabilities occur that are not covered by insurance or that exceed our insurance limits, we could be subject to significant unexpected additional costs which could materially adversely affect us.

Mexican financial authorities have broad authority in certain areas, including to initiate class action lawsuits, as a result of the Mexican financial reform.

Pursuant to the Mexican Law for the Protection and Defense of Users of Financial Services (*Ley de Protección y Defensa al Usuario de Servicios Financieros*), the CONDUSEF has broad authority to oversee financial institutions, such as: the ability to initiate class action lawsuits against banks in connection with events affecting groups of users of financial services; the requirement that it maintain a Bureau of Financial Entities (*Buró de Entidades Financieras*), which sets forth the relevant information for users of financial services; the ability to require amendments to the forms used to document certain operations if it considers that its provisions harm users; the ability to issue resolutions as part of arbitration proceedings, for the benefit of customers, that allow customers to attach assets of financial institutions prior to the completion of arbitration proceedings; and the broader authority to fine a financial institution that does not comply with its orders. Due to the potential scope and the lack of judicial precedents regarding the financial reform, we cannot predict the outcome of the exercise of financial oversight powers of the CONDUSEF or any class actions lawsuit, including the extent of any liability we may face.

Our corporate disclosures may be different or less substantial than those of issuers in other countries.

Issuers of securities in Mexico are required to make public disclosures that are different and that may be less substantial than disclosures required in countries with highly developed capital markets. In addition, accounting and other reporting principles and standards for credit and other financial institutions in Mexico and the financial results reported using such principles and standards may differ substantially from those results that would have been obtained

using other principles and standards, such as U.S. GAAP. See "Annex A—Summary of Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Summary of Significant Differences Between Mexican Banking GAAP and IFRS."

We are subject to the Total Loss-Absorbing Capacity rules.

On June 18, 2021, the CNBV published in the Federal Official Gazette a resolution amending the General Provisions applicable to Credit Institutions (*Disposiciones de Carácter General Aplicables a las Instituciones de Crédito*) to incorporate requirements related to loss-absorbing capacity for banks of local systemic importance. These measures are aligned with the Total Loss-Absorbing Capacity ("TLAC") framework developed by the Financial Stability Board and are intended to ensure that systemically important banking institutions have sufficient capacity to absorb losses and be recapitalized in the event of resolution, while maintaining the continuity of critical functions and minimizing the use of public funds.

In order to comply with TLAC rules, the Bank, which is considered a bank of local systemic importance, must have a minimum capital supplement of at least 6.5% of total risk-weighted assets, in addition to regulatory capital and other capital supplements, considering the existence of the IPAB, or 3.75% of the adjusted assets used for the calculation of the leverage ratio. A transitional period of compliance is established that began in December 2022, with increments of 0.25% each year and was concluded in December 2025. Accordingly, the Bank must maintain a net capital in relation to credit and operational market risks, which may not be less than the sum of the capital requirements for each type of risk, as well as maintain the aforementioned supplement to the net capital.

While the TLAC-related requirements are intended to strengthen the resilience of the banking system by ensuring that systemically important institutions maintain sufficient loss-absorbing capacity during periods of financial stress, the Bank currently complies with the applicable TLAC requirements and maintains capital levels and eligible resources sufficient to meet these obligations. The Bank will continue to monitor its capital position and regulatory developments to ensure ongoing compliance with these requirements. In addition, any future capital distributions, including dividends or share repurchases, will continue to be subject to maintaining the required regulatory capital levels, including the TLAC-related capital supplements.

Risks Relating to the Notes

Notes issued under the Program may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more Specified Currencies, or where the Specified Currency for principal or interest payments is different from the potential investor's usual currency for holding investments;
- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the relevant Notes and its ability to bear the applicable risks.

Risks Related to the Notes Generally

Set out below is a brief description of certain risks relating to the Notes generally:

There is no trading market for the Notes; you may be unable to sell your Notes if a trading market for the Notes does not develop.

Each Series of Notes will constitute a new issue of securities with no established trading market. Application has been made to Euronext Dublin for Notes issued under the Program to be admitted to the Official List and trading on the Global Exchange Market. However, application may be made to list a Series of Notes on another exchange or a Series of Notes may be unlisted, in each case as specified in the applicable Pricing Supplement. The Bank cannot assure you that an active trading market for the Notes will develop. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the Notes or may be unable to sell them at all. Even if a market develops, the liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes, the ability of holders to sell the Notes or the prices at which the Notes could be sold. Because the market for any Series of Notes may not be liquid, you may have to bear the economic risk of an investment in the Notes for an indefinite period of time. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Bank's performance and business prospects, regulatory changes and other factors.

There is market price risk associated with an investment in the Notes.

The market price of each Series of Notes depends on various factors, such as changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Note. The market price of each Series of Notes may also be negatively affected by an increase in the Bank's credit spreads (*i.e.,* the difference between yields on the Bank's debt and the yield of government bonds or swap rates of similar maturity). The Bank's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Series of Notes.

There is exchange rate risk and risk of exchange controls associated with an investment in the Notes.

An investment in Notes that are denominated in, or the payment of which is to be or may be made in or related to the value of, a currency or composite currency other than the currency of the country in which the purchaser is a resident or the currency in which the purchaser conducts its business or activities (the "**home currency**") entails significant risks that are not associated with a similar investment in a security denominated in the home currency. Such risks include the possibility of significant changes in rates of exchange between the home currency and the various foreign currencies (or composite currencies) after the issuance of such Note and the possibility of the imposition or modification of foreign exchange controls by governments. Such risks generally depend on economic and political events over which the Bank has no control. In recent years, rates of exchange between certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of any Notes. Depreciation of the currency in which Notes are denominated against the relevant home currency would result in a decrease in the effective yield of such Notes below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis. In addition, depending on the specific terms of currency-linked Indexed Notes, changes in exchange rates relating to any of the currencies involved may result in a decrease in the effective yield of such currency-linked Indexed Notes and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of a currency-linked Indexed Notes to the investor.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency, or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-home currency-denominated Notes or currency-linked Indexed Notes is that their home currency-equivalent yields could be affected by governmental actions, which could change or interfere with freely determined currency valuation, fluctuations in response to other market forces, and the movement of

currencies across borders. There will be no adjustment or change in the terms of such Notes if exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. dollar or any applicable Specified Currency.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal and of premium, if any, or interest, if any, on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Notes not denominated in U.S. dollars would not be available at such Notes' maturity. In that event, the Bank would make required payments in U.S. dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as of the most recent practicable date. The relevant provisions applicable to Foreign Currency Notes will be as set forth in the applicable Pricing Supplement related to any such Notes.

There is interest rate risk associated with an investment in the Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

A rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agencies' assessment of our financial strength and Mexican sovereign risk.

Any rating of the Notes addresses the likelihood of payment of principal at their maturity. Such rating also addresses the timely payment of interest on each payment date. Any rating of the Notes is not a recommendation to purchase, hold or sell the Notes, and the rating does not comment on market price or suitability for a particular investor. We cannot assure you that a rating of the Notes will remain for any given period of time or that the rating will not be lowered or withdrawn. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of our financial strength, as well as its assessment of Mexican sovereign risk generally. See "—Downgrades in our credit ratings, those of any of our subsidiaries or those of Mexico could increase our cost of funding and negatively affect our ability to obtain additional funds, attract deposits or renew our maturing debt."

Credit ratings may not reflect all risks of investing in the Notes, and the Bank cannot assure you that such ratings will not be lowered, suspended or withdrawn by the rating agencies.

One or more independent credit rating agencies may assign credit ratings to the Notes of one or more Series. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes to be issued under the Program. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the credit ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any credit ratings assigned to Notes as at the date of this Offering Memorandum or any supplement hereto are not indicative of future performance of the Bank's business or its future creditworthiness.

The interest rate on Fixed Reset Notes will reset on each Fixed Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes

Fixed Reset Notes will initially bear interest at the Initial Fixed Reset Interest Rate (as specified in the applicable Pricing Supplement) until (but excluding) the Fixed Reset Date (as specified in the applicable Pricing Supplement). On the Fixed Reset Date and each Subsequent Reset Date specified in the applicable Pricing Supplement (if any) thereafter, the interest rate will be reset to the Subsequent Reset Rate (each, as defined in "Description of the Notes—Fixed Reset Notes—Rate of Interest"). The Subsequent Reset Rate for any reset period could be less than the Initial Fixed Reset Interest Rate or the Subsequent Reset Rate for prior reset periods and could affect the market value of an investment in the Fixed Reset Notes.

Changes in law may adversely affect your rights under the Notes or may adversely affect us.

Changes in law after the date hereof may affect your rights as a holder of the Notes as well as the market value of the Notes. Regulators may, from time to time, propose or consider amendments to law or legislation and rule-making which may affect our business, your rights as a holder of the Notes and the market value of the Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, or changes that could have a significant impact on the future legal entity structure, our management, and use of capital and requirements for our loss-absorbing capacity, which may have an adverse effect on an investment in the Notes.

Such legislative and regulatory uncertainty could also affect your ability to accurately value the Notes and therefore affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes could have on the Notes and changes in regulatory rules could increase likelihood of suspension or write-down.

The Notes are subject to certain transfer restrictions.

The Notes have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities law. See "Transfer Restrictions" and "Plan of Distribution—Sales Restrictions."

Holders of Notes may find it difficult to enforce civil liabilities against the Bank or its directors, executive officers and controlling persons.

The Bank is organized under the laws of Mexico as a multi-purpose bank (*institución de banca múltiple*) with limited liability (*sociedad anónima*). Most of its directors, officers and controlling persons reside outside of the United States.

In addition, all or a substantial portion of the assets of the Bank are located outside of the United States. As a result, it may be difficult for holders of Notes to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. See "Service of Process and Enforcement of Civil Liabilities."

The non-payment of funds by any of the Bank's subsidiaries could have a material adverse effect on the Bank's ability to pay amounts due in respect of our debt, including the Notes.

The Bank's cash flow and its ability to service debt depend in part on the cash flow and earnings of its subsidiaries and the payment of funds by those subsidiaries to the Bank in the form of loans, interest, dividends or otherwise. The subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the terms of the Notes or to make any funds available for such purpose. Furthermore, claims of creditors of such subsidiaries, including trade creditors of such subsidiaries, will have priority over the Bank's creditors, including the holders of the Notes, with respect to the assets and cash flow of such subsidiaries. Any right we may have to receive assets of any of our subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors.

Mexican law does not require the Bank to pay its foreign-currency judgments in a currency other than pesos.

Although the Bank's obligations to pay U.S. dollars outside Mexico are valid, under Article 8 of the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), if proceedings are brought in Mexico seeking to enforce in Mexico the Issuer's obligations under the Notes, the Issuer would not be required to discharge such obligations in Mexico in a currency other than Mexican currency. Pursuant to such Article 8, an obligation that is payable in Mexico in a currency other than Mexican currency may be satisfied in Mexican currency at the rate of exchange in effect on the date and in the place payment occurs. Such rate is currently determined by *Banco de México* every business banking day in Mexico and published the following business banking day in the Federal Official Gazette. It is unclear, however, whether the applicable rate of exchange applied by the Mexican court to determine the Mexican judgment currency is the rate prevailing at the time when the judgment is rendered or when the judgment is paid. Provisions that purport to limit the Bank's liability to discharge its obligations as described above, or to give any party an additional course of action seeking indemnity or compensation for possible deficiencies arising or resulting from variations in rates of exchange, may not be enforceable in Mexico.

Under the Mexican Banking Law, in the event of the revocation of the Bank's license to operate as a bank and consequent liquidation, foreign currency-denominated liabilities would be converted into pesos at the prevailing rate of exchange on the date our license to operate as a bank is revoked.

If the Bank were declared insolvent by the CNBV, the Bank would be liquidated in a court procedure, and the holders of Notes may find it difficult to collect payment on the Notes.

Under the Mexican Banking Law, if the CNBV declares the Bank insolvent, the Bank's authorization to be organized and operating as a bank institution will be revoked, and a liquidation procedure before a Mexican federal court will commence, in which, by statute, the IPAB will be appointed as the receiver (*liquidador judicial*). The Bank would be in liquidation as of the date following the notification by the CNBV of the revocation of the authorization to be organized and operating as a bank institution, and the Bank's payment obligations denominated in foreign currencies, including any Notes, would (i) be converted to pesos at the exchange rate prevailing at the time such revocation is deemed effective, other than secured debt, (ii) cease accruing interest to the extent such debt is not secured, (iii) be paid at the time claims of creditors are satisfied and (iv) not be adjusted to consider any depreciation of the peso against the U.S. dollar occurring after the liquidation procedure begins. In addition, in the event of the Bank's liquidation, Mexican law provides preferential treatment for certain claims, such as those relating to labor, taxes, social security claims and secured creditors.

The Notes will contain provisions which may permit their modification without the consent of all investors and which may permit an assignment of the Notes to a subsidiary of the Bank without the consent of the holders of a Series of Notes, if the Bank remains jointly and severally liable for such obligations.

The Notes will contain provisions for calling meetings of holders of Notes to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all holders of the Notes of a Series, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority as set forth in "Description of the Notes."

In addition, unless otherwise specified in the applicable Pricing Supplement, the terms of each Series of Notes will permit the Bank to assign its obligations under such Series of Notes and the applicable Indenture to a subsidiary of the Bank so long as the Bank remains jointly and severally liable for such obligations.

For further information, see "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes—Modification of a Subordinated Notes Indenture; Waiver of Covenants" and "Description of the Notes—Certain Terms and Conditions Applicable to Senior Notes—Modification of the Senior Notes Indenture; Waiver of Covenants."

Any such action may have an adverse effect on the Notes of such Series and the holders of such Notes.

Reliance on DTC, Euroclear and Clearstream procedures.

Unless issued in definitive form, Notes issued under the Program will be represented on issue by one or more Global Notes that may be deposited with or registered in the name of a nominee for DTC or a nominee for a common depositary or a common safekeeper, as the case may be, for Euroclear or Clearstream. Except in the circumstances described in the applicable Global Note, investors in a Global Note will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

Except in the case of a Global Note denominated in a specified currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which a participant in DTC has elected to receive any part of such payment in that specified currency, for so long as the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks Related to Subordinated Notes

Subordinated Notes present, among others, the following risks:

Subordinated Notes will be unsecured and subordinated and rank junior in right of payment and in liquidation to all of our present or future senior indebtedness.

Subordinated Notes will constitute our subordinated preferred indebtedness (*obligaciones subordinadas preferentes*), will be subordinated and junior in right of payment and in liquidation to all of our senior indebtedness, and will rank pari passu without preference among themselves with all our other subordinated preferred indebtedness. No payment of principal (including redemption payments), premium, if any, or interest on the Subordinated Notes may be made at any time when (i) any senior indebtedness is not paid when due and any applicable grace period with respect to such default has ended and such default has not been cured or waived or ceased to exist, or (ii) the maturity of any senior indebtedness has been accelerated because of a default. By reason of the subordination of the Subordinated Notes, in the case of certain events involving bankruptcy, liquidation or dissolution, although the Subordinated Notes would become immediately due and payable at their principal amount together with accrued interest thereon, our assets would be available to pay such amounts only after all of our senior indebtedness have been paid in full. The Subordinated Notes Indentures will not limit our ability to incur additional senior indebtedness and subordinated preferred indebtedness from time to time. See "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes."

Interest and principal payments to be made by us under the Subordinated Notes will be deferred if any of our Capital Ratios has declined below the Capital Ratios required under the Mexican Capitalization Requirements, or if a Mexican Regulatory Event has occurred and is continuing.

Under the Rules for Capitalization, capital securities issued by the Bank will be taken into account when assessing its risk-weighted capital adequacy. In order for the Subordinated Notes to qualify as the Bank's capital, each Subordinated Notes Indenture will provide that interest and principal payments will be deferred, on the correspondent payment dates, if any of our Capital Ratios declines below the minimum percentages required from time to time by the Mexican Capitalization Requirements or if any Mexican Regulatory Event has occurred and is continuing. For details regarding the minimum percentages or the events leading to a Mexican Regulatory Event, see "Description of the Notes—Treatment of Interest and Principal During a Suspension Period."

Payments of interest due on the Subordinated Notes will be cumulative, so that if payments of interest cease during a Suspension Period, holders of the Subordinated Notes will have the right to receive any amount of unpaid interest at the end of such Suspension Period. See "Description of the Notes—Treatment of Interest and Principal During a Suspension Period." Notwithstanding the foregoing, there can be no guarantee that holders of the Subordinated Notes will receive payments of interest in respect of the Subordinated Notes that are deferred in connection with a Suspension Period. Any suspension of payments due to the Bank's failure to maintain Capital Ratios equal to or greater than the minimum percentage required under the Mexican Capitalization Requirements would have a material adverse effect on the Issuer's ability to make scheduled payments under the Subordinated Notes.

The U.S. federal income tax consequences of an investment in the Subordinated Notes are uncertain. Holders are urged to read the more detailed discussion of the U.S. federal income tax treatment of the Subordinated Notes under "Taxation—United States Taxation—United States Holders—Subordinated Notes."

No statutory, judicial or administrative authority directly addresses the characterization for U.S. federal income tax purposes of the Subordinated Notes or instruments with a similar write-down feature. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the Subordinated Notes are not certain. However, we intend, absent a change in law, to treat the Subordinated Notes as our equity (rather than debt) for U.S. federal income tax purposes. Treatment of the Subordinated Notes as debt for U.S. federal income tax purposes may significantly change the tax treatment of the Subordinated Notes in ways that are potentially adverse to holders. See "Taxation—United States Taxation—United States Holders—Subordinated Notes" below. Holders are urged to consult their tax advisors concerning the U.S. federal income tax consequences of an investment in the Subordinated Notes.

Capital Ratios of the Bank are affected by business decisions made by the Bank and its shareholders and, in making such decisions, these interests may not be aligned with those of the holders of Subordinated Notes.

The Subordinated Notes will have terms that are affected by the extent to which the Bank is in compliance with the Mexican Capitalization Requirements. See "Description of the Notes—Certain Terms and Conditions

Applicable to Subordinated Notes." Our Capital Ratios could be affected by a number of factors, including business decisions taken by the Bank in coordination with its controlling shareholder, GFBM. In this regard, the Bank's business strategy and operations may depend on the decisions of the BBVA Group relating to its overall business, including its Mexican operations carried on by the Bank, as well as the overall management of the Bank and the BBVA Group's consolidated capital position. The Bank has no obligation to consider the interests of the holders of any Subordinated Notes (or any other series of our indebtedness that may be outstanding) in connection with overall strategic decisions of the BBVA Group, including in respect of capital management, regardless of whether they result in the occurrence of a Trigger Event or Suspension Period with respect to the Subordinated Notes. In addition, holders will not have any claim against the Issuer or its shareholders relating to decisions that affect the business and operations of the BBVA Group, including its capital position, regardless of whether they result in the occurrence of any event that causes a suspension or cancellation of amounts due in respect of any Subordinated Notes. In addition, notwithstanding the applicability of any one or more of the conditions set out above that would result in amounts due in respect of any Subordinated Notes not being paid or being paid only in part, there will be no restriction on the Bank paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares, including its controlling shareholder, GFBM, assuming that the Bank is in compliance with the Mexican Capitalization Requirements. Such decisions could cause holders of any Subordinated Notes to lose all or part of the value of their investment in such Subordinated Notes.

The circumstances surrounding or triggering a Write-Down of Subordinated Notes are unpredictable and may be caused by factors not fully within the Issuer's control.

The occurrence of a Trigger Event, and a resulting write-down, is inherently unpredictable and may depend on a number of factors, any of which may be outside of the Issuer's control. The determination as to whether a Trigger Event has occurred will partially depend on the calculation of our Fundamental Capital ratio and whether such ratio has fallen below 4.5%. For further information, see "Supervision and Regulation—Capitalization" and "Description of the Notes—Trigger Event and Write-Down." Fluctuations in the Bank's Fundamental Capital ratio may be caused by changes to the Mexican Capitalization Requirements and applicable accounting rules, among other external factors. Further, the thresholds for a Trigger Event may be changed in the future.

Historically, the value of debt securities similar to Subordinated Notes in the context of financial distress has been subject to write-down to zero. For example, Credit Suisse's takeover by the Swiss Financial Market Supervisory Authority in 2023 triggered a complete write-down of the value of all of Credit Suisse's tier-1 bonds.

Due to the uncertainty regarding whether a Trigger Event will occur in the future, it will be difficult to predict when, if at all, a write-down may occur. In addition, any disclosure that the Bank's Fundamental Capital ratio is moving towards the level which would cause the occurrence of a Trigger Event may have an adverse effect on the market price and liquidity of the Notes.

DTC may decide to suspend all clearance and settlement of transfers of Subordinated Notes by holders of Subordinated Notes after its receipt of a Write-Down Notice that causes the principal amount of Subordinated Notes to be reduced to zero, and any transfer of Subordinated Notes that is scheduled to settle after such suspension is expected to be rejected by DTC and will not be settled within DTC.

DTC may decide to suspend all clearance and settlement of transfers of Subordinated Notes by holders after its receipt of a Write-Down Notice that causes the principal amount of Subordinated Notes to be reduced to zero. With respect to any issuance of Subordinated Notes, we will agree to provide a Write-Down Notice (as defined in the "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes—Treatment of Interest and Principal During a Suspension Period") to holders and to the Trustee via the applicable clearing system on the business day after the occurrence of the Trigger Event. However, the records of DTC will not be immediately updated to reflect the Trigger Event, and a period of time, which may exceed several days, may be required before the clearance and settlement of transfers of Subordinated Notes through DTC are suspended.

Due to such delay, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date after DTC commences such suspension fail to settle through DTC even though such transfers were initiated prior to the Trigger Event that caused the principal amount of the Notes to be reduced to zero. In such circumstances, transferors of such Subordinated Notes would not receive any consideration through DTC in respect of such intended transfer because DTC will not settle such transfer after commencement of such suspension. Similarly, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date before DTC commences such suspension will be settled through DTC even though such transfers were initiated after the Trigger

Event that caused the principal amount of the Subordinated Notes to be reduced to zero. In such circumstances, transferees of the Subordinated Notes may be required to pay consideration through DTC even though, upon the occurrence of such Trigger Event, no amounts under the Subordinated Notes will thereafter become due, and such transferees will have no rights whatsoever under the relevant Subordinated Notes Indenture or the Subordinated Notes to take any action or enforce any rights or instruct the Trustee to take any action or enforce any rights whatsoever against us, regardless of whether they have received actual or constructive notice of such fact. The settlement of Subordinated Notes following a Trigger Event will be subject to procedures of DTC that are in place at such time.

If we do not satisfy our obligations under the Subordinated Notes, whether due to a Write-Down or otherwise, your remedies will be limited.

Payment of principal on Subordinated Notes may be accelerated only in specified instances involving our liquidation or dissolution. There is no right of acceleration in the case of a default in the performance of any of our covenants, including a default in the payment of principal or interest. See "Description of the Notes—Treatment of Interest and Principal During a Suspension Period" and "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes—Events of Default, Notice and Waiver."

Even if the payment of principal on the Subordinated Notes is accelerated due to the Issuer's liquidation or dissolution, the Issuer's assets will be available to pay those amounts only after:

- all of the Issuer's senior obligations have been paid in full as described under "Description of the Notes—Certain Terms and Conditions Applicable to Subordinated Notes—Ranking"; and
- the Issuer is actually declared bankrupt or dissolved or put into liquidation for purposes of Mexican law.

As a result, recoveries on the Subordinated Notes may be substantially limited.

The Subordinated Notes will be subject to redemption in the event of specified changes affecting the treatment of Subordinated Notes under the Rules for Capitalization or changes affecting the tax treatment of the Subordinated Notes.

Upon the occurrence and continuation of certain specified changes affecting the tax treatment of the Subordinated Notes or treatment of the Subordinated Notes as capital securities under the Rules for Capitalization, which may occur from time to time, as described under "Description of the Notes— Subordinated Notes Optional Redemption and Special Event Redemption of Subordinated Notes—Special Event Redemption," the Issuer will have the option under the relevant Subordinated Notes Indenture to redeem the Subordinated Notes, at any time prior to the Maturity Date, in whole or, in certain circumstances, in part, subject to any regulatory requirements, which may be amended from time to time.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact such investment will have on the potential investor's overall investment portfolio. Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of certain risks associated with the most common such features:

Notes may be subject to optional redemption by the Issuer.

Notes with an optional redemption are likely to have a limited market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable rate notes with a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The application of the net proceeds of SDG Notes as described under "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria.

Prospective investors in any Notes where the "Use of Proceeds" in the applicable Pricing Supplement are stated to be for "green," "social" or "sustainability" purposes as described under "Use of Proceeds" herein ("**Green Notes**," "**Social Notes**" or "**Sustainability Notes**," respectively, and, collectively, "**SDG Notes**"), should have regard to the information in "Use of Proceeds" with respect to the use of the net proceeds of those SDG Notes and must determine for themselves the relevance of such information for the purpose of any investment in such SDG Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by the Bank or the Dealers that the use of such proceeds for any Sustainability Projects (as defined under "Use of Proceeds") will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green," "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green," "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Sustainability Projects will meet any or all investor expectations regarding such "green," "social" or "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Sustainability Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Bank), which may or may not be made available in connection with the issue of any SDG Notes and in particular with any Sustainability Projects to fulfill any environmental, social, sustainability and/or other criteria. Any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Memorandum. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Bank, the Dealers or any other person to buy, sell or hold any such SDG Notes. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such SDG Notes. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

If any SDG Notes are listed or admitted to trading on any dedicated "green," "environmental," "social" or "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Bank, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such SDG Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the SDG Notes.

While it is the intention of the Bank to apply the net proceeds of any SDG Notes and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described under "Use of Proceeds," there can be no assurance that the Bank will be able to do this. Nor can there be any assurance that any Sustainability Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure to apply the net proceeds of any issue of SDG Notes for any Sustainability Projects or to obtain and publish any such reports, assessments, opinions and certifications, will not constitute an event of

default under the relevant SDG Notes or give rise to any other claim of a holder of such SDG Notes against the Bank. The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such SDG Notes no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such SDG Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Inverse Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Indexed Notes.

An investment in Indexed Notes entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. If the interest rate of a Note is indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued by the Issuer at the same time, including the possibility that no interest will be paid, and, if the principal amount of a Note is indexed, the principal amount payable at maturity may be less than the original purchase price of such indexed note, including the possibility that no principal will be paid (but in no event shall the amount of interest and principal paid with respect to an indexed note be less than zero). The secondary market for Indexed Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable currency, commodity, interest rate or other index, including, but not limited to, the volatility of the applicable currency, commodity, interest rate or other index, the time remaining to the maturity of such Indexed Notes, the amount outstanding of such Indexed Notes and market interest rates. The value of the applicable currency, commodity, interest rate or other index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the principal amount or interest payable with respect to such Indexed Notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, interest rate or other index may be increased. The historical experience of the relevant currencies, commodities, interest rate or other indices should not be taken as an indication of future performance of such currencies, commodities, interest rate or other indices during the term of any Indexed Note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Indexed Notes and the suitability of Indexed Notes in light of their particular circumstances.

Notes issued at a substantial discount.

The market values of securities issued at a substantial discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from each issue of Notes will be used for the general corporate purposes of the Bank and its subsidiaries. If there is a particular identified use of proceeds, it will be set forth in the applicable Pricing Supplement.

In addition, where the "Use of Proceeds" section of the applicable Pricing Supplement are stated to be for "green," "social" or "sustainability" purposes as described in this "Use of Proceeds" section, the net proceeds from each such issue of SDG Notes will be used as so described.

For any SDG Notes, an amount equal to the net proceeds from each issue of SDG Notes will be separately identified and applied by the Bank in financing or refinancing on a portfolio basis Green Projects and/or Social Projects (each as defined below and as will be further described in the Bank's Sustainable Development Goals (SDGs) Bond Framework that will be published on its website, as described in the applicable Pricing Supplement (as amended, supplemented, restated or otherwise updated on such website from time to time, the "**SDGs Bond Framework**")) (Green Projects and Social Projects together, the "**Sustainability Projects**"), including the financing of new or future Sustainability Projects, and the refinancing of existing and on-going Sustainability Projects where originally financed within three years of the issue of the relevant Notes, all in accordance with the SDGs Bond Framework. In the case of Green Notes, such financing or refinancing will be of Green Projects, in the case of Social Notes, such financing or refinancing shall be of Social Projects and, in the case of Sustainability Notes, such financing or refinancing will be of Green Projects and Social Projects.

"**Green Projects**" are projects where at least 80% of (i) the principal amount financed is for the financing of activities falling or (ii) the business of the borrower in respect of the relevant project falls, under the "green eligible categories" described in the SDGs Bond Framework of energy efficiency, sustainable transport, water, waste management and/or renewable energy, each as further described in the SDGs Bond Framework, and, at any time, include any other "green" projects in accordance with any update of the ICMA Green Bond Principles at such time.

The "**ICMA Green Bond Principles**," at any time, are the Green Bond Principles published by the International Capital Markets Association at such time, which as of the date of this Offering Memorandum are the Green Bond Principles 2021 (with June 2022 Appendix I) (https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf).

"**Social Projects**" are projects where at least 80% of (i) the principal amount financed is for the financing of activities falling or (ii) the business of the borrower in respect of the relevant project falls, under the "social eligible categories" described in the SDGs Bond Framework of healthcare, education, small and medium enterprise ("**SME**") financing and microfinancing, and/or affordable housing, each as further described in the SDGs Bond Framework, and, at any time, include any other "social" projects in accordance with any update of the ICMA Social Bond Principles at such time.

The "**ICMA Social Bond Principles**," at any time, are the Social Bond Principles published by the International Capital Markets Association at such time, which as of the date of this Offering Memorandum are the Social Bond Principles 2023 (https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf).

The proceeds of any SDG Notes will not be used to finance nuclear power generation, large scale (above 20 megawatt) dam, defense, mining, carbon related or oil and gas activities.

Pending the application of any net proceeds of SDG Notes in financing or refinancing the relevant Sustainability Projects, such proceeds will be applied by the Bank on the same basis as for the management of its liquidity portfolio. The Issuer will endeavor to apply a percentage of the net proceeds of any SDG Notes in financing Sustainability Projects originated in the year of issue of such SDG Notes. If any Sustainability Project to which the net proceeds of any SDG Notes are allocated, ceases or will cease to comply with the relevant categories for such Sustainability Project to constitute a Green Project or a Social Project, as the case may be, the Bank will substitute that Sustainability Project within the relevant portfolio for a compliant Sustainability Project.

Within 12 months of the issue date of each series of SDG Notes and for each year until the maturity or early redemption of those SDG Notes, the Bank will publish a report on its website in respect of that series of SDG Notes as described in the SDGs Bond Framework.

The Bank will obtain an independent verification assessment in respect of the SDGs Bond Framework. This independent verification assessment will be published on the Bank's website.

The Bank further intends to obtain an independent verification assessment from an external verifier for each benchmark series of SDG Notes that either Issuer may issue and will publish that verification assessment on the Bank's website.

In addition, the Bank may request, on an annual basis starting one year after the issue of each series of SDG Notes and until maturity (or until redemption in full) of such Notes, a limited assurance report of the allocation of the net proceeds of those SDG Notes to Green Projects and/or Social Projects, as the case may be, which may be provided by its external auditor or another suitably qualified provider and published on its website.

Neither the SDGs Bond Framework, nor any of the above reports, verification assessments or contents of any of the above websites are incorporated in or form part of this Offering Memorandum.

DIVIDENDS

We paid dividends of Ps.60,000 million for the year ended December 31, 2025, Ps.59,200 million for the year ended December 31, 2024, and Ps.61,100 million for the year ended December 31, 2023.

At a meeting held on February 28, 2025, our shareholders approved the distribution of dividends in the aggregate amount of Ps.60,000 million and authorized each of the Chairman, Vice Chairman and Secretary of our Board of Directors to take the following actions individually: (i) decide on the payment of dividends to shareholders on a pro rata basis; (ii) determine the amount of each dividend payment, which shall not exceed the total amount of distributable dividends authorized by our shareholders' meeting; (iii) announce the dividend payment dates; and (iv) determine the proportion of dividend payment for each of our outstanding shares.

At a meeting held on February 28, 2024, our shareholders approved the distribution of dividends in the aggregate amount of Ps.60,000 million and authorized each of the Chairman, Vice Chairman and Secretary of our Board of Directors to take the following actions individually: (i) decide on the payment of dividends to shareholders on a pro rata basis; (ii) determine the amount of each dividend payment, which shall not exceed the total amount of distributable dividends authorized by our shareholders' meeting; (iii) announce the dividend payment dates; and (iv) determine the proportion of dividend payment for each of our outstanding shares. From the aforementioned dividends, only Ps.59,200 million were distributed from the "Results from prior years" account and paid during 2024.

At a meeting held on February 28, 2023, our shareholders approved the distribution of dividends in the aggregate amount of Ps.65,000 million and authorized each of the Chairman, Vice Chairman and Secretary of our Board of Directors to take the following actions individually: (i) decide on the payment of dividends to shareholders on a pro rata basis; (ii) determine the amount of each dividend payment, which shall not exceed the total amount of distributable dividends authorized by our shareholders' meeting; (iii) announce the dividend payment dates; and (iv) determine the proportion of dividend payment for each of our outstanding shares. From the aforementioned dividends, only Ps.61,100 million were distributed from the "Results from prior years" account and paid during 2023.

The declaration, amount and payment of dividends is determined, subject to the limitations set forth below, by the affirmative vote of a majority of the holders of our voting shares, substantially all of which are owned by GFBM, which, in turn, is controlled by BBVA Spain. We may not declare or pay dividends to GFBM unless we meet the capitalization ratio requirements under the Mexican Capitalization Requirements. See "Supervision and Regulation."

Under Mexican law, we are required to allocate 10% of our net income (on an unconsolidated basis and after employee profit sharing and other deductions required by Mexican law) to a capital reserve fund until reaching the equivalent of 100% of the paid-in share capital. Such capital reserve fund is not available for distribution except as a stock dividend, until the amount of the statutory reserves equals our paid-in capital stock. We may pay dividends only out of earnings (including retained earnings after all losses have been absorbed or paid up) and only after the allocation to the statutory reserves fund. We must fund the statutory reserves fund on a stand-alone basis for each company, rather than on a consolidated basis. On December 31, 2025, we were in compliance with the regulations pertaining to our statutory reserves. Our subsidiaries are also required to allocate earnings to their respective statutory reserves funds before paying dividends to us, provided that their statutory reserves must be equal to 5% of their net income until reaching 20% of their paid-in share capital. As of December 31, 2025, our subsidiaries were also in compliance. As of December 31, 2025, we had set aside Ps.6,901 million in statutory reserves compared to paid-in capital stock of Ps.24,143 million (without inflation adjustment).

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2025.

The following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Use of Proceeds" and our Audited Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

	As of December 31, 2025[1]	
	Actual	
	(millions of U.S.$)[1]	(millions of Ps.)
Indebtedness		
Securities issued	8,891	159,610
Subordinated obligations outstanding	4,753	85,338
Total indebtedness	13,644	244,948
Stockholders' equity		
Paid-in capital[2]	2,228	40,003
Cumulative results	20,456	367,242
Total paid-in capital and cumulative results	22,684	407,245
Total capitalization	36,328	652,193

(1) Translated at the rate of Ps.17.9528 to U.S.$1.00, which was the rate on December 31, 2025, as published by *Banco de México* in the Federal Official Gazette on December 31, 2025.

(2) As of December 31, 2025, our authorized capital stock consisted of 9,107,142,859 Series "F" shares and 8,749,999,999 Series "B" shares. Of these shares, 7,737,078,937 Series "F" shares and 7,433,664,076 Series "B" shares were issued and outstanding.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The selected consolidated financial information presented below should be read in conjunction with "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our Audited Financial Statements and other financial information included elsewhere in this Offering Memorandum.

Audited Financial Information

The selected annual financial information presented below has been derived from and should be read in conjunction with our Audited Financial Statements included elsewhere in this Offering Memorandum. Such annual financial information, unless otherwise specified, is presented in nominal pesos.

	For the years ended December 31,			
	2025[1]	2025	2024	2023
	(millions of U.S.$)	(millions of Ps.)		
Statement of comprehensive income:				
Interest income	19,033	341,687	341,114	303,309
Interest expense	(6,025)	(108,173)	(123,844)	(103,027)
Financial margin	13,007	233,514	217,270	200,282
Allowance for loan losses	(3,395)	(60,956)	(54,672)	(44,966)
Financial margin adjusted for loan losses	9,612	172,558	162,598	155,316
Commissions and fees collected	5,169	92,795	83,105	71,707
Commissions and fees paid	(2,414)	(43,330)	(35,698)	(30,618)
Financial intermediation income	1,071	19,232	15,268	12,816
Other operating income (expense)	(421)	(7,557)	(7,172)	(7,848)
Administrative and promotional expenses	(5,366)	(96,343)	(89,859)	(81,075)
Operating income	7,651	137,355	128,242	120,298
Interest in net income of other entities	26	459	406	308
Income before income tax	7,676	137,814	128,648	120,606
Income tax	(2,165)	(38,868)	(35,502)	(33,002)
Income from continuing operations	5,511	98,946	93,146	87,604
Discontinued operations	—	—	—	—
Net income	5,511	98,946	93,146	87,604
Other comprehensive income				
Valuation of financial instruments to collect or sell	401	7,200	(1,043)	4,203
Valuation of derivative financial instruments for cash flow hedges	—	3	541	809
Remeasurement of employee defined benefits	(414)	(7,439)	(616)	(2,981)
Comprehensive income	5,498	98,710	92,028	89,635
Net income attributable to:				
Controlling and non-controlling interest	5,513	98,980	93,186	87,631
Non-controlling interest	(2)	(34)	(40)	(27)
	5,511	98,946	93,146	87,604
Comprehensive income attributable to:				
Controlling and non-controlling interest	5,500	98,744	92,068	89,662
Non-controlling interest	(2)	(34)	(40)	(27)
	5,498	98,710	92,028	89,635

	As of December 31,			
	2025[1]	2025	2024	2023
	(millions of U.S.$ except for percentages)	(millions of Ps., except percentages)		
Balance Sheet Data:				
Cash and cash equivalents	12,871	231,067	270,189	219,260
Margin accounts (derivative financial instruments)	676	12,128	13,379	9,413
Investment in financial instruments	36,908	662,598	657,895	650,919
Total loan portfolio before allowance for loan losses[2]	116,322	2,088,306	1,943,333	1,677,678
Allowance for loan losses	(3,535)	(63,458)	(60,331)	(55,195)
Deferred income tax assets	2,122	38,090	40,157	38,387
All other assets[3]	26,103	468,630	518,930	420,130
Total assets	191,467	3,437,361	3,383,552	2,960,592
Deposits (excluding securities issued)	112,801	2,025,098	1,836,625	1,752,069

	As of December 31,			
	2025[1]	2025	2024	2023
	(millions of U.S.$ except for percentages)	(millions of Ps., except percentages)		
Securities issued	8,891	159,610	135,432	100,862
Subordinated obligations outstanding	4,753	85,338	77,535	50,504
Interbank and other borrowings	985	17,682	13,649	40,070
Total funding[4]	127,430	2,287,728	2,063,241	1,943,505
All other liabilities[5]	41,748	749,499	958,883	688,492
Total liabilities	169,178	3,037,227	3,022,124	2,631,997
Total stockholders' equity	22,288	400,134	361,428	328,595
Profitability and Efficiency:				
Return on average assets[6]	2.94%	2.94%	3.00%	3.07%
Return on average stockholders' equity[7]	25.82%	25.82%	27.00%	27.87%
Net interest margin[8]	6.94%	6.94%	7.01%	7.01%
Efficiency ratio[9]	32.70%	32.70%	32.94%	32.91%
Capitalization:				
Stockholders' equity as a percentage of total assets	11.64%	11.64%	10.68%	11.10%
Tier 1 Capital as a percentage of risk-weighted assets[10]	16.48%	16.48%	15.24%	15.66%
Total capital as a percentage of risk-weighted assets[10]	20.15%	20.15%	18.68%	18.27%
Credit Quality Data:				
Stage 1 and Stage 2 loans[11]	113,844	2,043,826	1,904,820	1,645,559
Stage 3 loans[11]	1,902	34,155	31,250	28,104
Total loans	115,747	2,077,981	1,936,070	1,673,663
Loans graded "C," "D" and "E"[12]	8,369	150,253	136,929	125,315
Allowance for loan losses	(3,535)	(63,458)	(60,331)	(55,195)
Loan Recovery and Write-offs:				
Average past due loan portfolio[13]	1,822	32,703	29,677	25,976
Total past due loan portfolio written-off	(2,950)	(52,957)	(46,998)	(37,128)
Total past due loan portfolio written-off as a percentage of average total loan portfolio before allowance for loan losses[13]	2.48%	2.48%	2.32%	1.99%

(1) Translated at the rate of Ps.17.9528 to U.S.$1.00, which was the rate on December 31, 2025, as published by *Banco de México* in the Federal Official Gazette on December 31, 2025.

(2) Total loan portfolio before allowance for loan losses includes: stage 1, stage 2 and stage 3 loan portfolio, loans measured at fair value, deferred items, and collection rights purchased (net).

(3) All other assets include: debtors on repurchases/resales, derivative financial instruments, valuation adjustments related to financial assets hedged, other accounts receivable (net), foreclosed assets (net), prepayments and other assets (net), property, plant and equipment (net), assets for rights to use property, plant and equipment (net), permanent investments, and intangible assets (net).

(4) Total funding includes: deposits (excluding securities issued), securities issued, subordinated obligations outstanding and interbank and other borrowings.

(5) All other liabilities include: Creditors on repurchase/resale, securities lending, collateral sold or pledged, derivative financial instruments, valuation adjustments to financial liabilities hedged, lease liabilities, other accounts payable, income tax liability, liability for employee benefits, deferred credits and early collections.

(6) As of December 31, 2023, return on average assets is equal to net income for the year divided by average assets for the year. As of December 31, 2024, return on average assets is equal to net income for the year divided by average assets, which are equal to average assets for the latest five quarters, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective for periods beginning with the quarter ended June 30, 2024, to calculate this metric in consistency with the CNBV's published formulas. This change does not represent a significant effect on the comparative presentation of this metric.

(7) As of December 31, 2023, return on average stockholders' equity is equal to net income for the year divided by average stockholders' equity for the year. As of December 31, 2024, return on average stockholders' equity is equal to net income for the year divided by average stockholders' equity for the latest five quarters, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective for periods beginning with the quarter ended June 30, 2024, to calculate this metric in consistency with the CNBV's published formulas. This change does not represent a significant effect on the comparative presentation of this metric.

(8) As of December 31, 2023, net interest margin is equal to financial margin for the year divided by average assets for the year. As of December 31, 2024, net interest margin is equal to financial margin for the year divided by average assets, which are equal to average assets for the latest five quarters, pursuant to the publication in the Federal Official Gazette dated April 16, 2024, where the CNBV announced the obligation, effective for periods beginning with the quarter ended June 30, 2024, to calculate this metric in consistency with the CNBV's published formulas. This change does not represent a significant effect on the comparative presentation of this metric.

(9) Efficiency ratio is equal to total administrative and promotional expenses as a percentage of the aggregate of financial margin and non-interest income (fee income (net) plus financial intermediation income plus other operating income (expense)). For this purpose, financial margin and non-interest income are calculated before allowance for loan losses.

(10) Source: *Banco de México*.

(11) For information on the different loan stages, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio".

(12) See "Selected Statistical Information—Grading of Loan Portfolio."

(13) Average calculated between the beginning and ending balances of each year.

Other Financial Data and Ratios

The selected financial data and ratios presented below have been derived from and should be read in conjunction with our Audited Financial Statements, together with the notes thereto, and the other financial information included elsewhere in this Offering Memorandum. See "Selected Statistical Information—Grading of Loan Portfolio" for more information.

	As of or for the Years Ended December 31,		
	2025	2024	2023
Credit Quality Ratios:			
Allowance for loan losses as a percentage of total loan portfolio	3.04%	3.10%	3.29%
Allowance for loan losses as a percentage of total loan portfolio with stage 3 credit risk	185.79%	193.06%	196.40%
Allowance for loan losses as a percentage of loans graded "C1," "C2," "D" and "E"	42.23%	44.06%	44.05%
Stage 3 credit risk loans as a percentage of total loan portfolio	1.63%	1.61%	1.68%
Net stage 3 loans (stage 3 credit risk loans less allowance for loan losses) as a percentage of loan portfolio	1.40%	1.50%	1.61%
Net stage 3 loans (stage 3 credit risk loans less allowance for loan losses) as a percentage of total stockholders' equity	7.32%	8.05%	8.24%
Allowance for loan losses as a percentage of average loan portfolio.	3.15%	3.33%	3.46%
Average write-offs as a percentage of average loan portfolio	2.48%	2.32%	1.99%
Loans graded "C1," "C2," "D" and "E" as a percentage of loan portfolio	7.19%	7.05%	7.47%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information presented in this section should be read in conjunction with our Audited Financial Statements included elsewhere in this Offering Memorandum. Our Audited Financial Statements have been prepared in accordance with Mexican Banking GAAP, which differs in significant respects from U.S. GAAP and IFRS. For a discussion of significant differences between Mexican Banking GAAP and U.S. GAAP and Mexican Banking GAAP and IFRS, see "Annex A—Summary of Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Summary of Significant Differences Between Mexican Banking GAAP and IFRS," respectively. No reconciliation of our Audited Financial Statements to U.S. GAAP has been prepared for this Offering Memorandum. Any such reconciliation could result in material quantitative differences. See "Presentation of Certain Financial and Other Information."

Economic Environment

Between 2023 and 2025, the global economy operated in a challenging macroeconomic environment characterized by elevated inflation, restrictive monetary policy and heightened geopolitical uncertainty. During 2023, inflation began to moderate across most major economies, following the aggressive interest rate increases implemented by central banks back in 2022, led by the U.S. Federal Reserve and the European Central Bank; however, financial conditions remained tight following the rapid pace of monetary policy tightening. By 2024, inflation continued to decline, allowing several central banks to begin cautiously easing monetary policy. This gradual normalization process continued during 2025 as inflation in many jurisdictions moved closer to central bank targets, although global growth remained uneven and subject to geopolitical risks and the lagged effects of previously restrictive financial conditions.

In Mexico, *Banco de México*'s monetary tightening cycle, which began in June 2021, continued throughout 2022 and early 2023, raising the benchmark interest rate to a maximum level of 11.25% on March 31, 2023. The benchmark rate remained at this level for the remainder of 2023. During 2024, inflation moderation prompted *Banco de México* to cut the benchmark rate for the first time in three years, followed by four additional rate-cuts during 2024, and reaching a level of 10.00% by December 2024. This tendency was maintained during 2025, with eight consecutive rate-cuts throughout the year, reaching a level of 7.00% by December 2025. The inflation rate in December 2025 reached a level of 3.7% year-on-year, below the closing level of 4.7% in December 2024, and much more below the closing level of 5.6% in December 2023. Despite interest rate cuts, Mexico's GDP decelerated from 1.2% in 2024 to 0.8% in 2025, due to a combination of internal fiscal adjustments following the 2024 election spending, lower private investment resulting from uncertainty over constitutional reforms, as well as critical external pressures, such as weakness in the U.S. industrial sector and trade tensions following president Trump's return to the presidency, which contributed to a reduction in manufacturing exports, particularly in the automotive and electronics sectors. That being said, Mexico remains the United States' main trading partner closing 2025. See "—Effects of Changes in Interest Rates."

Effect of Tax Legislation

During 2025, 2024 and 2023, the income tax rate applicable to the Bank under the Income Tax Law was 30%, and we cannot predict if changes may occur in the foreseeable future.

Effects of Changes in Interest Rates

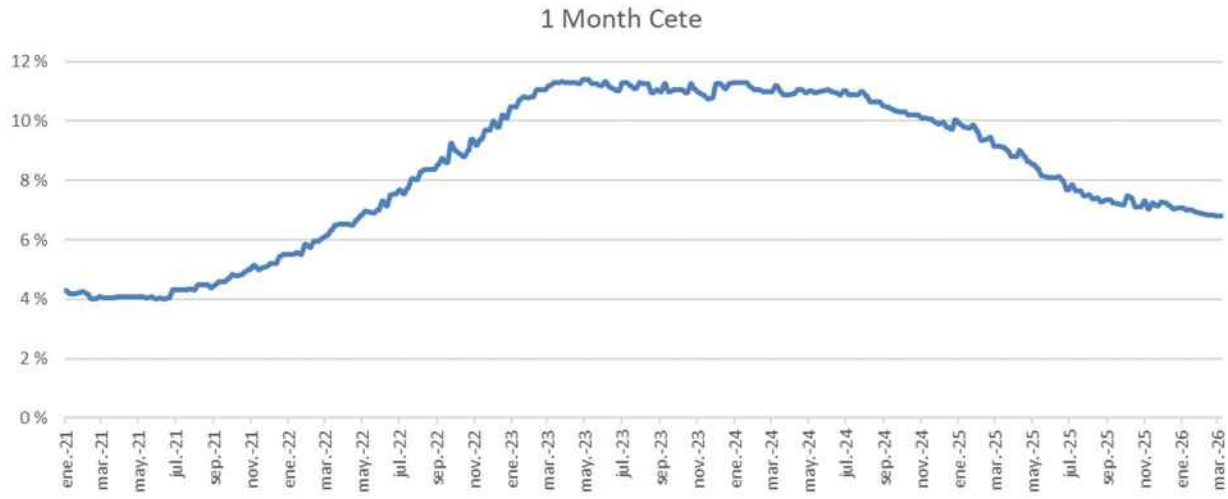
Interest rate fluctuations in Mexico have a significant effect on our interest income, interest expense and trading income. Changes in market interest rates may lead to temporary repricing gaps between our interest-earning assets and our interest-bearing liabilities. Most of our interest-earning assets and interest-bearing liabilities in foreign currency carry floating interest rates or are subject to frequent repricing. Upward or downward adjustments of the interest rates on our assets and liabilities generally occur between one and three months. Repricing generally limits the effects of net exposures that regularly occur upon movements in interest rates. See "Selected Statistical Information—Interest Rate Sensitivity of Assets and Liabilities."

During the periods discussed below, the benchmark market interest rate in Mexico was the annual interest rate paid in connection with primary offerings of Cetes, which are Mexican government peso-denominated treasury bills, with 28-day maturities.

During 2025, *Banco de México* decreased the monetary rate by 3.00 percentage points, from 10.00% in December 2024 to a level of 7.00% in December 2025. In the year ended December 31, 2025, 28-day Cetes and 91-day Cetes averaged 8.13% and 8.19%, respectively.

During 2024, *Banco de México* decreased the monetary rate by 1.25 percentage points, from 11.25% in December 2023 to a level of 10.00% in December 2024. In the year ended December 31, 2024, 28-day Cetes and 91-day Cetes averaged 10.72% and 10.87%, respectively.

During 2023, *Banco de México* increased the monetary rate by 0.75 percentage points to 11.25% from the December 2022 closing level of 10.50%. In the year ended December 31, 2023, 28-day Cetes and 91-day Cetes averaged 11.10% and 11.36%, respectively.



Source: Bloomberg.

Effects of Restructured Credits

Restructured loans remain classified as past due until at least three payments on such loans have been made. Loans restructured under Mexican government support programs are classified as current loans.

When we restructure credits, we reclassify current accrued interest, past due principal and past due interest as current principal, see Note 10 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum. If the restructuring results in a sufficient improvement in the quality of a credit, we may also maintain a smaller allowance for loan loss with respect to such credit and use any excess allowance to reduce the amount of additional provisions on other credits.

Recent Changes in Mexican Banking GAAP

In order to reduce the differences between Mexican Banking GAAP and IFRS, in November 2022, the Mexican Board for the Research and Development of Financial Information Standards issued a document called "Improvements to MFRS 2023," announcing minor changes to some MFRS. As a result, starting January 1, 2023, Mexican banks and other financial institutions in Mexico had to adopt additional new accounting standards.

Therefore, starting January 1, 2023, the Bank adopted the following MFRS:

- A-1 "Conceptual Framework of Financial Reporting Standards"
- B-14 "Earnings per share"
- Interpretation of the MFRS 25 "International tax reforms - Pillar 2 rules"

In addition, starting January 1, 2024, the Bank adopted the following MFRS:

- A-1 "Conceptual Framework of Financial Reporting Standards"
- B-8 "Consolidated or combined financial statements"
- C-2 "Investment in financial instruments"
- C-5 Prepayments

- C-6 Property, plant and equipment
- C-7 Investments in associates, joint ventures and other permanent investments
- C-8 Intangible assets
- C-9 Provisions, contingencies and commitments
- C-10 “Derivative financial instruments and hedging relationships”
- C-19 Financial instruments payable
- D-4 “Income tax”
- D-8 Payments based on shares

Moreover, in December 2024, the Mexican Board for the Research and Development of Financial Information Standards issued a document called “Improvements to MFRS 2025,” announcing new minor improvements to some MFRS. As a result, starting January 1, 2025, the Bank adopted the following MFRS:

- A-1 “Conceptual Framework of Financial Reporting Standards”
- A-2 “Uncertainties about the going concern”
- B-2 “Statement of cash flows”
- B-3 “Statement of comprehensive income”
- B-8 “Consolidated or Combined Financial Statements”
- B-9 “Interim Financial Information”
- B-14, “Earnings per share”
- B-15 “Foreign Currency Conversion”
- B-16 “Financial statements of non-profit entities”
- C-3 “Accounts receivable”
- C-6 “Property, plant and equipment”
- C-8 “Intangible Assets”
- C-9 “Provisions for contingencies and commitments”
- C-10 “Derivative financial instruments and hedging relationships”
- C-19 “Financial Instruments Payable”
- C-20 “Financial instruments for collecting principal and interest”
- D-1 “Revenue from contracts with customers”
- D-8 “Share-based payments”

Note (3)(d) to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum provides a detailed description of each of the new MFRS listed above, as well as their implications and improvements. Note (3)(d) also includes a section called “Improvements to FRS 2025,” summarizing which new MFRS generate accounting changes to the Bank.

It is important to note that the adoption of the new MFRS starting January 1, 2025, January 1, 2023 and January 1, 2024 did not generate any material impact on our financial statements. Therefore, financial information as of December 31, 2023, December 31, 2024 and December 31, 2025, and for the years then ended, is comparable.

Deferred Tax Assets

The Bank has recognized deferred tax assets resulting from the temporal differences between the book value and tax value of certain assets and liabilities by applying the correspondent expected income tax rate applicable at the time of the recovery. Based on management projections, we believe that the balance of the Bank’s deferred taxes coming from the allowance for loan losses will be recovered in the short-to-medium term.

Critical Accounting Policies

The following is a description of certain key accounting policies on which our financial condition and results of operations are dependent. These key accounting policies generally involve complex quantitative analyses or are based on subjective judgments or decisions. In the opinion of our management, the most critical accounting policies under Mexican Banking GAAP are those related to the establishment of allowances for loan losses, valuation of securities and derivatives, valuation of deferred income tax assets and employee retirement obligations. For a full description of our accounting policies, see Note 3 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

Allowances for Loan Losses

Our loan loss reserve levels are calculated in accordance with the rules for the classification and rating of loan portfolios of Mexican banks and the creation of related reserves established in the General Rules Applicable to Mexican Banks (the "Loan Classification and Rating Rules"), which require that the portfolios of commercial, consumer and mortgage loans be rated every month.

Allowance for credit losses for our commercial loan portfolio are calculated mainly based on the most important characteristics of the client and the loan. The Loan Classification and Rating Rules require that we follow a methodology that incorporates an assessment of the client's payment capacity, the period and amount of the loan and the guarantees related to the loan rating analysis to estimate a probable loss and calculate the percentage of necessary reserves. The Loan Classification and Rating Rules allow us to use our own methodology, following certain parameters, to assign a risk rating to each client. Although we have used an internal methodology since May 2014, we apply the rule of the CNBV to a small group of loans to be able to calculate 100% of the credits, which applies to all loans with a balance equal to or greater than 14,000,000 UDI. Commercial loans must, at the same time, be classified by sector as financial entities, states and municipalities or investment projects, or by volume of sales as small, medium or large corporations. Once we classify these commercial loans according to the previous categories, we calculate the expected loss based on different parameters including the probability of default, the severity of the loss and the exposure to default, in accordance with the methodologies established and approved by the CNBV in the applicable annexes.

For loans to individuals, including mortgage loans and other consumer loans, the provision for credit losses is determined, among other things, according to a rating based on scores, the default status of such loans and the rates of historical credit losses prescribed for such classifications. Determination of qualifications for these types of loans is done monthly.

The determination of the allowance for credit losses requires the judgment of management. The calculation resulting from the use of the estimated and prescribed loan loss percentages is indicative of future losses. The differences between the reserve estimate for credit losses and actual loss will be reflected in our financial statements at the time of cancellation.

We believe our loan loss provision is adequate as of the date hereof to cover all known or knowable losses by our loan and credit portfolio. Because of the changing conditions of our borrowers and the markets in which we operate, it is possible that significant adjustments to the loan loss reserve for changes in estimates of our client's ability to pay and our ability to collect on loans will be made in the short term.

Securities and Derivatives

Our consolidated balance sheet reflects certain assets and liabilities related to our securities and derivatives portfolio at their estimated fair value. Such amounts are based on either listed market prices or estimated values derived by utilizing dealer quotes or internally generated modeling techniques. As market conditions change, price vendors generally make adjustments to the fair value of securities and derivatives to reflect those conditions. Future sales of these securities will reflect the market conditions at the time and may differ significantly from the estimated fair market value reflected on the balance sheet.

Employee Retirement Obligations

Our employee retirement obligations include employee pension plans, seniority premium benefits, life insurance payments and severance indemnities. The determination of our obligations and expenses is dependent on our selection of certain assumptions used by actuaries in calculating such amounts. We evaluate our assumptions at least annually, and our assumptions depend on Mexico's economic circumstances.

Mexican Banking GAAP requires the recognition of post-employment obligations, including severance, if such benefits are either contractually agreed or implied through past practices. These obligations are actuarially measured and recognized as services are rendered. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our employees' retirement obligations and our future expenses. See Note 3 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

Results of Operations

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024, and Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Financial Margin

The following table sets forth the components of our financial margin:

	For the Year Ended December 31,		
	2025	**2024**	**2023**
		(millions of Ps.)	
Interest Income:			
Interest and returns on loan portfolios	268,717	256,437	229,728
Interest and returns on financial instruments	45,836	56,806	49,763
Interest on cash and cash equivalents	11,283	11,178	10,067
Interest and premiums on repurchase/resale agreements and securities lending	6,225	7,725	6,269
Interest on margin accounts	204	189	196
Interest on hedging financial instruments	5,680	5,595	3,565
Fee income on loan originations	3,223	3,117	2,775
Other	519	67	946
Total interest income	**341,687**	**341,114**	**303,309**
Interest Expense:			
Interest on deposits	58,337	60,008	50,127
Interest on derivative financial instruments for trading	3,474	2,141	2,066
Interest on interbank and other borrowings	1,390	2,468	3,975
Interest on hedging financial instruments	2,045	2,044	2,616
Interest and premiums on repurchase/resale agreements and securities lending	30,565	48,056	38,186
Expenses on loan originations	3,012	1,919	1,693
Interest on subordinated obligations	6,234	4,850	2,635
Other	3,116	2,358	1,729
Total interest expense	**108,173**	**123,844**	**103,027**
Financial margin	**233,514**	**217,270**	**200,282**

Financial margin was Ps.233,514 million for the year ended December 31, 2025, compared to Ps.217,270 million for the year ended December 31, 2024, which represents an increase of Ps.16,244 million, or 7.5%, mainly due to a decrease in funding costs as a result of efficient management, combined with growth in the loan portfolio.

Financial margin was Ps.217,270 million for the year ended December 31, 2024, compared to Ps.200,282 million for the year ended December 31, 2023, which represents an increase of Ps.16,988 million, or 8.5%, primarily attributable to higher interest income and control of our funding cost.

Interest Income

Interest income was Ps.341,687 million for the year ended December 31, 2025, compared to Ps.341,114 million for the year ended December 31, 2024, which represents an increase of Ps.573 million, or 0.2%, as a result of growth in the loan portfolio in higher-yield segments.

Interest income was Ps.341,114 million for the year ended December 31, 2024, compared to Ps.303,309 million for the year ended December 31, 2023, which represents an increase of Ps.37,805 million, or 12.5%, explained by a solid commercial performance focused on the most profitable segments.

Interest and returns on loan portfolios was Ps.268,717 million for the year ended December 31, 2025, compared to Ps.256,437 million for the year ended December 31, 2024, which translates to a year-on-year increase of Ps.12,280 million, or 4.8%, as a result of growth in the loan portfolio.

Interest and returns on loan portfolios was Ps.256,437 million for the year ended December 31, 2024, compared to Ps.229,728 million for the year ended December 31, 2023, which translates to a year-on-year growth of Ps.26,709 million, or 11.6%, mainly explained by a growth in our lending portfolio in the most profitable segments.

Interest and returns on financial instruments was Ps.45,836 million for the year ended December 31, 2025, compared to Ps.56,806 million for the year ended December 31, 2024, a decrease of Ps.10,970 million, or 19.3%, resulting from an increase in the Bank's restricted securities portfolio, particularly in negotiable financial instruments, which typically have lower yields.

Interest and returns on financial instruments was Ps.56,806 million for the year ended December 31, 2024, compared to Ps.49,763 million for the year ended December 31, 2023, an increase of Ps.7,043 million, or 14.2%, resulting from an increase in the Bank's securities portfolio, particularly in negotiable financial instruments, such as Mexican treasury bonds and other bonds denominated in pesos.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.6,225 million for the year ended December 31, 2025, compared to Ps.7,725 million for the year ended December 31, 2024, a decrease of Ps.1,500 million, or 19.4%. This level of interest in repurchase agreements is the result of the decrease in the monetary policy rates at which these operations were carried out.

Interest and premiums on repurchase/resale agreements and securities lending was Ps.7,725 million for the year ended December 31, 2024, compared to Ps.6,269 million for the year ended December 31, 2023, an increase of Ps.1,456 million, or 23.2%. This level of interest in repurchase agreements is mainly explained by an increase in repurchasing option activity.

Interest Expense

Interest expense was Ps.108,173 million for the year ended December 31, 2025, compared to Ps.123,844 million for the year ended December 31, 2024. This level represents a decrease of Ps.15,671 million, or 12.7%, mainly explained by a reduction in rates paid on repurchase agreements and deposits.

Interest expense was Ps.123,844 million for the year ended December 31, 2024, compared to Ps.103,027 million for the year ended December 31, 2023. This level represents an increase of Ps.20,817 million, or 20.2%, primarily attributable to an increase in deposits.

Interest on deposits was Ps.58,337 million for the year ended December 31, 2025, compared to Ps.60,008 million for the year ended December 31, 2024, which represents a year-on-year decrease of Ps.1,671 million, or 2.8%, as a result of a decrease in rates on interest paid.

Interest on deposits was Ps.60,008 million for the year ended December 31, 2024, compared to Ps.50,127 million for the year ended December 31, 2023, which represents a year-on-year increase of Ps.9,881 million, or 19.7%, mainly explained by an increase in demand and time deposits.

Allowance for Loan Losses

The allowance for loan losses charged against earnings was Ps.60,956 million for the year ended December 31, 2025, compared to Ps.54,672 million for the year ended December 31, 2024. This movement represents an increase of Ps.6,284 million, or 11.5%, primarily attributable to the natural expansion of the portfolio and consistent with a prudent risk recognition policy.

The allowance for loan losses charged against earnings was Ps.54,672 million for the year ended December 31, 2024, compared to Ps.44,966 million for the year ended December 31, 2023. This movement represents an increase of Ps.9,706 million, or 21.6%, attributable to the increase in the consumer portfolio.

Non-Interest Income

The following table sets forth the components of our non-interest income:

	For the Years Ended December 31,		
	2025	**2024**	**2023**
		(millions of Ps.)	
Commissions and Fees:			
Bank fees	9,308	9,126	8,542
Cash management and fund transfers	(1,683)	(1,653)	(1,526)
Credit & debit cards	34,333	32,069	27,814
Investment funds	8,265	6,747	5,134
Effective credit card reward points	(6,650)	(5,463)	(4,645)
Promotion fund collateral	(2,609)	(2,212)	(1,806)

	For the Years Ended December 31,		
	2025	2024	2023
		(millions of Ps.)	
Insurance(1)	4,141	3,896	3,249
Credit placement	(1,634)	(1,406)	(1,095)
Appraisals	(408)	(231)	(347)
Purchase sale of securities	(107)	(72)	(52)
Other	6,509	6,606	5,821
Total commissions and fees	**49,465**	**47,407**	**41,089**
Trading Income:			
Valuation Result:			
Derivatives for trading purposes	(13,614)	8,938	(2,608)
Derivatives for hedging purposes	(39)	38	24
Embedded derivatives	48	(821)	(450)
Currency	7,304	1,785	580
Investments in financial instruments	3,252	(2,360)	2,407
Total valuation result	**(3,049)**	**7,580**	**(47)**
Purchase-sale result:			
Derivatives for trading purposes	15,262	(6,826)	4,974
Derivatives for hedging purposes	329	312	61
Embedded derivatives	(1,040)	(120)	913
Currency	11,174	11,720	8,776
Investments in financial instruments	**(3,444)**	2,602	(1,861)
Total purchase-sale result	**22,281**	**7,688**	**12,863**
Financial intermediation income	**19,232**	**15,268**	**12,816**
Total non-interest income	**68,697**	**62,675**	**53,905**

(1) These are services provided through GFBM affiliates.

Total commissions and fees, net were Ps.49,465 million for the year ended December 31, 2025, compared to Ps.47,407 million for the year ended December 31, 2024, an increase of Ps.2,058 million, or 4.3%, mainly explained by higher customer transactional activity, as well as an increase in fees paid on investment funds.

Total commissions and fees, net were Ps.47,407 million for the year ended December 31, 2024, compared to Ps.41,089 million for the year ended December 31, 2023, an increase of Ps.6,318 million, or 15.4%, as a result of a higher volume in transactions.

Credit and debit card fees were Ps.34,333 million for the year ended December 31, 2025, compared to Ps.32,069 million for the year ended December 31, 2024, an increase of Ps.2,264 million, or 7.1%, as a result of a higher volume in transactions.

Credit and debit card fees were Ps.32,069 million for the year ended December 31, 2024, compared to Ps.27,814 million for the year ended December 31, 2023, an increase of Ps.4,255 million, or 15.3%, due to higher billing and more credit cards granted during the year.

Financial intermediation income was Ps.19,232 million for the year ended December 31, 2025, compared to Ps.15,268 million for the year ended December 31, 2024, an increase of Ps.3,964 million, or 26.0%, mainly due to higher returns from financial instruments, partially offset by lower valuation results during the year.

Financial intermediation income was Ps.15,268 million for the year ended December 31, 2024, compared to Ps.12,816 million for the year ended December 31, 2023, an increase of Ps.2,452 million, or 19.1%. This increase resulted from the Bank's activity through its Global Markets unit and currency-related operations during the year.

Administrative and Promotional Expenses

The following table sets forth the components of our administrative and promotional expenses:

	For the Years Ended December 31,		
	2025	2024	2023
		(millions of Ps.)	
Salaries and employee benefits	46,332	45,262	39,645
Administrative expenses	25,589	23,370	21,362

	For the Years Ended December 31,		
	2025	2024	2023
	(millions of Ps.)		
Rent, depreciation and amortization	18,119	16,363	15,618
Taxes other than income taxes	6,304	4,864	4,450
Total administrative and promotional expenses	**96,343**	**89,859**	**81,075**

Total administrative and promotional expenses were Ps.96,343 million for the year ended December 31, 2025, compared to Ps.89,859 million for the year ended December 31, 2024, an increase of Ps.6,484 million, or 7.2%, as a result of higher personnel expenses, business growth and continued investments in physical and digital infrastructure.

Total administrative and promotional expenses were Ps.89,859 million for the year ended December 31, 2024, compared to Ps.81,075 million for the year ended December 31, 2023, an increase of Ps.8,784 million, or 10.8%, due to a growth in salaries and employee benefits.

Salaries and employee benefits expenses were Ps.46,332 million for the year ended December 31, 2025, compared to Ps.45,262 million for the year ended December 31, 2024, an increase of Ps.1,070 million, or 2.4%, mainly explained by variable compensation.

Salaries and employee benefits expenses were Ps.45,262 million for the year ended December 31, 2024, compared to Ps.39,645 million for the year ended December 31, 2023, an increase of Ps.5,617 million, or 14.2%. This increase was mainly the result of hiring to fill new positions focused on engineering and technology.

Administrative expenses were Ps.25,589 million for the year ended December 31, 2025, compared to Ps.23,370 million for the year ended December 31, 2024. This increase of Ps.2,219 million, or 9.5%, can be explained by our continued investments in physical and digital infrastructure.

Administrative expenses were Ps.23,370 million for the year ended December 31, 2024, compared to Ps.21,362 million for the year ended December 31, 2023. This increase of Ps.2,008 million, or 9.4%, was a result of higher commercial activity related to the business.

Rent, depreciation and amortization expenses increased to Ps.18,119 million for the year ended December 31, 2025, from Ps.16,363 million for the year ended December 31, 2024. This increase of Ps.1,756 million, or 10.7%, is primarily attributable to continued investments in our physical infrastructure.

Rent, depreciation and amortization expenses increased to Ps.16,363 million for the year ended December 31, 2024, from Ps.15,618 million for the year ended December 31, 2023. This increase of Ps.745 million, or 4.8%, was primarily due to an increase in overall rental rates.

Taxes other than income taxes reached Ps.6,304 million for the year ended December 31, 2025, compared to Ps.4,864 million for the year ended December 31, 2024, representing an increase of Ps.1,440 million, or 29.6%, as a result of higher VAT payment.

Taxes other than income taxes reached Ps.4,864 million for the year ended December 31, 2024, compared to Ps.4,450 million for the year ended December 31, 2023, representing an increase of Ps.414 million, or 9.3%, primarily as a result of an increase in the effective tax rate, as a result of higher profits, given the growth of our business.

Total Income Taxes

Total income taxes were Ps.38,868 million for the year ended December 31, 2025, compared to Ps.35,502 million for the year ended December 31, 2024, an increase of Ps.3,366 million, or 9.5%, as a result of a growth in our earnings before taxes base and a growth in the effective tax rate. The effective tax rate for the year ended December 31, 2025 was 28.3%, compared to 27.7% for the year ended December 31, 2024.

Total income taxes were Ps.35,502 million for the year ended December 31, 2024, compared to Ps.33,002 million for the year ended December 31, 2023, an increase of Ps.2,500 million, or 7.6%, mainly explained by a growth in the effective tax rate. The effective tax rate for the year ended December 31, 2024 was 27.7%, compared to 27.4% for the year ended December 31, 2023.

Net Income

Net income was Ps.98,946 million for the year ended December 31, 2025, compared to Ps.93,146 million for the year ended December 31, 2024, an increase of Ps.5,800 million, or 6.2%.

Net income was Ps.93,146 million for the year ended December 31, 2024, compared to Ps.87,604 million for the year ended December 31, 2023, an increase of Ps.5,542 million, or 6.3%.

Financial Position

The following discussion compares our consolidated financial position as of the years ended December 31, 2025, 2024 and 2023. Unless otherwise specified, the information is presented in nominal pesos.

Assets

As of December 31, 2025, we had total assets of Ps.3,437,361 million, compared to Ps.3,383,552 million as of December 31, 2024, representing an increase of 1.6%. This increase was mainly explained by a growth in the loan portfolio.

As of December 31, 2024, we had total assets of Ps.3,383,552 million, compared to Ps.2,960,592 million as of December 31, 2023, representing an increase of 14.3%. This increase was mainly explained by a higher credit portfolio.

Total Performing Loans

As of December 31, 2025, we had a total current loan portfolio of Ps.2,043,826 million, compared to Ps.1,904,820 million as of December 31, 2024, an increase of 7.3%. This increase derived from increases in the commercial portfolio, consumer portfolio and mortgage portfolio, which grew 4.1%, 13.7% and 8.2%, respectively, during 2025. As of December 31, 2025, current commercial loans represented 54.0% of our total current loan portfolio, current consumer loans represented 26.9%, and mortgages represented 19.1%.

As of December 31, 2024, we had a total current loan portfolio of Ps.1,904,820 million, compared to Ps.1,645,559 million as of December 31, 2023, an increase of 15.7%. This increase derived from increases in the commercial portfolio, consumer portfolio and mortgage portfolio, which grew 18.3%, 15.5% and 9.2%, respectively, during 2024. As of December 31, 2024, current commercial loans represented 55.6% of our total current loan portfolio, current consumer loans represented 25.4%, and mortgages represented 19.0%.

As of December 31, 2023, current commercial loans represented 54.4% of our total current loan portfolio, current consumer loans represented 25.5%, and mortgages represented 20.1%.

For information on the different loan stages reflected in our 2025, 2024 and 2023 financial information as a result of new accounting standards we have applied since January 1, 2022, see “Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio” and Note 10 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

Total Past Due Loans

As of December 31, 2025, we had total past due loans of Ps.34,155 million, compared to Ps.31,250 million as of December 31, 2024, an increase of Ps.2,905 million, or 9.3%. This increase was mainly explained by the evolution of the portfolio and the macroeconomic environment during the year. As of December 31, 2025, the past due consumer loan portfolio represented 0.8% of our loan portfolio, the past due mortgage loan portfolio represented 0.4%, and the past due commercial loan portfolio represented 0.4%.

As of December 31, 2024, we had total past due loans of Ps.31,250 million, compared to Ps.28,104 million as of December 31, 2023, an increase of Ps.3,146 million, or 11.2%. This increase was mainly explained by a growth in the Retail portfolio. As of December 31, 2024, the past due consumer loan portfolio represented 0.8% of our loan portfolio, the past due mortgage loan portfolio represented 0.4%, and the past due commercial loan portfolio represented 0.5%.

As of December 31, 2023, the past due consumer loan portfolio represented 0.8% of our loan portfolio, the past due mortgage loan portfolio represented 0.4%, and the past due commercial loan portfolio represented 0.5%.

Liabilities

As of December 31, 2025, we had total liabilities of Ps.3,037,227 million compared to Ps.3,022,124 million as of December 31, 2024, an increase of Ps.15,103 million, or 0.5%. This increase was mainly driven by deposit growth, partially offset by a decrease in other liabilities such as repurchase agreements.

As of December 31, 2024, we had total liabilities of Ps.3,022,124 million compared to Ps.2,631,997 million as of December 31, 2023, an increase of Ps.390,127 million, or 14.8%. This increase was mainly explained by higher volume in demand and time deposits.

Deposits

As of December 31, 2025, we had total deposits of Ps.2,184,708 million, compared to Ps.1,972,057 million as of December 31, 2024, an increase of Ps.212,651 million, or 10.8%. This increase was mainly the result of a growth in both time and demand deposits.

As of December 31, 2024, we had total deposits of Ps.1,972,057 million, compared to Ps.1,852,931 million as of December 31, 2023, an increase of Ps.119,126 million, or 6.4%. This increase was primarily attributable to a growth in demand deposits, and to a lesser extent, by the appreciation of the U.S. dollar against the peso.

Interbank and Other Borrowings

As of December 31, 2025, we had interbank and other borrowings for Ps.17,682 million, compared to Ps.13,649 million as of December 31, 2024, an increase of Ps.4,033 million, or 29.5%. This increase is explained by the entering into of additional credit lines between the Bank and other financial institutions, as part of the Bank's strategy diversifying funding sources.

As of December 31, 2024, we had interbank and other borrowings for Ps.13,649 million, compared to Ps.40,070 million as of December 31, 2023, a decrease of Ps.26,421 million, or 65.9%. This decrease was the result of our holding a lesser amount of the long-term credit instruments issued by *Banco de México*.

Subordinated Obligations Outstanding

As of December 31, 2025, we had Ps.85,338 million of subordinated obligations outstanding, which represented 2.8% of our total liabilities, as described above

On February 11, 2025, we issued U.S.$1,000 million aggregate principal amount of 7.625% Fixed Reset Subordinated Preferred Tier 2 Capital Notes due 2035 in the international capital markets.

On January 8, 2024, we issued U.S.$900 million aggregate principal amount of 8.125% Fixed Reset Subordinated Preferred Tier 2 Capital Notes due 2039 in the international capital markets.

On June 29, 2023, we issued U.S.$1,000 million aggregate principal amount of 8.450% Fixed Reset Subordinated Preferred Tier 2 Capital Notes due 2038 in the international capital markets.

On September 13, 2019, we issued U.S.$750 million aggregate principal amount of 5.875% Fixed Rate Subordinated Preferred Tier 2 Capital Notes due 2034 in the international capital markets.

On January 18, 2018, we issued U.S.$1,000 million aggregate principal amount of 5.125% Fixed Rate Subordinated Preferred Tier 2 Capital Notes due 2033 in the international capital markets.

Stockholders' Equity

As of December 31, 2025, our stockholders' equity was Ps.400,134 million, compared to Ps.361,428 million as of December 31, 2024, an increase of Ps.38,706 million, or 10.7%. This increase was mainly attributable to a higher level of net income.

As of December 31, 2024, our stockholders' equity was Ps.361,428 million, compared to Ps.328,595 million as of December 31, 2023, which represents an increase of Ps.32,833 million, or 9.9%. This increase was mainly due to a higher level of net income.

Liquidity and Funding

The purpose of liquidity management is to ensure that we have funds available to meet our present and future financial obligations and to respond to business opportunities as they arise. Liquidity needs arise from withdrawals of

deposits, repayments of borrowed funds at maturity, extensions of loans or other forms of credit and working capital needs.

We have several funding sources including (i) customer deposits, which are in the form of either checking accounts, both interest-bearing and non-interest-bearing, *pagarés bancarios*, which are short-term promissory notes and certificate of deposits; (ii) repurchase agreements; (iii) structured notes in the local markets; and (iv) senior and subordinated notes issuances in the local and international markets. Our policy is to price our assets based upon our highest cost source of funds both to ensure that loan pricing reflects our current liquidity conditions and to maximize financial margin.

Customer deposits, which totaled Ps.2,184,708 million as of December 31, 2025, Ps.1,972,057 million as of December 31, 2024, and Ps.1,852,931 million as of December 31, 2023, are our most important and also our least costly funding source. Our funding strategy focuses on increasing low-cost funding sources through marketing campaigns and improved customer service to increase the volume of deposits from our existing customers and expand our customer base. Bank notes and certificates of deposit can be issued in the domestic capital markets to manage our short-term funding structure.

We have an active asset and liability management strategy that allows us to manage our various funding sources in order to obtain a sound and balanced structure and minimize our costs. Deposits with no maturity, which come from our large base of clients, are highly stable and strengthen our low cost and core deposits.

In order to carry out our asset and liability management strategy, we have established a transfer pricing process for our funding sources, which incorporates the liquidity and risk associated with the funding source into its price. This strategy enables us to accurately measure the prices of loans and deposits, and provides us the flexibility to respond to any climate, while also preserving margin.

Within our financing alternatives, we complement financing in the wholesale market through two recurring issuer programs. The first, for the local market, which was listed in April 2021 on the Mexican Stock Exchange and was registered with the CNBV as a program of Stock Certificates (*Certificados Bursátiles*), Bank Stock Certificates (*Certificados Bursátiles Bancarios*), Term Bank Deposit Certificates, and Promissory Notes (*pagarés*) with yield for an authorized amount up to Ps.80,000 million or the equivalent in U.S. dollars, Euros or Investment Units (UDIs), on a revolving basis, which was increased to Ps.120,000 million on March 2025. We are currently working with the CNBV to renew this Program. The second is this Program which was first listed on Euronext Dublin in August 2019 with an authorized amount of up to U.S.$10 billion.

As of December 31, 2025, we had a total balance of Ps.244,948 million of outstanding indebtedness, of which Ps.159,610 million, or 65.2%, related to securities issued and Ps.85,338 million, or 34.8%, related to subordinated obligations outstanding. Our securities issued are denominated in U.S. dollars, pesos and UDIs, while our outstanding subordinated obligations outstanding are denominated entirely in U.S. dollars.

To optimize our financing structure, we have liquid assets that can be used in the short term to cover liquidity risk. As reported to the CNBV, the LCR for the quarter ended December 31, 2025 was 158.3%. In addition, we have a Financing Plan for Contingencies and a Recovery Plan if we experience a stress scenario.

Foreign Currency Position

Our foreign-currency denominated assets, substantially all of which are U.S. dollar-denominated, are funded from a number of sources. These sources include deposits of the same currency obtained from various sources, primarily through deposits of private banking customers, medium and large Mexican companies, primarily in the export sector, the placement of certificates of deposit in the Eurodollar market, interbank deposits, fixed-rate notes and subordinated debentures and asset securitizations. In the case of foreign trade transactions, we use trade financing facilities from Mexican development banks and foreign export-import banks. Foreign currency funding rates are generally based on SOFR.

For the years ended December 31, 2025, 2024 and 2023, we were in compliance with all regulatory requirements relating to the ratio of U.S. dollar-denominated liabilities to total liabilities.

Banco de México's regulations require that a bank maintain open positions in foreign currencies no higher than a specified level with respect to its total Tier 1 Capital. As of December 31, 2025, our foreign currency-denominated assets, including derivative transactions, totaled U.S.$24.5 billion (Ps.440,542 million), representing 12.8% of our total assets. At that date, our foreign currency-denominated liabilities, including derivative transactions,

totaled U.S.$23.8 billion (Ps.427,914 million), representing 12.4% of our total liabilities and stockholders' equity. As part of our asset liability management strategy, we closely monitor our exposure to foreign currencies to minimize the effect of exchange rate movements on our income.

Capital Expenditures

Capital expenditures have primarily consisted of expenditures for technology and systems. The purpose of our capital expenditures plan is to increase the development of new strategies and programs, enhance long-term productivity, significantly change our processes and develop new business models.

During the year ended December 31, 2025, we made investments in capital expenditures in an aggregate amount of Ps.9,340 million, which primarily consisted of technology and banking infrastructure. These expenditures were funded with cash generated from our operations and other sources of liquidity.

Risk-Based Capital

Pursuant to the Mexican Capitalization Requirements, we are required to maintain specified levels of net capital on an unconsolidated basis as a percentage of risk-weighted assets and credit risk. The Rules for Capitalization and the Mexican Capitalization Requirements set forth the methodology for determining the net capital required relative to market risk, credit risk and operational risk. See "Supervision and Regulation—Capitalization." These regulations provide that (1) our investment in subsidiaries that are related to us in accordance with Article 73 of the Mexican Banking Law, (2) our investment in subsidiaries that do not operate in the financial sector and (3) revaluation surpluses related to the investments referred to in (1) and (2) above must be subtracted from the calculation of Tier 1 Capital. Article 122 of the Mexican Banking Law provides that if a bank does not comply with the minimum Capital Ratios required pursuant to the Mexican Capitalization Requirements, which are (i) 10.5% in the case of the Total Net Capital (*capital neto*), which includes the Capital Conservation Buffer, (ii) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (iii) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, *plus*, in each case, any other applicable Capital Supplement applicable to the bank, the bank must implement the corrective measures ordered by the CNBV. As of December 31, 2025, our Capitalization Ratios were (i) 20.15% in the case of Net Capital, (ii) 16.48% in the case of Fundamental Basic Capital, and (iii) 16.48% in the case of Basic Capital.

The following table presents our risk-weighted assets and Capital Ratios as of December 31, 2025, 2024 and 2023, determined, as required by regulations, on an unconsolidated basis.

	As of December 31,		
	2025	**2024**	**2023**
	(millions of Ps., except percentages)		
Tier 1	379,333	339,196	306,808
Tier 2	84,480	76,729	51,040
Total Capital	463,813	415,925	357,848
Risk-weighted assets:			
Credit risk	1,526,437	1,510,359	1,245,702
Market risk	474,149	438,914	464,391
Operational risk	301,078	276,826	248,998
Total risk-weighted assets	**2,301,663**	**2,226,100**	**1,959,909**
Capital ratios (credit, market and operational risk):			
Tier 1 Capital to risk-weighted assets	16.50%	15.20%	15.80%
Tier 2 Capital to risk-weighted assets	3.70%	3.5%	2.60%
Total Capital to risk-weighted assets	20.20%	18.70%	18.30%

Source: Banco de México.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to a number of off-balance sheet activities that contain credit, market and operational risk that are not reflected in our Audited Financial Statements. These activities include commitments to extend credit not otherwise accounted for as contingent loans, such as overdrafts and credit card lines of credit, and long-term contractual obligations under operating leases or service contracts. We record our off-balance sheet arrangements as memorandum accounts, which are described more fully in Note 3 to our Audited Financial Statements included elsewhere in this Offering Memorandum.

We provide customers with off-balance sheet credit support through loan commitments. Such commitments are agreements to lend to a customer at a future date, subject to compliance with the contractual terms. Since substantial portions of these commitments are expected to expire without our having to make any loans, total commitment amounts do not necessarily represent our actual future cash requirements. These loan commitments totaled Ps.1,093,731 million as of December 31, 2025.

The credit risk of both on- and off-balance sheet financial instruments varies based on many factors, including the value of collateral held and other security arrangements. To mitigate credit risk, we generally determine the need for specific covenant, guaranty and collateral requirements on a case-by-case basis, depending on the nature of the financial instrument and the customer's creditworthiness. We may also require comfort letters and oral assurances. The amount and type of collateral held to reduce credit risk varies, but may include real estate, machinery, equipment, inventory and accounts receivable, as well as cash on deposit, stocks, bonds and other marketable securities that are generally held in our possession or at another appropriate custodian or depository. This collateral is valued and inspected on a regular basis to ensure both its existence and adequacy. Additional collateral is required when we deem it necessary.

SELECTED STATISTICAL INFORMATION

The following information should be read in conjunction with "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Audited Financial Statements, together with the notes thereto, included elsewhere in this Offering Memorandum.

Unless otherwise specified, in accordance with Mexican Banking GAAP, our Audited Financial Statements and the other financial information with respect to us contained in this Offering Memorandum are presented in consolidated form. We consolidate entities (including special-purpose entities, such as securitized transaction trusts) over which we exercise control. Our investments in affiliates are accounted for under the equity method. See Notes 17 and 24 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

Assets and liabilities have been classified by currency of denomination (pesos or foreign currencies), rather than by domicile of customer or other criteria, because substantially all of our transactions are effected in Mexico or on behalf of Mexican residents in pesos or foreign currencies. The U.S. dollar is the principal foreign currency used in our transactions. However, Japanese yen, Swiss francs and euros are also used. For purposes of this section, all foreign currency assets and liabilities have been converted into U.S. dollars and then expressed in pesos.

Unless otherwise indicated, annual financial information for 2025, 2024 and 2023 is presented in nominal pesos.

Because Mexican tax law does not currently provide income tax exemptions for any investment securities, we do not hold any income tax-exempt investment securities and no tax-equivalence adjustments are considered necessary.

The loan portfolio information provided in this "Selected Statistical Information" was determined in accordance with the manner in which we have presented the components of our loan portfolio elsewhere in this Offering Memorandum, except that the loan portfolio data presented under this "Selected Statistical Information" does not include amounts attributable to accrued interest, which represented 0.61% of our total loan portfolio as of December 31, 2025. Presentation of the financial and statistical information included in this "Selected Statistical Information" may differ from the manner of presentation required by Mexican Banking GAAP standards for the presentation of our financial statements.

Average Balance Sheet and Interest Rate Data

Peso-Denominated Average Balances and Interest Income

Average balances for our peso-denominated assets and liabilities have been calculated in the following manner. For each month, an average of the daily peso balances was determined. The average balance for each year presented below is the average of the 12 monthly balances so determined. Interest income (expense) for each year is the total of the income (expense) for the 12 months.

For our consolidated subsidiaries, average balances have been calculated on the basis of the average of month-end balances.

Foreign Currency-Denominated and UDI-Denominated Average Balances and Interest Income

Average balances for our foreign currency-denominated and UDI-denominated assets and liabilities have been translated into pesos and calculated in the following manner. For each month, an average of the daily foreign currency or UDI balances was determined. Such daily average balances are converted into pesos using the closing exchange rate for the applicable month as published by *Banco de México* in the Federal Official Gazette. The average balance for each year presented below is the average of the 12 monthly balances so determined. Interest income (expense) is converted into pesos using the average exchange rate for the applicable month. Interest income (expense) for each year is the total of the income (expense) for the 12 months so determined.

For our consolidated subsidiaries, average balances have been calculated on the basis of the average of month-end balances.

Average Interest Rates

The average annual rates earned on interest-earning assets and the average annual rate paid on interest-bearing liabilities are nominal rates.

Average Assets and Interest Rates

The tables below present the average balance of assets, interest income and average annual interest rate for the periods specified.

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)
	(millions of Ps., except percentages)								
Deposits in banks:									
Pesos	73,066	6,013	8.23	57,986	6,208	10.71	59,528	6,526	10.96
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	112,807	6,639	5.89	88,575	5,992	6.76	99,474	7,031	7.07
Subtotal	**185,874**	**12,652**	**6.81**	**146,561**	**12,199**	**8.32**	**159,003**	**13,557**	**8.53**
Government securities:									
Pesos	411,258	41,572	10.11	471,880	47,325	10.03	462,331	38,429	8.31
UDIs	42,209	1,323	3.13	48,732	2,379	4.88	34,483	1,547	4.49
Foreign currency	66,734	2,198	3.29	63,258	3,793	6.00	38,996	2,662	6.83
Subtotal	**520,201**	**45,093**	**8.67**	**583,869**	**53,497**	**9.16**	**535,810**	**42,638**	**7.96**
Investment in other fixed income securities:									
Pesos	16,961	2,496	14.72	12,921	2,389	18.49	8,882	1,115	12.55
UDIs	1,770	—	—	716	—	—	1,611	—	—
Foreign currency	8,912	913	10.24	8,206	1,072	13.06	7,479	599	8.01
Subtotal	**27,643**	**3,409**	**12.33**	**21,843**	**3,461**	**15.84**	**17,972**	**1,714**	**9.54**
Loans:									
Pesos	1,711,571	252,716	14.77	1,528,443	239,619	15.68	1,375,629	215,397	15.66
UDIs	1,521	93	6.11	1,927	123	6.38	2,360	153	6.48
Foreign currency	275,154	19,202	6.98	242,177	20,900	8.63	202,322	18,325	9.06
Subtotal	**1,988,246**	**272,011**	**13.68**	**1,772,548**	**260,643**	**14.70**	**1,580,312**	**233,875**	**14.8**
Debtors from repurchase agreements:									
Pesos	76,105	6,224	8.18	70,805	7,825	11.05	56,563	6,331	11.19
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	579	—	—	—	—	—	—	—	—
Subtotal	**76,684**	**6,224**	**8.12**	**70,805**	**7,825**	**11.05**	**56,563**	**6,331**	**11.19**
Other interest earning assets:									
Pesos	20,276	1,036	5.11	17,355	912	5.25	13,362	718	5.37
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	(124)	(2)	1.61	(8)	—	—	(12)	—	—
Subtotal	**20,152**	**1,034**	**5.13**	**17,347**	**912**	**5.26**	**13,350**	**718**	**5.38**
Total interest earning assets:									
Pesos	2,309,238	310,057	13.43	2,159,389	304,277	14.09	1,976,296	268,517	13.59
UDIs	45,501	1,416	3.11	51,375	2,502	4.87	38,454	1,700	4.42
Foreign currency	464,061	28,949	6.24	402,208	31,758	7.90	348,259	28,616	8.22
Subtotal	**2,818,799**	**340,442**	**12.08**	**2,612,972**	**338,537**	**12.96**	**2,363,010**	**298,833**	**12.65**

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)
	(millions of Ps., except percentages)								
Equity investment:									
Pesos	4,633			8,059			4,998		
Foreign currency	58			44			58		
Subtotal	**4,691**			**8,103**			**5,056**		
Cash due from banks:									
Pesos	52,369			49,749			46,421		
Foreign currency	11,679			12,198			11,276		
Subtotal	**64,048**			**61,947**			**57,697**		
Allowance for loan losses:									
Pesos (includes UDIs)	(60,081)			(55,512)			(49,157)		
UDIs	(48)			(50)			(62)		
Foreign currency	(1,683)			(1,645)			(1,571)		
Subtotal	**(61,813)**			**(57,207)**			**(50,790)**		
Premises and equipment:									
Pesos	43,520			44,514			42,595		
Foreign currency	151			10			15		
Subtotal	**43,671**			**44,524**			**42,609**		

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)	Average Balance	Interest Income	Average Interest Rate (%)
	(millions of Ps., except percentages)								
Other non-interest-earning assets:									
Pesos	70,187			191,008			87,660		
UDIs	(23,130)			(22,026)			(26,597)		
Foreign currency	(26,564)			(128,467)			(12,658)		
Subtotal	**20,493**			**40,515**			**48,405**		
Total assets:									
Pesos	2,419,866	310,057	12.81	2,397,208	304,277	12.69	2,108,813	268,517	12.73
UDIs	22,322	1,416	6.34	29,298	2,502	8.54	11,795	1,700	14.41
Foreign currency	447,701	28,949	6.47	284,348	31,758	11.17	345,378	28,616	8.29
Subtotal	**2,889,889**	**340,422**	**11.78**	**2,710,854**	**338,537**	**12.49**	**2,465,986**	**298,833**	**12.12**

Average Liabilities, Stockholders' Equity and Interest Rates

The table below presents the average balance of liabilities and stockholders' equity, interest expense and average annual interest rate for the periods specified.

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Expense	Average Interest Rate (%)	Average Balance	Interest Expense	Average Interest Rate (%)	Average Balance	Interest Expense	Average Interest Rate (%)
	(millions of Ps., except percentages)								
Demand deposits (checking accounts):									
Pesos	617,100	22,430	3.63	556,496	24,176	4.34	503,363	20,406	4.05
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	160,856	2,934	1.82	151,365	3,077	2.03	132,532	1,866	1.41
Subtotal	**777,956**	**25,365**	**3.26**	**707,862**	**27,253**	**3.85**	**635,895**	**22,272**	**3.5**
Saving deposits:									
Pesos	552,271	92	0.02	505,297	116	0.02	466,095	97	0.02
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	1,615	—	—	1,711	—	—	1,786	—	—
Subtotal	**553,886**	**92**	**0.02**	**507,008**	**116**	**0.02**	**467,881**	**97**	**0.02**
Time deposits:									
Pesos	406,465	42,078	10.35	335,239	41,177	12.28	302,833	30,144	9.95
UDIs	19,327	—	—	18,356	805	4.39	17,521	752	4.29
Foreign currency	22,334	1,714	7.67	16,858	338	2.00	11,725	255	2.17
Subtotal	**448,126**	**43,791**	**9.77**	**370,453**	**42,320**	**9.38**	**332,079**	**31,150**	**9.38**
Short-term borrowings:									
Pesos	351	29	8.19	10,172	1,186	11.66	23,259	2,672	11.49
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	1,604	160	9.96	406	22	5.42	944	49	5.19
Subtotal	**1,955**	**188**	**9.64**	**10,578**	**1,208**	**11.42**	**24,203**	**2,722**	**11.24**
Long-term debt:									
Pesos	12,414	1,384	11.15	10,837	1,306	12.05	11,389	1,324	11.63
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	1,927	—	—	1,833	—	—	1,569	—	—
Subtotal	**14,341**	**1,384**	**9.65**	**12,670**	**1,306**	**10.31**	**12,957**	**1,324**	**10.22**
Subordinated Notes:									
Pesos	—	—	—	—	—	—	—	—	—
UDIs	—	—	—	—	—	—	—	—	—
Foreign currency	105,364	7,986	7.58	87,017	6,166	7.09	65,151	4,930	7.57
Subtotal	**105,364**	**7,986**	**7.58**	**87,017**	**6,166**	**7.09**	**65,151**	**4,930**	**7.57**
Creditors from repurchase agreements:									
Pesos	314,195	26,637	8.48	379,038	41,572	10.97	309,619	34,938	11.28
UDIs	18,303	—	—	25,751	—	—	11,278	—	—
Foreign currency	—	—	—	—	—	—	—	—	—
Subtotal	**332,499**	**26,637**	**8.01**	**404,788**	**41,572**	**10.27**	**320,897**	**34,938**	**10.89**
Total interest-bearing liabilities:									
Pesos	1,902,796	92,650	4.87	1,797,078	109,533	6.10	1,616,558	89,581	5.54
UDIs	37,630	—	—	44,106	805	1.83	28,799	752	2.61
Foreign currency	293,700	12,794	4.36	259,191	9,603	3.71	213,707	7,100	3.32

	For the Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Expense	Average Interest Rate (%)	Average Balance	Interest Expense	Average Interest Rate (%)	Average Balance	Interest Expense	Average Interest Rate (%)
	(millions of Ps., except percentages)								
Subtotal	**2,234,127**	**105,444**	**4.72**	**2,100,375**	**119,941**	**5.71**	**1,859,064**	**97,432**	**5.24**
Non-interest-bearing liabilities:									
Pesos	125,012			246,295			171,382		
UDIs	(15,308)			(14,808)			(17,003)		
Foreign currency	154,000			25,158			131,671		
Subtotal	**263,703**			**256,645**			**286,050**		
Stockholders' equity:									
Pesos	392,058			353,834			320,873		
Foreign currency	1			—			—		
Subtotal	**392,060**			**353,834**			**320,873**		
Total liabilities and stockholders' equity									
Pesos	2,419,866	92,650	3.83	2,397,208	109,533	4.57	2,108,813	89,581	4.25
UDIs	22,322	—	—	29,298	805	2.75	11,795	752	6.38
Foreign currency	447,701	12,794	2.86	284,348	9,603	3.38	345,378	7,100	2.06
Total	**2,889,889**	**105,444**	**3.65**	**2,710,854**	**119,941**	**4.42**	**2,465,986**	**97,432**	**3.95**

Changes in Financial Margin and Expense

The following tables allocate, by currency of denomination, changes in our net interest income between changes in volume and changes in rates for the year ended December 31, 2025, compared to the year ended December 31, 2024, and the year ended December 31, 2023. Volume and rate variances have been calculated based on movements in average balances over the period and changes in interest rates on average balances of interest-earning assets and average balances of interest-bearing liabilities. The variances caused by changes in both volume and rate have been allocated to volume.

Interest-Earning Assets

	2025/2024			2024/2023		
	Increase (decrease) due to changes in:			Increase (decrease) due to changes in:		
	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change
	(millions of Ps.)					
Deposits in banks:						
Pesos	1,241	(1,436)	(195)	(165)	(153)	(318)
UDIs	—	—	—	—	—	—
Foreign currency	1,426	(779)	647	(737)	(302)	(1,039)
Subtotal	**2,667**	**(2,215)**	**452**	**(902)**	**(455)**	**(1,357)**
Government securities:						
Pesos	(6,128)	375	(5,753)	958	7,938	8,896
UDIs	(204)	(852)	(1,056)	696	136	832
Foreign currency	114	(1,709)	(1,595)	1,455	(324)	1,131
Subtotal	**(6,218)**	**(2,186)**	**(8,404)**	**3,109**	**7,750**	**10,859**
Investment in other fixed income securities:						
Pesos	595	(488)	107	747	527	1,274
UDIs	—	—	—	—	—	—
Foreign currency	72	(231)	(159)	95	378	473
Subtotal	**667**	**(719)**	**(52)**	**842**	**905**	**1,747**
Loans:[1]						
Pesos	27,039	(13,942)	13,097	23,957	265	24,222
UDIs	(25)	(5)	(30)	(28)	(2)	(30)
Foreign currency	2,301	(3,999)	(1,698)	3,440	(865)	2,575
Subtotal	**29,315**	**(17,946)**	**11,369**	**27,369**	**(602)**	**26,767**
Debtors from repurchase agreements:						
Pesos	433	(2,034)	(1,601)	1,574	(80)	1,494

	2025/2024			2024/2023		
	Increase (decrease) due to changes in:			Increase (decrease) due to changes in:		
	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change
	(millions of Ps.)					
UDIs	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—
Subtotal	**433**	**(2,034)**	**(1,601)**	**1,574**	**(80)**	**1,494**
Other interest-earning assets:						
Pesos	149	(25)	124	210	(16)	194
UDIs	—	—	—	—	—	—
Foreign currency	(2)	—	(2)	—	—	—
Subtotal	**147**	**(25)**	**122**	**210**	**(16)**	**194**
Total interest-earning assets:						
Pesos	23,329	(17,550)	5,779	27,281	8,481	35,762
UDIs	(229)	(857)	(1,086)	668	134	802
Foreign currency	3,911	(6,718)	(2,807)	4,253	(1,113)	3,140
Subtotal	**27,011**	**(25,125)**	**1,886**	**32,202**	**7,502**	**39,704**

(1) Interest income includes fees on loan originations of Ps.3,223 million for the year ended December 31, 2025, Ps.3,117 million for the year ended December 31, 2024 and Ps.2,553 million for the year ended December 31, 2023, which have been included in interest income on a current basis and are not deferred and subsequently amortized. Fees on loans include origination fees and credit card annual fees.

Interest-Bearing Liabilities

	2025/2024			2024/2023		
	Increase (decrease) due to changes in:			Increase (decrease) due to changes in:		
	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change
	(millions of Ps.)					
Demand deposits (checking accounts):						
Pesos	2,203	(3,949)	(1,746)	2,308	1,463	3,771
UDIs	—	—	—	—	—	—
Foreign currency	173	(316)	(143)	383	828	1,211
Subtotal	**2,376**	**(4,265)**	**(1,889)**	**2,691**	**2,291**	**4,982**
Saving deposits:						
Pesos	8	(32)	(24)	9	10	19
UDIs	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—
Subtotal	**8**	**(32)**	**(24)**	**9**	**10**	**19**
Time deposits:						
Pesos	7,373	(6,472)	901	3,980	7,053	11,033
UDIs	—	(805)	(805)	37	16	53
Foreign currency	420	956	1,376	103	(20)	83
Subtotal	**7,793**	**(6,321)**	**1,472**	**4,120**	**7,049**	**11,169**
Short-term borrowings:						
Pesos	(804)	(353)	(1,157)	(1,526)	40	(1,486)
UDIs	—	—	—	—	—	—
Foreign currency	119	18	137	(29)	2	(27)
Subtotal	**(685)**	**(335)**	**(1,020)**	**(1,555)**	**42**	**(1,513)**
Long-term debt:						
Pesos	176	(98)	78	(67)	49	(18)
UDIs	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—
Subtotal	**176**	**(98)**	**78**	**(67)**	**49**	**(18)**
Subordinated Notes:						
Pesos	—	—	—	—	—	—
UDIs	—	—	—	—	—	—
Foreign currency	1,391	429	1,820	1,549	(313)	1,236
Subtotal	**1,391**	**429**	**1,820**	**1,549**	**(313)**	**1,236**
Creditors from repurchase agreements:						

Pesos	(5,497)	(9,438)	(14,935)	7,614	(980)	6,634
UDIs	—	—	—	—	—	—
Foreign currency	—	—	—	—	—	—
Subtotal	**(5,497)**	**(9,438)**	**(14,935)**	**7,614**	**(980)**	**6,634**
Total interest-bearing liabilities:						
Pesos	5,148	(22,031)	(16,883)	11,003	8,950	19,953
UDIs	—	(805)	(805)	279	(226)	53
Foreign currency	1,503	1,688	3,191	1,685	818	2,503
Total	**6,651**	**(21,148)**	**(14,497)**	**12,967**	**9,542**	**22,509**
Total net change:						
Pesos	18,181	4,481	22,662	16,278	(469)	15,809
UDIs	(229)	(52)	(281)	389	360	749
Foreign currency	2,408	(8,406)	(5,998)	2,568	(1,931)	637
Total	**20,360**	**(3,977)**	**16,383**	**19,235**	**(2,040)**	**17,195**

Interest-Earning Assets—Yield and Yield Spread

The following table sets forth, by currency of denomination, the levels of our average interest-earning assets and financial margin, and gross and net yield and yield spread obtained, for each of the periods indicated. In addition, because loan fees are a component of pricing, a table including loan fees (which include loan origination fees and credit card origination fees) in net interest income has been included. For purposes of this presentation, as required under Mexican Banking GAAP, loan origination fees are recognized in a deferred liability, which is amortized in the income statement as part of interest income, over the life of the loan.

	For the Year Ended December 31,		
	2025	**2024**	**2023**
	(millions of Ps., except percentages)		
Total average earning assets:			
Pesos	2,309,238	2,159,390	1,976,295
UDIs	45,501	51,375	38,454
Foreign currency	464,061	402,208	348,259
Total	**2,818,799**	**2,612,973**	**2,363,008**
Historical not including loan fees:			
Financial margin:			
Pesos	214,186	191,629	176,391
UDIs	1,416	1,697	948
Foreign currency	16,154	22,153	21,509
Total	**231,756**	**215,479**	**198,848**
Gross yield:[1]			
Pesos	13.29%	13.95%	13.46%
UDIs	3.11%	4.87%	4.42%
Foreign currency	6.24%	7.90%	8.21%
Weighted-average rate	**12.08%**	**12.84%**	**12.65%**
Net yield:[2]			
Pesos	9.28%	8.87%	8.93%
UDIs	3.11%	3.30%	2.47%
Foreign currency	3.48%	5.51%	6.18%
Weighted-average rate	**8.22%**	**8.25%**	**8.42%**
Yield spread:[3]			
Pesos	8.42%	7.85%	7.92%
UDIs	3.11%	3.04%	1.81%
Foreign currency	1.88%	4.19%	4.89%
Weighted-average rate	**7.24%**	**7.13%**	**7.41%**
Historical including loan fees:			
Financial margin:			
Pesos	217,407	194,745	178,936
UDIs	1,416	1,697	948
Foreign currency	16,156	22,154	21,517
Total	**234,979**	**218,596**	**201,401**
Gross yield:[1]			
Pesos	13.43%	14.09%	13.59%

	For the Year Ended December 31,		
	2025	2024	2023
	(millions of Ps., except percentages)		
UDIs	3.11%	4.87%	4.42%
Foreign currency	6.24%	7.90%	8.22%
Weighted-average rate	**12.08%**	**12.96%**	**12.65%**
Net yield:[2]			
Pesos	9.41%	9.02%	9.05%
UDIs	3.11%	3.30%	2.47%
Foreign currency	3.48%	5.51%	6.18%
Weighted-average rate	**8.34%**	**8.37%**	**8.52%**
Yield spread:[3]			
Pesos	8.56%	8.00%	8.05%
UDIs	3.11%	3.04%	1.81%
Foreign currency	1.88%	4.19%	4.89%
Weighted-average rate	**7.36%**	**7.25%**	**7.41%**

(1) Gross yield represents interest income divided by average earning assets.
(2) Net yield represents the total of financial margin divided by average earning assets.
(3) Yield spread represents the difference between gross yield on average interest-earning assets and average cost of interest-bearing liabilities.

Adjusted Return on Average Assets and Average Equity

The following table presents certain selected financial data and ratios for the periods indicated.

	For the Year Ended December 31,		
	2025	2024	2023
	(millions of Ps., except percentages)		
Net income	98,946	93,146	87,604
Average total assets	2,889,889	2,710,854	2,465,986
Average stockholders' equity	392,060	353,834	320,873
Adjusted return on average assets[1]	3.42%	3.44%	3.55%
Adjusted return on average stockholders' equity[2]	25.24%	26.32%	27.30%
Average stockholders' equity as a percentage of average total assets	13.57%	13.05%	13.01%

(1) Adjusted return on average assets is equal to net income for the year divided by average assets for the year. Average assets are calculated in the following manner. For each month, an average of the daily balances was determined. The average balance for each year presented above is the average of the 12 monthly balances so determined.
(2) Adjusted return on average stockholders' equity is equal to net income for the year divided by average stockholders' equity for the year. Average stockholders' equity is calculated in the following manner. For each month, an average of the daily balances was determined. The average balance for each year presented is the average of the 12 monthly balances so determined.

Interest Rate Sensitivity of Assets and Liabilities

Interest Rates

Banco de México's regulations mandate that Mexican banks base their interest rates on loans with an amount of 5 million UDI or less on a fixed rate or a single reference rate published regularly by official sources and that the agreements for such loans specify the factor used to determine the interest rate and, if applicable, the minimum and maximum spread over the reference rate. Currently, we base the interest rates on most of our peso-denominated loans on the TIIE, which is calculated by *Banco de México*.

In accordance with *Banco de México*'s regulations, our policy with respect to foreign currency-denominated loans, which are principally in U.S. dollars, is generally to price such loans on the basis of LIBOR with repricing intervals of one, three or six months. Spreads over LIBOR are determined in accordance with our marginal cost of funding in currencies other than pesos. Interest on loans to Mexican borrowers paid to the Texas Agency is subject to the withholding tax. The established rate is 4.9% for the year ended December 31, 2025. The cost of this withholding tax is reflected in the determination of the overall cost of the loan to the customer. Under *Banco de México*'s regulations, an amount equivalent to a portion of our foreign currency-liabilities must be invested in low-risk, highly liquid instruments and deposits. See "Supervision and Regulation—Liquidity Requirements for Foreign Currency-

Denominated Liabilities." The cost associated with funding this reserve is also included in determining the cost to customers of foreign currency-denominated loans.

Interest Rate Sensitivity

A key component of our asset and liability policy is the management of interest rate sensitivity. Interest rate sensitivity is the relationship between market interest rates and financial margin due to the repricing characteristics of assets and liabilities. For any given period, the pricing structure is matched when an equal amount of assets and liabilities reprice. Any excess of assets or liabilities over these matched items results in a repricing gap or net exposure. A positive repricing gap normally means that an increase in interest rates would result in an increase in financial margin, while a decrease in interest rates would result in a decrease in financial margin.

Our interest rate sensitivity strategy takes into account, among other things, the rates of return and the underlying degree of risk, liquidity requirements, including minimum regulatory cash reserves, mandatory liquidity ratios (inapplicable to peso lending), withdrawal and maturity deposits, capital cost and additional demands for funds. We monitor our rate and maturity mismatches and positions, which are managed within established limits.

The following table reflects our interest-earning assets and interest-bearing liabilities as of December 31, 2025. Fixed-rate instruments were classified in this table according to their final maturity and other instruments based on their interval of repricing.

	As of December 31, 2025					
	0-30 days	31-90 days	91-180 days	181-365 days	Non-rate sensitive or over one year	Total
	(millions of Ps., except percentages)					
Assets:						
Variable-rate commercial loans	722,849	101,048	4,666	455	-	829,018
Consumer loans and mortgage loans	67,321	17,209	30,037	74,642	777,412	966,621
Fixed-rate commercial loans	31,056	30,944	14,081	8,764	208,578	293,423
Total loans	**821,227**	**149,200**	**48,784**	**83,861**	**985,990**	**2,089,062**
Investments in financial instruments	92,164	106,989	11,609	20,723	431,113	662,598
Debtors from repurchase agreements	124,853	-	-	-	1,840	126,693
Total interest-earning assets	**1,038,244**	**256,189**	**60,392**	**104,584**	**1,418,943**	**2,878,353**
Permanent investments	-	-	-	-	1,622	1,622
Other assets[(1)]	-	-	-	-	620,845	620,845
Less: Allowance for loan losses	(24,946)	(4,532)	(1,482)	(2,547)	(29,951)	(63,458)
Total assets	**1,013,298**	**251,657**	**58,910**	**102,037**	**2,011,459**	**3,437,361**
Liabilities and stockholders' equity:						
Time deposits: money market	23,635	-	-	-	-	23,635
Time deposits: general public	255,949	43,585	12,401	2,245	-	314,181
Demand deposits and dormant accounts	411,009	5,624	6,584	75,371	1,188,693	1,687,282
Total deposits	**690,593**	**49,209**	**18,985**	**77,616**	**1,188,693**	**2,025,097**
Creditors from repurchase agreements	169,691	94	-	-	-	169,785
Interbank and other borrowings and securities issued	103,628	4,631	18,946	338	49,748	177,292
Subordinated obligations outstanding	-	-	-	-	85,338	85,338
Other liabilities[(2)]	-	-	-	-	579,715	579,715
Stockholders' equity	-	-	-	-	400,134	400,134
Total liabilities and stockholders' equity	**963,912**	**53,934**	**37,932**	**77,954**	**2,303,629**	**3,437,361**
Interest rate sensitivity gap	49,386	197,723	20,979	24,082	(292,170)	-
Cumulative interest rate sensitivity gap	49,386	247,109	268,088	292,170	-	
Cumulative gap as percentage of total interest-earning assets	1.72%	8.59%	9.31%	10.15%	-	

(1) Other assets are comprised of (i) cash and cash equivalents, (ii) margin accounts, (iii) derivative financial instruments, (iv) valuation adjustments related to financial assets hedged, (v) deferred items, (vi) other accounts receivable, (vii) foreclosed assets, (viii) prepayments and other assets, (ix) property, plant and equipment, (x) asssets for rights to use property, plant and equipment, (xi) deferred income tax asset, (xii) intangible assets, and (xiii) right-of-use intangible assets.

(2) Other liabilities are comprised of (i) securities lending, (ii) collateral sold or pledged, (iii) derivative financial instruments, (iv) valuation adjustments to financial liabilities hedged, (v) lease liabilities, (vi) other accounts payable, (vii) income tax liability, (viii) liability for employee benefits, and (ix) deferred credits and early collections.

As of December 31, 2025, interest-earning assets totaled Ps.2,878,353 million. Of these assets, 36.1% repriced every 30 days or less and were comprised of the following: 67.2% of commercial loans, 7.0% of consumer and mortgage loans, 13.9% of investment securities and derivatives (excluding equity investments) and 98.5% of

credits from repurchase agreements. The interest rates for 5.2% of interest-earning assets, comprising mostly commercial loans, are reset periodically every 31 to 180 days.

Non-interest rate sensitive assets and assets that are not repriced within a period of 365 days include, among others, cash, real and personal property and equity investments. Investments in the foregoing assets amounted to Ps.2,011,459 million as of December 31, 2025, which represented 58.5% of total assets.

Of our total liabilities as of December 31, 2025, 66.7% consisted of deposits, totaling Ps.2,025,097 million, of which 34.1% reprice every 30 days or less, and 3.4% every 31 to 180 days. The remaining 33.3% of our liabilities totaled Ps.1,012,130 million as of December 31, 2025 and consisted of Ps.17,682 million of short-term borrowings, Ps.244,948 million of long-term debt, subordinated debt, funding from the *Fondo de Operación y Fomento Bancario de la Vivienda*, the Mexican government's fund for low-income housing assistance, and Ps.579,715 million of other liabilities. Of our total liabilities, Ps.1,012,130 as of December 31, 2025, 27.0% reprice every 30 days or less, 2.3% every 31 to 180 days, 0.0% every 181-365 days, and the remaining 70.6% reprice at periods exceeding a year.

Interest-Bearing Deposits with Other Banks

Banco de México's regulations require us to maintain a minimum liquidity coefficient of certain foreign currency liabilities. See "Supervision and Regulation—Liquidity Requirements for Foreign Currency-Denominated Liabilities." Accordingly, a substantial majority of our short-term deposits with international banks are denominated in U.S. dollars.

Banco de México requires that we hold open positions in foreign currency (short or long) no greater than a specified level with respect to our total Tier 1 Capital. As of December 31, 2025, the limit established for foreign currency-denominated liabilities was U.S.$37,315 million. On the same date, our position in foreign currency-denominated liabilities was U.S.$11,549 million, below the limit imposed by *Banco de México*.

Additionally, *Banco de México* requires us to maintain liquid assets to cover our foreign currency-denominated liabilities. As of December 31, 2025, we were required to have liquid assets of U.S.$891 million, and had U.S.$8,282 million, which represents an excess liquidity of U.S.$7,390 million.

Our foreign exchange risk management involves a very close monitoring of exposure to foreign currencies, to neutralize the effect of the currency exchange in our income, as well as perform daily estimates and projections for liquidity in foreign currency, to ensure regulatory compliance, and monitor the Bank's internal guidelines on liquidity.

Securities

As of December 31, 2025, we held securities in the amount of Ps.656,842 million, representing 18.95% of our total assets as of that date. The following table presents our portfolio of securities at the dates indicated, including securities under repurchase and resale agreements.

	As of December 31,		
	2025	**2024**	**2023**
		(millions of Ps.)	
Peso-denominated:			
Mexican government securities:			
Cetes (federal treasury securities)	64,066	102,229	101,996
Special Cetes (federal treasury securities)	2,106	1,939	1,743
Bonds (federal government development bonds)	41,182	13,167	7,387
BPAs (floating rate bonds issued by IPAB)	64,354	71,238	107,712
Bono Tasa Fija (fixed-rate bond)	335,110	271,772	266,981
Total Mexican government securities	506,818	**460,345**	**485,819**
Non-government securities:			
Bank bonds and certificates	29,174	55,564	54,267
Commercial paper	—	—	—
Other fixed-income securities	—	—	—
Total non-government securities	**29,174**	**55,564**	**54,267**
Equity securities:			
Listed	4,698	4,951	3,913
Unlisted	—	—	—
Permanent investments	1,622	1,407	1,185
Constancia Bursatilizada Invex	—	—	—
Total equity securities	**6,320**	**6,358**	**5,098**

	As of December 31,		
	2025	2024	2023
		(millions of Ps.)	
Total peso-denominated	**542,312**	**522,267**	**545,184**
UDI-denominated:			
Udibonos (Federal government development bonds)	28,721	41,285	38,792
Promissory notes issued for highway program	11,786	10,926	8,666
CBICs	—	—	—
Bank bonds and certificates	245	—	—
Total UDI-denominated	**40,752**	**52,211**	**47,458**
Foreign currency-denominated:			
Government securities:			
Mexican government securities issued abroad	64,914	65,992	26,450
U.S. Treasury securities	8,071	9,387	1,738
Total government securities	**72,985**	**75,379**	**28,188**
Euronotes	729	1,304	22,707
Investment trusts	—	—	—
Commercial paper	—	—	—
Other fixed-income securities	—	—	—
Equity securities (listed):			
Listed	64	66	45
Unlisted	—	—	—
Total foreign currency-denominated	**73,778**	**76,749**	**50,940**
Total securities	**656,842**	**653,469**	**643,582**

Securities – Maturities and Average Yields

The following table analyzes by currency, as of December 31, 2025, remaining maturities and weighted-average yields of securities held by us that have a specific date of maturity without the mark-to-market effect on securities.

	From 1 to 89 days		From 90 to 179 days		From 6 to 12 months		From 1 to 2 years		From 2 to 3 years		From 3 to 4 years		From 4 to 5 years		More than 5 years		
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Total
	(millions of Ps., except percentages)																
Peso-denominated:																	
Mexican government securities:																	
Cetes (federal treasury securities)	10,502	7.21%	5,184	7.32%	2,309	7.51%	45,954	6.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	63,949
Special Cetes (federal treasury securities)	-	0.00%	-	0.00%	-	0.00%	2,106	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	2,106
Bondes (federal government development bonds)	538	7.19%	771	7.19%	6,807	13.25%	8,295	7.26%	10,866	14.02%	12,116	7.11%	100	7.35%	991	7.35%	40,484
BPAs (floating rate bonds issued by IPAB)	2,218	7.80%	7	7.20%	1,249	7.69%	11,930	20.72%	972	7.45%	33,989	7.51%	2,813	7.55%	10,617	7.55%	63,796
Bono Tasa Fija (fixed-rate bond)	35,383	5.85%	2,831	7.37%	3,366	7.43%	88,671	6.86%	10,180	8.46%	17,790	8.74%	37,556	8.64%	137,449	8.11%	333,226
BREMs (monetary regulation bonds)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Mexican government securities	48,641	6.25%	8,793	7.32%	13,732	10.35%	156,956	7.59%	22,018	11.16%	63,896	7.78%	40,469	8.56%	149,057	8.07%	503,561
Non-government securities:																	
Bank bonds and certificates	3,276	7.40%	2,725	7.32%	4,014	7.71%	3,404	7.35%	5,521	7.88%	1,805	8.52%	2,364	9.26%	6,125	9.44%	29,234
Commercial paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Other fixed-income securities	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total peso-denominated	51,917	6.32%	11,518	7.32%	17,746	9.75%	160,360	7.59%	27,539	10.50%	65,701	7.80%	42,833	8.60%	155,182	8.12%	532,795
UDI-denominated:																	
Udibonos (federal government development bonds)	-	0.00%	81	0.00%	12,355	2.98%	117	0.00%	444	2.90%	106	0.00%	126	0.00%	15,492	2.46%	28,721
Promissory Notes issued for highway program	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10,651	5.63%	1,135	5.07%	11,786
CBICs	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Banks bonds and certificates	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	245	6.54%	245
Total UDI-denominated	-	0.00%	81	0.00%	12,355	2.98%	117	0.00%	444	2.90%	106	0.00%	10,777	5.56%	16,872	2.69%	40,752
Foreign currency-denominated:																	
Government securities:																	
Mexican government securities issued abroad	-	0.00%	-	0.00%	-	0.00%	3,513	2.11%	5,191	2.97%	5,029	3.65%	8,681	3.11%	42,675	4.24%	65,088
U.S. Treasury bills	-	0.00%	1,235	0.00%	709	1.89%	220	3.75%	263	4.32%	1,785	3.25%	241	3.63%	3,613	3.87%	8,067
Commercial paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Government securities from other countries	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Government securities	-	0.00%	1,235	0.00%	709	1.89%	3,733	2.21%	5,454	3.04%	6,814	3.55%	8,921	3.12%	46,288	4.21%	73,155
Euronotes	-	5.50%	-	0.00%	340	7.45%	10	7.53%	8	4.88%	340	7.40%	-	0.00%	26	5.75%	724
Investment trusts	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Commercial paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Other fixed-income securities	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total foreign currency-denominated	-	0.00%	1,235	0.00%	1,049	3.69%	3,743	2.22%	5,462	3.04%	7,154	3.73%	8,921	3.12%	46,314	4.21%	73,879
Total securities (excluding equity securities)	51,917	6.32%	12,834	6.57%	31,150	6.86%	164,220	7.46%	33,445	9.18%	72,960	7.39%	62,532	7.30%	218,368	6.87%	647,426

Loan Portfolio

Total loan amounts set forth in this section include the total principal amount of total current and total past due loans outstanding at the date presented, which include rediscounted loans and loans in the UDI Trusts. The terms "total loans" and "total loan portfolio" include total current loans plus total past due loans. The terms "net total loans" and "net total loan portfolio" refer to net total current loans plus net past due loans.

As of December 31, 2025 the principal balance of our loan portfolio was Ps.2,076,393 million, an increase of 7.5% as compared to December 31, 2024. This increase was a result of a 4.6% increase in commercial and corporate loans, which was due to increased activity in small and medium-sized companies and micro-businesses, a 8.2% increase in residential mortgage loans and a 13.9% increase in credit cards and other consumer credits.

Loans by Type and by Borrower

The following table illustrates our loan portfolio by loan type. Total loans reflect the sum of the total current loan portfolio and the total past due loan portfolio. For a breakdown of past due loans by loan type, see "—Past Due Loan Portfolio" below as well as Note 10 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

	As of December 31, 2025		
	Stage 1	**Stage 2**	**Stage 3**
	(millions of Ps., except percentages)		
Current loans:[1]			
***Commercial and corporate loans*:**[2]			
Secured or guaranteed by:			
Real estate[3]	28,399	-	-
Fixed assets	7,670	-	-
Inventory	4,488	-	-
Other[4]	267	5	-
Subtotal	**40,824**	**5**	**-**
Unsecured:			
Term loans	207,140	-	-
Revolving credits	797,123	10,022	-
Original issue discounts	36,422	132	-
Subtotal	**1,040,686**	**10,154**	**-**
Total commercial and corporate loans	**1,081,511**	**10,159**	**-**
Subtotal as a percentage of total commercial and corporate loans	**96.23%**	**99.95%**	**0.00%**
Consumer loans:			
Residential mortgage	375,603	13,699	-
Credit card	218,341	6,349	-
Other consumer credits	313,819	6,808	-
Total consumer loans	**907,763**	**26,856**	**-**
Leasing credit	6,516	1	-
Total current loans	**1,995,790**	**37,016**	**-**
Total past due loans	**-**	**-**	**32,655**
Total loans	**1,995,790**	**37,016**	**32,655**

	As of December 31, 2025
Loans at fair value	
Current loans:[1]	
***Commercial and corporate loans*:**[2]	
Other[4]	5,914
Original issue discount	2,498
Total commercial and corporate loans	**8,412**
Other consumer credits	2,520
Total consumer loans	**2,520**
Total loans	**10,932**

(1) Does not include accrued interest.

(2) Includes loans to government entities and financial entities.
(3) Includes loans secured in whole or in part by cash, securities or property (including plant, inventory and equipment) and loans guaranteed by third parties.
(4) Includes various types of loans secured in whole or in part by cash, securities or other property (including plant, equipment otherwise not included above) and loans guaranteed by third parties.

	As of December 31, 2024		
	Stage 1	Stage 2	Stage 3
	(millions of Ps., except percentages)		
Current loans:[1]			
***Commercial and corporate loans*:**[2]			
Secured or guaranteed by:			
Real estate[3]	24,973	—	—
Fixed assets	6,945	3	—
Inventory	4,121	125	—
Other[4]	479	6	—
Subtotal	**36,518**	**133**	**—**
Unsecured:			
Term loans	188,535	-	—
Revolving credits	768,252	13,257	—
Original issue discounts	38,928	185	—
Subtotal	**995,716**	**13,441**	**—**
Total commercial and corporate loans	**1,032,234**	**13,575**	**—**
Subtotal as a percentage of total commercial and corporate loans	**96.46%**	**99.02%**	**0.00%**
Consumer loans:			
Residential mortgage	347,342	12,528	—
Credit card	191,296	5,840	—
Other consumer credits	275,878	6,152	—
Total consumer loans	**814,516**	**24,520**	—
Leasing credit	8,962	2	—
Total current loans	**1,855,711**	**38,097**	—
Total past due loans	—	—	**29,853**
Total loans	**1,855,711**	**38,097**	**29,853**

	As of December 31, 2024
Loans at fair value	
Current loans:[1]	
***Commercial and corporate loans*:**[2]	
Other[4]	4,940
Original issue discount	908
Total commercial and corporate loans	**5,848**
Other consumer credits	1,789
Total consumer loans	**1,789**
Total loans	**7,638**

(1) Does not include accrued interest.
(2) Includes loans to government entities and financial entities.
(3) Includes loans secured in whole or in part by cash, securities or property (including plant, inventory and equipment) and loans guaranteed by third parties.
(4) Includes various types of loans secured in whole or in part by cash, securities or other property (including plant, equipment otherwise not included above) and loans guaranteed by third parties.

	As of December 31, 2023		
	Stage 1	Stage 2	Stage 3
	(millions of Ps., except percentages)		
Current loans:[1]			
***Commercial and corporate loans*:**[2]			
Secured or guaranteed by:			
Real estate[3]	21,399	—	—
Fixed assets	4,982	7	—
Inventory	3,750	—	—
Other[4]	325	—	—
Subtotal	**30,457**	**7**	**—**
Unsecured:			
Term loans	160,939	—	—
Revolving credits	640,896	18,527	—
Original issue discounts	31,815	271	—
Subtotal	**833,650**	**18,798**	**—**
Total commercial and corporate loans	**864,107**	**18,805**	**—**
Subtotal as a percentage of total commercial and corporate loans	**96.48%**	**99.96%**	**—**
Consumer loans:			
Residential mortgage	317,730	11,768	—
Credit card	167,678	5,673	—
Other consumer credits	235,497	5,397	—
Total consumer loans	**720,905**	**22,839**	**—**
Leasing credit	5,870	2	—
Total current loans	**1,590,882**	**41,646**	**—**
Total past due loans	**—**	**—**	**26,906**
Total loans	**1,590,882**	**41,646**	**26,906**

	As of December 31, 2023
Loans at fair value	
Current loans:[1]	
***Commercial and corporate loans*:**[2]	
Other[4]	3,795
Subtotal	**3,795**
Other consumer credits	1,558
Total consumer loans	**1,558**
Total loans	**5,353**

(1) Does not include accrued interest.
(2) Includes loans to government entities and financial entities.
(3) Includes loans secured in whole or in part by cash, securities or property (including plant, inventory and equipment) and loans guaranteed by third parties.
(4) Includes various types of loans secured in whole or in part by cash, securities or other property (including plant, equipment otherwise not included above) and loans guaranteed by third parties.

Loans by Currency

Foreign currency-denominated loans decreased as a percentage of the total loan portfolio from 15.2% as of December 31, 2024 to 12.3% as of December 31, 2025. Foreign currency-denominated loans totaled Ps.256,088 million as of December 31, 2025, a decrease of 12.7% from Ps.293,419 million as of December 31, 2024, each as measured in constant pesos as of such date.

The following table presents the peso- and foreign currency-denominated loan portfolio at the dates indicated. Foreign currency-denominated loans that were not denominated in U.S. dollars were converted into U.S. dollars and

then expressed in pesos in accordance with the methodology described in the introduction to the table under "— Average Balance Sheet and Interest Rate Data" above.

	As of December 31, 2025					
	Stage 1		Stage 2		Stage 3	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)					
Total loans						
Peso-denominated loans	1,748,057	87.59	33,787	91.28	31,280	95.79
Foreign currency-denominated loans	247,733	12.41	3,229	8.72	1,375	4.21
Total loans	**1,995,790**	**100.00**	**37,016**	**100.00**	**32,655**	**100.00**

	As of December 31, 2025	
	Loan Portfolio	%
Loans at fair value	(millions of Ps., except percentages)	
Total loans		
Peso-denominated loans	7,181	65.69
Foreign currency-denominated loans	3,751	34.31
Total loans	**10,932**	**100.00**

	As of December 31, 2024					
	Stage 1		Stage 2		Stage 3	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)					
Total loans						
Peso-denominated loans	1,570,660	84.64	33,630	88.27	28,946	96.96
Foreign currency-denominated loans	285,051	15.36	4,467	11.73	907	3.04
Total loans	**1,855,711**	**100.00**	**38,097**	**100.00**	**29,853**	**100.00**

	As of December 31, 2024	
	Loan Portfolio	%
Loans at fair value	(millions of Ps., except percentages)	
Total loans		
Peso-denominated loans	4,644	60.80
Foreign currency-denominated loans	2,994	39.20
Total loans	**7,638**	**100.00**

	As of December 31, 2023					
	Stage 1		Stage 2		Stage 3	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)					
Total loans						
Peso-denominated loans	1,391,683	87.48	37,307	89.58	25,535	94.91
Foreign currency-denominated loans	199,199	12.52	4,339	10.42	1,371	5.09
Total loans	**1,590,882**	**100.00**	**41,646**	**100.00**	**26,906**	**100.00**

	As of December 31, 2023	
	Loan Portfolio	%
Loans at fair value	(millions of Ps., except percentages)	
Total loans		
Peso-denominated loans	3,731	69.70

	As of December 31, 2023	
	Loan Portfolio	%
Loans at fair value	(millions of Ps., except percentages)	
Foreign currency-denominated loans	1,622	30.30
Total loans	**5,353**	**100.00**

Loans to the Public and Private Sectors

As of December 31, 2025, our loans to the public sector totaled Ps.176,735 million, accounting for 8.9% of our total loan portfolio. As of December 31, 2024, our loans to the public sector amounted to Ps.203,525 million, accounting for 10.9% of our total loan portfolio. As of December 31, 2023, our loans to the public sector totaled Ps.190,241 million, accounting for 11.9% of our total loan portfolio.

Loans to individuals are loans to sole business owners, residential mortgage loans, credit card loans and other consumer loans.

As of December 31, 2025, loans to individuals totaled Ps.961,253 million, representing 46.3% of our total loan portfolio. This level of loans to individuals represents a Ps.99,537 million, or 11.6%, increase from our total in 2024, when it reached Ps.861,717 million, as a result of increases in loan originations.

As of December 31, 2024, loans to individuals totaled Ps.861,717 million, representing 44.6% of our total loan portfolio, a 12.8% increase from our total in 2023, where loans to individuals totaled Ps.763,633 million. This increase was primarily the result of new credit cards issued.

The following tables set forth an analysis of the composition of our total loan portfolio at the dates indicated with respect to loans to both the public and private sectors.

	As of December 31, 2025							
	Stage 1		Stage 2		Stage 3		Loans at fair value	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)							
Public sector[1]	176,735	8.86	—	—	—	—	—	—
Private sector:								
Businesses	904,082	45.30	10,160	27.45	8,178	25.04	8,412	76.95
Individuals[2]	907,400	45.47	26,856	72.55	24,477	74.96	2,520	23.05
Other private sector[3]	7,574	0.38	—	—	—	—	—	—
Total private sector loans	**1,819,055**	**91.14**	**37,016**	**100.00**	**32,655**	**100.00**	**10,932**	**100.00**
Total loans	**1,995,790**	**100.00**	**37,016**	**100.00**	**32,655**	**100.00**	**10,932**	**100.00**

(1) Includes loans supported by the full faith and credit of the Mexican federal government.
(2) Includes loans to individuals for business activities as well as mortgage, credit card and other consumer loans and credit exposures connected to leasing.
(3) Includes loans to foreign banks, foreign companies, non-profit entities and certain other entities.

	As of December 31, 2024							
	Stage 1		Stage 2		Stage 3		Loans at fair value	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)							
Public sector[1]	203,525	10.97	—	—	—	—	835	10.94
Private sector:								
Businesses	829,389	44.69	13,575	35.63	8,718	29.20	5,016	65.67
Individuals[2]	814,273	43.88	24,522	64.37	21,135	70.80	1,786	23.39
Other private sector[3]	8,523	0.46	—	—	—	—	—	—
Total private sector loans	**1,652,186**	**89.03**	**38,097**	**100.00**	**29,853**	**100.00**	**6,802**	**89.06**
Total loans	**1,855,711**	**100.00**	**38,097**	**100.00**	**29,853**	**100.00**	**7,638**	**100.00**

(1) Includes loans supported by the full faith and credit of the Mexican federal government.
(2) Includes loans to individuals for business activities as well as mortgage, credit card and other consumer loans and credit exposures connected to leasing.

(3) Includes loans to foreign banks, foreign companies, non-profit entities and certain other entities

	As of December 31, 2023							
	Stage 1		Stage 2		Stage 3		Loans at fair value	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)							
Public sector[1]	190,241	11.96	—	—	—	—	—	—
Private sector:								
Businesses	672,297	42.26	18,806	45.16	8,550	31.78	3,792	70.84
Individuals[2]	720,876	45.31	22,840	54.84	18,356	68.22	1,561	29.16
Other private sector[3]	7,469	0.47	—	—	—	—	—	—
Total private sector loans	**1,400,642**	**88.04**	**41,646**	**100.00**	**26,906**	**100.00**	**5,353**	**100.00**
Total loans	**1,590,882**	**100.00**	**41,646**	**100.00**	**26,906**	**100.00**	**5,353**	**100.00**

(1) Includes loans supported by the full faith and credit of the Mexican federal government.
(2) Includes loans to individuals for business activities as well as mortgage, credit card and other consumer loans and credit exposures connected to leasing.
(3) Includes loans to foreign banks, foreign companies, non-profit entities and certain other entities

Current Commercial Loans

As of December 31, 2025, current commercial and corporate loans totaled Ps.1,100,082 million, which reflects a 4.6% increase compared to December 31, 2024, when they totaled Ps.1,051,657 million. This increase was primarily driven by growth in the corporate portfolio due to significant transactions executed towards year-end, as well as an increase in government-related lending.

As of December 31, 2025, the aggregate outstanding principal amount of our 25 largest loans (including exposures to a single corporate group or to Mexican federal government entities) represented 16.4% of our total loan portfolio, while our largest single exposure accounted for 1.6%. All of our 25 largest outstanding loans were rated "A1," and our 10 largest loans, representing 10.4% of the total loan portfolio, were also rated "A1."

As of December 31, 2025, 95.8% of our bridge loan portfolio in the housing development segment, which is included in the commercial portfolio, was secured with collateral. Unsecured commercial loans, consisting primarily of short-term working capital loans (with terms of 30 to 90 days), are common in Mexico. The credit analysis process and administration of these loans are the same as for secured loans. If we establish an unsecured line of credit it is because we believe the borrower is a creditworthy customer, and the fact that it is an unsecured loan is taken into consideration during the approval process. The additional risk from originating unsecured commercial loans is generally accounted for through larger spreads to cover possible losses. The fact that a loan is unsecured is among several factors considered when we grade the portfolio and, depending on the results of this grading, an appropriate allowance for loan losses is created.

Current Consumer and Residential Mortgage Loans

As of December 31, 2025, current consumer loans (including residential mortgage loans) totaled Ps.937,140 million, an increase of 11.5% from December 31, 2024, when they totaled Ps.840,825 million. As of December 31, 2024, current consumer loans (including residential mortgage loans) totaled Ps.840,825 million, an increase of 12.8% from December 31, 2023, when they totaled Ps.745,302 million. The preferred lending products for this market segment have been first residential mortgage loans and other consumer credits.

Our current mortgage loan portfolio totaled Ps.389,302 million as of December 31, 2025, an increase of 8.2% from December 31, 2024, when the mortgage loan portfolio totaled Ps.359,870 million. This increase was primarily attributable to an increase in the price of financed houses. Our current mortgage loan portfolio totaled Ps.359,870 million as of December 31, 2024, an increase of 9.2% from December 31, 2023, when the mortgage loan portfolio totaled Ps.329,498 million. This increase was primarily attributable to business strategies implemented to boost the Bank's presence in the mortgage sector.

As of December 31, 2025, our current credit card portfolio totaled Ps.224,690 million compared to Ps.197,135 million as of December 31, 2024, an increase of 14.0%. This increase in our current credit card portfolio is attributable to an increase in new granted credit cards. As of December 31, 2024, our current credit card portfolio totaled Ps.197,135 million compared to Ps.173,352 million on December 31, 2023, an increase of 13.7%. This increase

in our current credit card portfolio is attributable to an increase of 9.8% in billing. We offer a wide array of different credit cards depending on the customer's monthly income and needs. Our credit card offerings include "BBVA Azul," "BBVA Oro," "BBVA Platinum," and "BBVA Infinite," which are accepted by merchants in Mexico and abroad. We also offer "Vive BBVA," a customer loyalty program which uses a credit card with an embedded intelligent microchip running proprietary software that was developed to offer real-time rewards to customers and marketing and merchandising flexibility to merchants.

Our risk analysis platform allows us to monitor and differentiate the behavior of each customer to better identify customers with debt problems early on, and offer them a support plan through preferential rates. Our support program also helps strengthen the credit card portfolio by offering better interest rates to credit card customers with higher credit scores, improving the quality of service and the loyalty of clients.

Loans by Economic Activity

In recent years, we have focused our lending activities towards those sectors of the Mexican economy that we believe, within the context of our overall risk management policies, have the greatest potential for growth. In addition, we have attempted to reduce our risk by diversifying our loan portfolio among a greater number of customers and within a larger geographic area in Mexico.

As of December 31, 2025 mortgage loans totaled Ps.398,012 million, compared to Ps.367,607 million as of December 31, 2024, an increase of 8.3%. As of December 31, 2025, our credit card loans totaled Ps.231,097 million, compared to Ps.202,950 million as of December 31, 2024, an increase of 13.9%. As of December 31, 2025, and our commercial loans totaled Ps.312,752 million, compared to Ps.283,650 million as of December 31, 2024, an increase of 10.3%.

As of December 31, 2024, mortgage loans totaled Ps.367,607 million, compared to Ps.336,168 million as of December 31, 2023, an increase of 9.4%. As of December 31, 2024, our credit card loans totaled Ps.202,950 million and our commercial loans totaled Ps.283,650 million.

During 2024, our loans to the commercial sector increased by 25.6% as compared to 2023. Our credit card loans increased by 13.9%, reflecting an increase in the use of credit lines. Our loans to major economic sectors (social and community services and manufacturing) increased by 7.7% and loans to the services sector increased by 79.7% year-on-year. The following table sets forth an analysis of the composition of our loan portfolio at the dates indicated, by principal economic activity of our borrowers.

	As of December 31,					
	2025		2024		2023	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)					
Economic Activity:[1]						
Residential mortgages	398,012	19.17	367,607	19.03	336,168	20.19
Social and community services[2]	314,774	15.16	292,988	15.17	271,952	16.34
Manufacturing	143,304	6.90	148,603	7.69	126,783	7.62
Construction and real estate development	45,719	2.20	45,768	2.37	37,789	2.27
Commercial[3]	312,752	15.06	283,650	14.69	225,852	13.57
Credit card	231,097	11.13	202,950	10.51	178,116	10.70
Services[4]	55,390	2.67	32,231	1.67	17,936	1.08
Energy and utilities	68,992	3.32	79,112	4.10	73,581	4.42
Other	506,354	24.39	478,390	24.77	396,609	23.82
Total loans	**2,076,393**	**100.00**	**1,931,299**	**100.00**	**1,664,787**	**100.00**

(1) The loan amounts set out in the above table do not include accrued interest amounts.
(2) Includes loans to the public sector.
(3) Includes loans for commercial activities not directly related to manufacturing as well as loans related to tourism.
(4) Includes credit extended to financial institutions.

Maturity Composition of the Commercial and Leasing Loan Portfolio

The following table sets forth an analysis with reference to the time remaining to maturity of our current commercial and leasing loan portfolio as of the dates indicated.

	As of December 31,					
	2025		2024		2023	
	Loan Portfolio	%	Loan Portfolio	%	Loan Portfolio	%
	(millions of Ps., except percentages)					
Due within 1 year	323,159	29.20	350,092	33.01	280,027	31.37
Between 1 and 5 year	516,193	46.65	440,310	41.51	343,697	38.51
Over 5 years	267,247	24.15	270,220	25.48	268,855	30.12
Total	**1,106,599**	**100.00**	**1,060,622**	**100.00**	**892,579**	**100.00**

As of December 31, 2025, the total balance of our current commercial and corporate loans and leases was Ps.1,106,599 million. Of these loans, 29.2% were scheduled to mature within one year and were generally intended to cover the borrower's working capital requirements, the purchase of inventory or the financing of foreign commercial transactions.

Loans with maturities of more than one year were generally intended for the renovation of manufacturing plants and purchase of equipment, as well as the construction of factories.

Interest Rate Sensitivity of Outstanding Loans

The majority of our peso-denominated loans have rates that are reset at least every 28 days. All rates are determined either by reference to a marginal variable rate or the higher of several reference rates. We began using the TIIE as a reference rate following its establishment in 1995.

The following table sets forth our fixed-rate and variable rate current loan portfolio.

	As of December 31,		
	2025	2024	2023
	(millions of Ps.)		
Commercial and corporate loans:			
Fixed-rate	273,671	273,671	251,482
Variable rate[(1)]	841,105	795,679	649,653
Total	**1,114,776**	**1,069,350**	**901,135**
Total past due commercial loans	**8,178**	**8,730**	**8,556**
Allowances for loan losses	(10,842)	(10,338)	(10,523)

(1) Includes loans that mature or reprice every 30 or fewer days, which we consider to be effectively variable rate loans.
(2) Loan amounts do not include accrued interest.

Past Due Loan Portfolio

At the time of contracting, transactions with letters of credit are recorded in memorandum accounts under "Loan commitments" which, when drawn down by the client or its counterparty, are transferred to the loan portfolio.

The outstanding balance of the loan and related interest are classified in risk stages ranging from 1 to 3.

Stage 1 loan portfolio

Loans in which the risk has not increased significantly from their initial recognition to the date of the financial statements and that do not meet the conditions to be considered stage 2 or 3 in terms of this criterion. The portfolio associated with this stage of impairment is the loan portfolio that is less than 30 days past due.

Stage 2 loan portfolio

Loans that show a significant increase in risk from their initial recognition to the date of the financial statements in accordance with the provisions of the models for calculating the allowance for loan losses. The portfolio associated with this stage of impairment is more than 30 days past due and less than 90 days past due.

Stage 3 loan portfolio

Loans with credit impairment originated by the occurrence of one or more events that have a negative impact on expected future cash flows. The portfolio associated with this state of impairment is the loan portfolio that is 90 or more days past due.

- Mortgage loans with periodic repayment of principal and interest, which are 90 or more days past due.
- Client checking accounts that do not have authorized credit line showing overdrafts will be reported as Stage 3 portfolio at the date of the overdraft.
- Borrowers declared bankrupt, except for those loans that continue to receive payments and that were granted for the purpose of maintaining the ordinary operation of the company and the necessary liquidity during the bankruptcy proceeding, in accordance with the provisions of Section VIII of Article 43 of the Commercial Bankruptcy Law, in accordance with the provisions of Article 75 in connection with Sections II and III of Article 224 of the Commercial Bankruptcy Law.
- Immediate collection documents referred to in Accounting Criterion B-1, "Cash and Cash Equivalents," of the CNBV when not collected within the allotted period (2 or 5 days as appropriate).

In relation to maturity terms referred to in the preceding paragraphs, monthly periods can be used, regardless of the number of days in each calendar month, according to the following equivalences: (i) 30 days are equivalent to a month; (ii) 60 days are equivalent to two months; and (iii) 90 days are equivalent to three months.

Loans classified as stage 3 that are restructured or renewed will remain within the same stage of impairment, provided there is no evidence of sustained payment.

Sustained payments

Payments are considered to be sustained when the borrower shows compliance of payment without delay for the aggregate amount of principal and interest for three consecutive repayments of the loan with respect to repayments of less than or equal to 60 days, or two repayments with respect to loans with periods over 61 and less than 90 calendar days, and with respect to loans with repayments covering periods of more than 90 calendar days, one repayment.

When the repayment periods agreed in the restructuring or renewal are not homogeneous, the number of periods representing the longest term must be considered for purposes of determining whether payments have been sustained.

For restructurings in which payment periodicity is modified to shorter periods, the number of repayments of the original loan schedule must be considered.

In the case of consolidated loans, if two or more loans have originated the transfer to a portfolio with stage 2 or stage 3 credit risk, in order to determine the required repayments, the original payment schedule of the loan, the repayments of which are equivalent to the longest term, must be taken into account.

In any case, in demonstrating that there is sustained payment, the entity must make available to the CNBV evidence that justifies that the borrower has the ability to pay at the time the restructuring or renewal is carried out in order to meet the new loan conditions.

The elements to be taken into account for the purposes of the preceding paragraph are at least the following:

- probability of default;
- guarantees granted to the restructured or renewed loan;
- the priority of payment with respect to other creditors; and
- the liquidity of the borrower in view of the new financial structure of the financing.

Regarding loans with a single repayment of principal at maturity, regardless of whether the payment of interest is periodic or upon maturity, it is considered that there is a sustained payment of the loan upon the occurrence of any of the events below:

a) the borrower has covered at least 20% of the original amount of the credit at the time of restructuring or renewal; or

b) the amount of interest accrued was covered according to the payment plan for restructuring or renewal corresponding to a 90-day term.

Loans that are restructured or renewed on more than once, that have been agreed with a single repayment of principal at maturity, regardless of whether the interest payment is periodic or at maturity, will credit sustained payment of the loan when:

a) The borrower covers at least 20% of the outstanding principal on the date of the new restructuring or renewal;

b) The amount of interest accrued under the new restructuring or renewal payment scheme corresponding to a period of 90 days has been covered and at least such period has elapsed; and

c) The entity has elements that justify the borrower's ability to pay. In the case of commercial loans, such elements must be duly documented and included into the credit file.

Prepayment of restructured or renewed loans, other than those with a single principal repayment at maturity, regardless of whether interest is paid periodically or at maturity, is not considered a sustained payment. Such is the case of repayments of restructured or renewed loans that are repaid without the calendar days equivalent to the required periods having elapsed.

In any case, loans that, due to a restructuring or renewal, are transferred to a category with greater credit risk, must remain in such stage for a minimum of three months in order to prove sustained payment and consequently be transferred to the immediately following stage with lower credit risk, except with respect to restructured or renewed loans that have been granted for a term of less than or equal to six months and that are not consecutively restructured or renewed for the same term. The foregoing will not be applicable to loans with repayment of principal at maturity, regardless of whether the payment of interest is periodic or at maturity, in which case a term of 90 days will be applicable.

As of December 31, 2025, the total balance of our past due loans was Ps.34,155 million, or 1.6% of total loans. Of this amount, Ps.1,500 million, or 4.4% of total past due loans, represented past due accrued interest. Total past due loans increased by Ps.2,905 million, or 9.3%, during 2025, compared to 2024, as the total balance of past due residential mortgage loans increased by Ps.973 million, or 12.6%, due to the macroeconomic environment during the year, while consumer credit card loans increased by Ps.592 million, or 10.2%, mainly due to a growth in the credit card portfolio.

As of December 31, 2024, the total balance of our past due loans was Ps.31,250 million, or 1.6% of total loans. Of this amount, Ps.1,396 million, or 4.5% of total past due loans, represented past due accrued interest. Total past due loans increased by Ps.3,146 million, or 11.2%, during 2024, compared to 2023, as the total balance of past due consumer credit card loans increased by Ps.1,050 million, or 22.0%, mainly due to a change in the write-off policy imposed by new regulations.

As of December 31, 2023, the total balance of our past due loans was Ps.28,104 million, or 1.7% of total loans. Of this amount, Ps.1,198 million, or 4.3% of total past due loans, represented past due accrued interest.

The following table sets forth an analysis of past due loans by type of loan at the dates indicated. All loan amounts in the following table include accrued interest.

	As of December 31,		
	2025	2024	2023
		(millions of Ps.)	
Past due loans:			
Commercial and corporate loans:			
Unsecured	6,066	6,759	6,994
Secured	2,100	1,945	1,548
Consumer loans:			
Residential mortgage	8,710	7,737	6,670
Credit card	6,407	5,815	4,765
Other consumer credits	9,360	7,572	6,915
Leasing receivables	12	26	14
Past due interest	1,500	1,396	1,198
Total past due loans	**34,155**	**31,250**	**28,104**
Allowance for loan losses	(63,458)	(60,331)	(55,195)
Total past due loan portfolio net of allowance for loan losses	**(29,303)**	**(29,081)**	**(27,091)**

Grading of Loan Portfolio

The Bank recognizes allowance for loan losses based on the following criteria:

Large Enterprises and Enterprises

The commercial portfolio classified under "Enterprises" is comprised of enterprises with annual net sales over Ps.130 million and U.S.$50 million and enterprises with annual net sales over Ps.60 million and below Ps.30 million that belong to the same business group. Also, the commercial portfolio classified under "Large Enterprises" is comprised of Large Enterprises with annual net sales over U.S.$50 million. It excludes clients with investment projects (Specialized Lending) and medium and small mortgage promoters.

It should be noted that, within the Enterprises universe, business/corporate Credit Cards are considered, provided that it is demonstrated that the counterparty is a client with an Enterprise rating, their sales are, at all times, greater than or equal to Ps.60 million and less than U.S.$50 million, and they belong to a business group.

Clients that make up the group of large promoters called G9 are excluded from the promoter profile, which, due to their business characteristics, sales volume, housing developments and size of their resources, mainly, are different from the common universe of promoters, and should be considered as clients with a corporate profile, as well as clients of PEMEX and CFE. The group of clients called large G9 promoters are qualified according to their annual sales volume by the corporate tools and are selected mainly for their business characteristics, sales volume, housing developments and size of their resources.

Pursuant to official communication 121-1/14591541/2022, dated January 10, 2022, the CNBV authorized our implementation plan using our internal methodologies for reserves and allowances based on MFRS C-16, to determine the allowance for loan losses by credit risk level for BBVA's six relevant portfolios as of January 2022, including the Enterprises and Large Enterprises portfolios. The foregoing, in accordance with the provisions of Article 139 Bis 3, section I, of the Mexican Banking Law. Such internal methodologies were based on information as of September 30, 2019.

Calculation of the expected credit loss requires a temporary structure during the life of the transaction and is based on the following components, in accordance with the minimum requirements for own estimates of risk parameters provided for in Schedule 15 Bis of the General Rules Applicable to Mexican Banks:

- Probability of Default ("PD"): An estimate of the likelihood of default over a given time horizon.
- Loss Given Default ("LGD"): An estimate of the loss arising in case a default. It is based on the difference between the contractual cash flows due and those that lender would expect to receive, including from any collateral.
- Exposure at Default ("EAD"): An estimate of exposure at a future date of default, taking into account expected changes in the exposure after the reporting date, including expected repayments and drawdowns on committed facilities ("CCFs").
- Term to maturity.
- Discount rate: To discount an expected loss to present value at the reporting date using the annual interest rate of the transaction, which should be determined in accordance with the original terms and conditions of the contract.
- Prospective scenarios: The design of prospective scenarios is crucial, supplementing historical experience by introducing scenarios that enable the institution to proactively identify potential future situations. This design involves considering market outlook and the economic and financial environment in which the institution operates. BBVA Research, a specialized division within the Bank, is responsible for crafting internal prospective scenarios for various institutional processes, including those utilized in estimating allowances under MFRS C-16. These scenarios undergo updates at least annually.

The procedures for estimating the probability of default, loss given default and exposure at default, for appropriately assigning and modifying the level of credit risk of exposures are consistent and in accordance with the criteria for recognizing the level of credit risk of a borrower, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of the two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (step 2), expected credit losses will be

calculated over the life of the asset. If not, provisions will be based on the 12-month expected credit losses. Expected credit losses on impaired assets (step 3) will be expected credit losses over the life of the asset.

In accordance with the General Rules Applicable to Mexican Banks and since the Bank applies internal reserve methodologies based on MFRS C-16 "Impairment of financial instruments receivable," it maintains as part of its credit risk policies the qualitative criteria to identify and categorize the loan portfolio, based on the increase in the level of credit risk. This criterion is applied from the time of origination and throughout the life of the loan, even if it has been renewed or restructured, allowing the portfolio to be classified by level of credit risk, in stage 1, stage 2 or stage 3. This is in addition to the quantitative criteria for default on payments of the portfolios, as defined in note 3 paragraph (m).

Small and Medium-sized Enterprises

Pursuant to official communication 121-1/14591541/2022, dated January 10, 2022, the CNBV authorized our implementation plan of our internal methodologies for reserves and allowances based on MFRS C-16, to determine the allowance for loan losses by credit risk level, as of January 1, 2022 of the SME portfolio, in accordance with the provisions of Article 139 Bis 3, Section I of the Mexican Banking Law.

In November 2022, the Bank requested approval from the CNBV to update the implementation plan for the consumer non-revolving ("**CNR**") and SME portfolios, to defer the determination of allowance for loan losses under Internal Reserve Methodologies under MFRS C-16.

Therefore, as of December 31, 2025, the SME portfolio is rated under the standardized approach.

Commercial loans other than for large enterprises and enterprises

The Bank considers PD, LGD and EAD for rating the commercial loan portfolio other than the large enterprises and enterprises groups, in accordance with the provisions of the General Rules Applicable to Mexican Banks.

The amount of the allowance for loan losses of each loan in stage 1 and 3 will be the result of applying the following equation:

$$Reserves\ Stage\ 1\ or\ 3_i = R_i = PD_I\ x\ LGD_I\ x\ EAD_i$$

Where:

$Reserves\ Stage\ 1\ or\ 3_i$ = Amount of allowance for loan losses to be recorded for the i-th loan that is in stage 1 or 3, as applicable.

PDI = Probability of default of the i-th loan.

$LGDI$ = Severity of the loss on the i-th loan.

$EADi$ = Exposure to default on the i-th loan.

For stage 2 loans, the allowance for the full life of loans will be estimated as follows:

(a) For loans with periodic principal and interest payments and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

(b) For loans with a single payment at maturity of principal and interest or a single repayment of principal at maturity and periodic payment of interest:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

$Full\ Life\ Reserves_i$ = Amount of the estimate to be established for the i-th stage 2 loan.

PDi = Probability of default of the i-th loan.

$LGDi$ = Severity of the loss on the i-th loan.

$EADi$ = Exposure to default on the i-th loan.

ri = Annual interest rate of the i-th loan charged to client.

n = Remaining term of the i-th loan, number of years that, in accordance with the contract, remains to repay the loan at the portfolio rating date.

$PAYMENT_i$ = Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1 + r_i) * \frac{(1 - (1 + r_i)^{-1})}{(1 - (1 + r_i)^{-n})}$$

The amount of reserves for stage 2 loans will be the result of applying the following equation:

$$Reserves\ Stage\ 2_i = Max\ (Full\ Life\ Reserves_i\ ,\ PD_I\ x\ LGD_I\ x\ EAD_i\ )$$

PD_i will be calculated according to the following equation:

$$PD_i = \frac{1}{1 + e^{-(500 - Total\ Credit\ Score_1)\ x\ \frac{1n(2)}{40}}}$$

For purposes of the foregoing:

The total credit score of each borrower will be obtained by using the following equation:

$$Total\ Credit\ Score_i = \alpha\ x\ (QCSt_i) + (1 - \alpha)\ x\ (QCSl_i)$$

Where:

Quantitative Credit Score$_i$ = $(QCSti)$ = The score obtained for the i-th borrower when evaluating the risk factors according to the General Rules Applicable to Mexican Banks.

Qualitative Credit Score$_i$ = $(QCSli)$ = The score obtained for the i-th borrower when evaluating the risk factors according to the General Rules Applicable to Mexican Banks.

α = The relative weight of the quantitative credit score stated in Schedules 21 or 22 of the General Rules Applicable to Mexican Banks, as applicable.

Unsecured loans

The $LGDi$ of commercial loans which are not covered by security interests in real property, or personal or credit derived collateral will be:

(a) 45%, for preferred positions classified under schedule 18, 19, 20 and 22 of the General Rules Applicable to Mexican Banks.

(b) 55% for preferred positions classified under schedule 21 of the General Rules Applicable to Mexican Banks.

(c) 75%, for Subordinated Positions, in the case of syndicated loans, those which for purposes of their priority of payment are contractually subordinated in relation to other creditors.

(d) 100%, for loans which are 18 months or more in arrears for the amount due and payable under the original terms.

The $EADi$ will be determined based on the following:

(a) For used balances of uncommitted credit lines which may be canceled unconditionally or which in practice allow for an automatic cancellation at any time and without prior notice:

$$EAD_i = S_i$$

For credit facilities that do not meet the requirements described in the preceding section:

(a) For loans classified under Schedule 22 of the General Rules Applicable to Mexican Banks that have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

(a) For loans classified under Schedule 21 of the General Rules Applicable to Mexican Banks that have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

Where:

S_i = The outstanding balance of the i-th loan at the rate date, which represents the amount of loan granted to the borrower, adjusted for accrued interest, less payments of principal and interest, as well as any reduction, forgiveness, rebate and discount granted.

In any case, the amount subject to classification must not include uncollected accrued interest recognized in memorandum accounts on the statement of financial position for loans classified within stage 3.

$Authorized\ Credit\ Line$ = The maximum authorized amount of the credit line at the classification date.

The Bank may recognize the security interests in real property, or personal or credit-derived collateral in the estimate of the LGD, with the aim of decreasing the reserves derived from the portfolio classification, according to the General Rules Applicable to Mexican Banks.

Acceptable collateral may be financial and nonfinancial. Also, collateral is recognized only if it complies with the requirements established by the CNBV in the General Rules Applicable to Mexican Banks.

Portfolio of Mexican states and municipalities (governments)

For rating states and municipalities, the Bank considers the PD, LGD and EAD factors under the General Rules Applicable to Mexican Banks, as follows:

The amount of allowance for loan losses of each loan in stage 1 and 3 shall be the result of using the following equation:

$$Reserves\ Stage\ 1\ or\ 3_i = R_i = PD_I\ x\ LGD_I\ x\ EAD_i$$

Where:

$Reserves\ Stage\ 1\ or\ 3_i$ = Amount of allowance for loan losses to be recorded for the i-th loan that is in stage 1 or 3, as applicable.

PD_I = Probability of default of the i-th loan.

LGD_I = Severity of the loss on the i-th loan.

EAD_i = Exposure to default on the i-th loan.

For stage 2 loans, the allowance for the full life of loans will be estimated as follows:

(a) For loans with periodic principal and interest payments and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

(b) For loans with a single payment at maturity of principal and interest or a single repayment of principal at maturity and periodic payment of interest:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

$Full\ Life\ Reserves_i$ = Amount of the estimate to be established for the i-th stage 2 loan.

PD_i = Probability of default of the i-th loan.

LGD_i = Severity of the loss on the i-th loan.

EAD_i = Exposure to default on the i-th loan.

r_i = Annual interest rate of the i-th loan charged to client.

n = Remaining term of the i-th loan, number of years that, in accordance with the contract, remains to repay the loan at the portfolio rating date.

$PAYMENT_i$ = Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1+r_i) * \frac{(1-(1+r_i)^{-1})}{(1-(1+r_i)^{-n})}$$

The amount of reserves for stage 2 loans will be the result of applying the following equation:

$$Reserves\ Stage\ 2_i = Max\ (Full\ Life\ Reserves_i, PD_I\ x\ LGD_I\ x\ EAD_i)$$

PD_i will be calculated according to the following equation:

$$PD_i = \frac{1}{1+e^{-(500-Total\ Credit\ Score_1)\ x\ \frac{1n(2)}{40}}}$$

For purposes of the foregoing:

The total credit score of each borrower will be obtained by using the following equation:

$$Total\ Credit\ Score_i = \alpha\ x\ (QCSt_i) + (1-\alpha)\ x\ (QCSl_i)$$

Where:

$QCSt_i$ = Quantitative Credit Score = IA + IB + IC + ID + IE

$QCSl_i$ = Qualitative Credit Score = IIA + IIB

IA = Current income to current expense.

IB = Public investment to total expenditures.

IC = Financing to total participations.

ID = Average days of delinquency with credit institutions.

IE = Percentage of balance without days in arrears with the Bank in the last seven months considering the month of calculation.

IIA = Strength and flexibility of the regulatory and institutional framework for budget approval and execution, as well as for the approval and imposition of local taxes.

IIB = Transparency in public finances and public debt.

With respect to loans to Mexican states and municipalities, described in section I of schedule 18 of the General Rules Applicable to Mexican Banks, institutions must determine the allowances as the product of the percentage of reserves by the $EADi$. The above, regardless of the fact that institutions must estimate and report the calculation of the PDi.

When the loan is guaranteed by the government, in accordance with the provisions of the Law of Financial Discipline for Federal Entities and Municipalities (*Ley de Disciplina Financiera de las Entidades Federales y Municipios*), the credit reserve will be 0.5% of the $EADi$.

When loans have as their primary source of payment a specific percentage of the general participation fund (*Fondo General de Participaciones*), funds corresponding to branch 28 or federal contribution funds (*fondos de contribucion federal*), including those that in addition to such primary source have as a subsidiary source of payment the borrower's own income or other types of resources that do not come from federal funds, its credit reserve will be determined by applying the relevant percentage based on the debt service coverage ratio ("**DSCR**") in accordance with the following table.

Range over DSCR	Percentage
3 < DSCR	0.0050
2 < DSCR <= 3	0.0066
1.5 < DSCR <= 2	0.0082
1 < DSCR <= 1.5	0.0107
0.75 < DSCR <= 1	0.0344
DSCR <= 0.75	0.0975

If the primary source of payment of the loan is the borrower's own income, the loan reserve will be the percentage that applies according to the DSCR in the following table:

Range over DSCR	Percentage
3 < DSCR	0.0064
2 < DSCR <= 3	0.0084
1.5 < DSCR <= 2	0.0105
1 < DSCR <= 1.5	0.0137
0.75 < DSCR <= 1	0.0493
DSCR <= 0.75	0.1242

The debt service coverage ratio is calculated as follows:

$$Debt\ service\ coverage\ ratio = \frac{PS}{SD}$$

Where:

PS = Estimate of the flow assigned as primary source of payment of the loan for the following 12 months from the rating date.

SD = Principal and interest payments to be made by the borrower during the following 12 months from the rating date.

Unsecured loans

The LGD_i of the loans granted to Mexican states or municipalities which are not covered by security interests in real property, or personal or credit-derived collateral will be:

(a) 45%, for preferred positions.

(b) 100%, for loans which are 18 months or more in arrears for the amount due and payable under the original terms of the loan.

The EAD_i will be determined using the following equation:

(i) For balances drawn on uncommitted lines of credit, which are unconditionally cancellable or, in practice, that allow for automatic cancellation at any time and without prior notice, the following shall be considered:

$$EAD_i = S_i$$

(ii) For credit facilities that do not meet the requirements described in the preceding section:

(c) For loans rated under schedule 22 of the General Rules Applicable to Mexican Banks with a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

For loans classified under schedule 21 of the General Rules Applicable to Mexican Banks that have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

Where:

S_i = The outstanding balance of the i-th loan at the classification date, which represents the amount of loan granted to the borrower, adjusted for accrued interest, less payments of principal and interest, as well as any reduction, forgiveness, rebate and discount granted.

In any case, the amount subject to classification must not include uncollected accrued interest recognized in memorandum accounts on the balance sheet for loans classified within stage 3.

$Authorized\ Credit\ Line =$ The maximum authorized amount of the credit line at the classification date.

The Bank may recognize the security interests in real property, or personal or credit-derived collateral in the estimation of the LGD of the credits, for the purpose of reducing the allowance for loan losses derived from the portfolio classification, according to the accounting criteria.

Admissible security interests in real property may be financial and nonfinancial. Furthermore, only those security interests in real property which comply with the requirements established by the CNBV are recognized.

Allowances for the commercial loan portfolio, established by the Bank as a result of the loan rating, are classified according to the risk levels and percentages shown below:

Risk Level	Ranges of Percentage of Allowances
A-1	0% to 0.90%
A-2	0.901% to 1.50%
B-1	1.501% to 2.00%
B-2	2.001% to 2.50%
B-3	2.501% to 5.00%
C-1	5.001% to 10.00%
C-2	10.001% to 15.50%
D	15.501% to 45.00%
E	Greater than 45.00%

Mortgage loan portfolio

The portfolio classified as "Mortgage" is comprised of loans made to clients - individuals - for the acquisition, construction, remodeling or improvement of housing for purposes other than commercial speculation, and liquidity loans secured by the borrower's home, including loans made for such purposes to employees and former employees.

Pursuant to official communication 121-1/14591541/2022, dated January 10, 2022, the CNBV authorized our implementation plan of our internal methodologies for reserves and allowances based on MFRS C-16, to determine the allowance for loan losses by credit risk level for BBVA's six relevant portfolios as of January 2022, including the mortgage portfolio. The foregoing, in accordance with the provisions of Article 139 Bis 3, section I, of the General Rules Applicable to Mexican Banks. Such methodology was estimated with information as of September 2019.

Calculation of the expected credit loss requires a temporary structure during the life of the transaction and is based on the following components, in accordance with the minimum requirements for own estimates of risk parameters provided for in schedule 15 Bis of the General Rules Applicable to Mexican Banks:

- PD: An estimate of the likelihood of default over a given time horizon.
- LGD: An estimate of the loss arising in case of a default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral.
- EAD: An estimate of exposure at a future date of default, taking into account expected changes in the exposure after the reporting date, including expected repayments and drawdowns on committed facilities (CCFs).
- Term to maturity.
- Discount rate: To discount an expected loss to present value at the reporting date using the annual interest rate of the transaction, which should be determined in accordance with the original terms and conditions of the contract.
- Prepayment rates: consider the prepayment amount in the contractual future cash flows of the loans.

The procedures for estimating the probability of default, loss given default and exposure at default, for appropriately assigning and modifying the level of credit risk of exposures are consistent and in accordance with the criteria for recognizing the level of credit risk of a borrower, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of the two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (step 2), expected credit losses will be calculated over the life of the asset. If not, provisions will be based on the 12-month expected credit losses. Expected credit losses on impaired assets (step 3) will be expected credit losses over the life of the asset.

Non-revolving consumer portfolio

Pursuant to official communication 121-1/14591541/2022, dated January 10, 2022, the CNBV authorized the implementation plan of the Internal Methodologies for reserves and allowances based on MFRS C-16, to determine the allowance for loan losses by credit risk level as of January 2022 of the "Consumer Non-Revolving" portfolio. The foregoing, in accordance with the provisions of Article 139 Bis 3, Section I of the Mexican Banking Law.

In November 2022, the Bank requested approval from the CNBV to update the implementation plan for the CNR and SME portfolios, to defer the determination of allowance for loan losses pursuant to internal reserve methodologies under MFRS C-16.

Therefore, as of December 31, 2025, the CNR portfolio is rated under the standard approach.

Pursuant to Resolution issued by the CNBV on January 6, 2017, the Bank determines reserves under this methodology, which considers PD, LGD and EAD factors, as described below follows:

The amount of the allowance for loan losses of each loan shall be the result of applying the following equation:

$$R_i = PD_i^x \; x \; LGD_i^x \; x \; EAD_i^x$$

Where:

R_i = Amount of the allowance for loan losses to be created for the i-th loan.

PD_i^x = Probability of default of the i-th loan, classified as ABCD (B), automobile (A), payroll (N), personal (P), other (O).

LGD_i^x = Loss Given Default of the i-th loan, classified as ABCD (B), automobile (A), payroll (N), personal (P), other (O).

EAD_i^x = Exposure to Default of the i-th loan.

x = Super index that indicates the loan type corresponding to to the acquisition of long-lasting consumer goods (*Adquisición de Bienes de Consumo Duradero or "**ABCD**"*) ("**B**"), automobile ("**A**"), payroll ("**N**"), personal ("**P**"), other ("**O**").

For rating non-revolving consumer portfolio, the Bank considers a loss model according to the following:

- PD = it is determined based on the loan type classification (B, A, N, P and O), depending on the delays, incorporating in their determination risk coefficients with specific values established in the General Rules Applicable to Mexican Banks for each loan type, borrower's payment behavior variables within the Bank and other entities of the Mexican financial system, mainly.
- LGD = it is determined based on the loan type classification (B, A, N, P and O), depending on the delays, incorporating in their determination SP percentages in the observed delays at the rating date.
- EAD = corresponds to the principal and interest balance of each non-revolving consumer loan upon the portfolio rating.

Allowances for the consumer portfolio that do not include credit card transactions, established by the Bank as a result of the loan rating, are classified according to the risk levels and percentages shown below:

Risk Level	Ranges of Percentage of Allowances
A-1	0% to 2.00%
A-2	2.01% to 3.00%
B-1	3.01% to 4.00%
B-2	4.01% to 5.00%
B-3	5.01% to 6.00%
C-1	6.01% to 8.00%
C-2	8.01% to 15.00%
D	15.01% to 35.00%
E	35.01% to 100.00%

Revolving consumer portfolio (credit cards)

The commercial portfolio classified as "Credit Card" is identified through transactions related to loans made to clients -individuals- who have been authorized a revolving facility for personal use.

Pursuant to official communication 121-1/14591541/2022, dated January 10, 2022, the CNBV authorized the implementation plan of the Internal Methodologies for reserves and allowances based on MFRS C-16, to determine the allowance for loan losses by credit risk level for BBVA's six relevant portfolios as of January 2022, including the

Credit Card portfolio. The foregoing, in accordance with the provisions of Article 139 Bis 3, section I, of the Mexican Banking Law. Such methodology was estimated with information as of September 2019.

Calculation of the expected credit loss requires a temporary structure during the life of the transaction and is based on the following components, in accordance with the minimum requirements for own estimates of risk parameters provided for in Schedule 15 Bis:

- PD: An estimate of the likelihood of default over a given time horizon.
- LGD: An estimate of the loss arising in case a default. It is based on the difference between the contractual cash flows due and those that lender would expect to receive, including from any collateral.
- EAD: An estimate of exposure at a future date of default, taking into account expected changes in the exposure after the reporting date, including expected repayments and drawdowns on committed facilities (CCFs).
- Term to maturity.
- Discount rate: To discount an expected loss to present value at the reporting date using the annual interest rate of the transaction, which should be determined in accordance with the original terms and conditions of the contract.
- Prospective scenarios: The design of prospective scenarios is crucial, supplementing historical experience by introducing scenarios that enable the institution to proactively identify potential future situations. This design involves considering market outlook and the economic and financial environment in which the institution operates. BBVA Research, a specialized division within the Bank, is responsible for crafting internal prospective scenarios for various institutional processes, including those utilized in estimating allowances under MFRS C-16. These scenarios undergo updates at least annually.

The procedures for estimating the probability of default, loss given default and exposure at default, for appropriately assigning and modifying the level of credit risk of exposures are consistent and in accordance with the criteria for recognizing the level of credit risk of a borrower, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of the two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (step 2), expected credit losses will be calculated over the life of the asset. If not, provisions will be based on the 12-month expected credit losses. Expected credit losses on impaired assets (step 3) will be expected credit losses over the life of the asset.

Restructuring and renewal processes

A restructuring process is a transaction derived from any of the following situations:

(a) The extension of credit enhancements given for the loan in question, or

(b) The modification of original credit or payment scheme conditions, which include:

- Change of interest rate for the remainder of the term of the loan;
- Change of currency or account unit, or
- Granting of a grace period regarding the payment obligations detailed in the original credit terms, unless this concession is granted after the originally- agreed period, in which case it is considered as a renewal.

Restructuring transactions do not include those which, at the date on which the agreements are amended, indicate payment compliance for the full amount due of principal and interest and which only modify one or more of the following original credit conditions:

Guarantees: only when they imply the extension or substitution of credit guarantees for others of higher quality.

Interest rate: when the agreed interest rate improves.

Currency: the respective rate is applied to the new currency.

Payment date: only if the change does not mean exceeding or modifying payment periodicity. Modifying the payment date must not permit nonpayment in any given period.

A renewal is a transaction which extends the loan duration at the maturity date or when the credit is paid at any time by using the proceeds generated by another loan contracted with the same entity in which one of the parties is the same debtor or another individual or entity with equity shareholding relationships thereby constituting a joint risk. A loan is not considered to be renewed when disbursements are made during the term of a pre-established credit line.

If a restructuring or renewal process is used to consolidate different loans granted to the same borrower in a single loan, the treatment applied to the total debt balance resulting from this restructuring or renewal process reflects the rating given to the worst rated among the component loans.

Current loans (other than those with a single principal payment and the payment of interest accrued periodically or at maturity), that are restructured or renewed prior to when at least 80% of the original credit period has lapsed are only considered as current when the borrower has (a) settled all accrued interest and (b) paid the principal of the original loan amount which was due at the renewal or restructuring date.

If any of the conditions described in the preceding paragraph is not fulfilled, loans are classified as past due from their restructuring or renewal date until evidence of sustained payment is obtained. Current loans other than those involving a single principal payment and the payment of interest periodically or at maturity, which are restructured or renewed during the final 20% of the original credit period are only considered as current when the borrower has (a) settled all accrued interest; (b) paid the original loan amount due at the loan renewal or restructuring date and, (c) paid 60% of the original loan amount.

If any of the conditions described in the preceding paragraph are not fulfilled, loans are classified as past due from their restructuring or renewal date until evidence of sustained payment is obtained.

Loans with a single principal payment and the payment of interest periodically or at maturity and which are restructured prior to maturity or renewed at any time, are classified as part of the past due portfolio until evidence of sustained payment is obtained.

Loans which are initially classified as revolving and which are restructured or renewed prior to maturity only considered as current when the borrower has settled all accrued interest, the loan has no overdue billing periods and the elements needed to verify the borrower's capacity to pay are available, and it can be established that it is highly likely that the borrower will settle the outstanding payment.

Deductions, forgiveness, bonuses and discounts are recorded with a charge to the allowance for loan losses. If the amount thereof exceeds the balance of the estimate associated with the loan, estimates are previously made up to the amount of the difference.

Securitization with Transfer of Ownership

By securitizing the mortgage loan portfolio with transfer of ownership, the Bank transfers the financial assets through a securitization vehicle to enable such securitization vehicle to issue securities through an intermediary to be placed with the general investing public, which represent the right to the returns or the proceeds from the securitized financial asset, and as consideration the Bank receives cash and a certificate granting it the right to the remaining flows from the securitization vehicle after payment of the certificates to their holders.

On December 17, 2007, the CNBV authorized the Bank, through Document 153/1850110/2007, registered in the RNV of the Share Certificate Issuance Program to issue up to the amount of Ps.20,000 million or its equivalent in UDIs with an effective term of five years as of the authorization date.

The benefit valuation methodology applied to the securitized transaction residual is detailed below:

- The Bank has tools to measure and quantify the impact of securitized transactions on the statement of financial position and consolidated statement of results based on the cost of funding, release of capital, reserves and liquidity levels when structuring issuances and during the life thereof.
- The valuation system measures the follow-up of certificate performance and the subordinated portions recorded by the Bank and, if applicable, it also values the bond position to consider its possible sale on a secondary market. The valuation model is used to calculate the Bank's constant historical prepayment

rate computation, the mortality rate, current credit percentage, interest rate, issuance amount and value of guarantees with respect to the loan guarantee, among other items.

During 2022, securitization trust 881 was extinguished. As of December 31, 2025, 2024 and 2023, the Bank had no securitization trusts.

The characteristics of securitization contracts are detailed in Note 12 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

	As of December 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
	(millions of Ps., except percentages)					
Total graded loans:						
A1	1,592,986	76.22%	1,589,380	78.28%	1,287,109	76.87%
A2	112,318	5.37%	108,697	5.35%	86,510	5.17%
B1	115,398	5.52%	97,881	4.82%	93,721	5.60%
B2	61,417	2.94%	48,276	2.38%	50,077	2.99%
B3	57,383	2.75%	49,242	2.43%	31,619	1.89%
C1	51,735	2.48%	46,886	2.31%	44,153	2.64%
C2	41,985	2.01%	37,492	1.85%	32,530	1.94%
D	21,729	1.04%	21,207	1.04%	21,601	1.29%
E	34,804	1.67%	31,344	1.54%	27,031	1.61%
Total	**2,089,755**	**100.00%**	**2,030,405**	**100.00%**	**1,674,351**	**100.00%**
Allowances grading of our loans	63,458		55,719		48,277	
Additional allowance	—		4,612		6,918	
Total allowance for loan losses	**63,458**		**60,331**		**55,195**	
Allowance as a percentage of:						
Graded loans		3.04%		2.97%		3.30%
Total loans plus interest[(1)]		**3.04%**		**3.10%**		**3.29%**
Total past due amount		**185.79%**		**193.06%**		**196.40%**
Total past due as a percentage of total loans plus interest[(1)]		**1.63**%		**1.61**%		**1.67%**
Total net past due loans (past due amounts less allowances) as a percentage of net total loans plus interest[(1)]		**(1.45)%**		**(1.54)%**		**(1.67)%**

(1) Interest includes past due and outstanding interest.

Allowance for Loan Losses

General

We provide for possible loan losses in accordance with the regulations of the CNBV and are in compliance with regulatory loan loss allowance requirements. The grading of loans determines the amount of the allowance for loan losses required to be set aside. See "—Grading of Loan Portfolio" above. The amount reserved for loan losses is held in a separate account on our balance sheet and all charge-offs for uncollectible loans are made against this reserve. Mexican banks are required to obtain authorization from their boards of directors in order to charge off loans. In addition, Mexican banks are required to inform the CNBV after such charge-offs have been recorded. For a discussion of our charge-off policy, see "Annex A—Significant Differences Between Mexican Banking GAAP and U.S. GAAP" and "Annex B—Significant Differences Between Mexican Banking GAAP and IFRS."

As of December 31, 2025, we recorded loan loss provisions charged against earnings totaling Ps.60,956 million, an increase of 11.5% from our loan loss provisions charged against earnings as of December 31, 2024, where the amount totaled Ps.54,672 million. Our allowance for loan losses decreased to 185.8% of total past due loans as of December 31, 2025, compared to 193.1% as of December 31, 2024 and 196.4% as of December 31, 2023. As of the date of this Offering Memorandum, we believe that our current loan loss allowance is adequate for all known or knowable losses on our assets.

Analysis of Allowance for Loan Losses

The following table analyzes our loan loss allowances and movements in loan charge-offs and recoveries for the periods indicated, as well as changes to income and period-end allowances for loan losses.

	For the Year Ended December 31,		
	2025	2024	2023
		(millions of Ps.)	
Balance at beginning of period	60,331	55,195	49,588
Increase:			
Provision charged against earnings	60,956	54,672	44,966
Recoveries(1)	1,999	1,972	1,642
Provisions charged against equity	—	—	—
Exchange rate revaluation	(282)	422	113
Inflation revaluation of the UDI program	3	4	5
Subtotal	**62,676**	**57,070**	**46,721**
Decrease:			
Exchange rate revaluation	(35)	62	351
Application of write-offs for the year	59,584	51,872	40,763
Subtotal	**59,549**	**51,934**	**41,114**

(1) We may continue our recovery efforts with respect to certain past due loans after the date on which such loans are formally written off. We do not generally maintain a threshold time limit in respect of past due loans, following the expiration of which such loans are automatically charged off.

Allocation of Allowance for Loan Losses by Category

	As of December 31,					
	2025		2024		2023	
	Allowance	%	Allowance	%	Allowance	%
	(millions of Ps., except percentages)					
Commercial, financial and agriculture	10,455	16.48	10,049	16.66	10,269	18.60
Residential mortgages	5,891	9.28	5,361	8.89	3,464	6.28
Credit cards	23,677	37.31	20,007	33.16	16,206	29.36
Other consumer loans	23,048	36.32	20,014	33.17	18,084	32.76
Leases	387	0.61	288	0.48	254	0.46
Excess over minimum regulatory requirements	—	—	4,612	7.64	6,918	12.53
Total	**63,458**	**100.00**	**60,331**	**100.00**	**55,195**	**100.00**

Foreclosed Real Estate and Other Assets

The increase in the value of foreclosed properties and their associated reserves in 2025, compared to 2024 was Ps.281 million, primarily as a result of higher additions than disposals of foreclosed real estate inventory and its associated reserve. The increase in the value of foreclosed properties and their associated reserves in 2024, compared to 2023 was Ps.416 million, due to the sales strategies of foreclosed properties, and a lower creation of reserves on active inventory during 2024, mitigated by sales advances.

In accordance with local regulations issued by CNBV, Mexican banks that are granted the property title awarded in a judicial auction, as well as the real estate received through the liquidation negotiated with the borrower, must be registered at the lower of the net realization value of the property and the amount of the loan recorded in such liquidation.

Likewise, although the terms for selling real estate awarded or received by the bank in negotiated agreements have not been eliminated from the regulations, as a general practice the CNBV has waived these terms in order to allow banks to sell such assets, subject to market conditions and liquidity requirements.

We operate a specialized unit that administers foreclosed real estate and manages all activities related to the administration, marketing and sale of such properties.

The following table sets forth, by type of property, the book value of the real estate and non-real estate assets foreclosed as of December 31, 2025, 2024 and 2023.

	As of December 31,		
	2025	2024	2023
		(millions of Ps.)	
Real estate			
Rural land	130	126	79
Urban land	349	441	474
Family houses	1,335	1,438	1,529
Condominium	733	344	425
Industrial plants	48	112	39
Commercial building	225	292	200
Other	95	85	88
Subtotal real estate	**2,914**	**2,838**	**2,835**
Allowance for real estate	(1,073)	(1,278)	(1,691)
Foreclosed assets, net	**1,841**	**1,560**	**1,144**
Non-real estate	—	—	—
Allowance for non-real estate	—	—	—
Total non-real estate	—	—	—
Buildings and land	2,914	2,839	2,835
Allowance for impairment of foreclosed assets	(1,073)	(1,279)	(1,691)
Foreclosed assets, net	**1,841**	**1,560**	**1,144**

Other Restructuring Programs

We operate a centralized workout unit in Mexico City, supported by four additional credit recovery units across the country. Recovery prospects are assessed using an internal scale from 1 to 8, where 1 represents the highest likelihood of recovery and 8 the lowest, with credit recovery units automatically engaged for loans rated 6 or higher. If a recovery unit is unable to reach an agreement with a borrower or no satisfactory restructuring terms are proposed, the case is referred to our litigation department for legal action. Foreclosure processes in Mexico may be lengthy and require judicial authorization, which can result in delays and potential impairment of collateral value. Accordingly, there can be no assurance that recovery rates on past due loans will not decline in the future.

Loans that remain unrecovered after the implementation of workout strategies and legal proceedings are ultimately charged off.

Short-Term Borrowings and Repurchase Agreements

The following table sets forth our short-term borrowings and securities sold under agreements to repurchase for the periods indicated.

	As of December 31,					
	2025		2024		2023	
	Amount	Rate	Amount	Rate	Amount	Rate
	(millions of Ps., except percentages)					
Short-term borrowings:						
At end of period	1,651	11.42%	261	8.43%	22,224	12.24%
Daily average indebtedness during period	1,955	9.64%	10,578	11.42%	24,203	11.24%
Maximum month-end balance	3,324		11,329		27,064	
Creditors on repurchase/resale agreements:						
At end of period	169,785	15.69%	340,327	12.22%	242,601	14.40%
Daily average indebtedness during period	332,499	8.01%	404,788	10.27%	320,897	10.89%
Maximum month-end balance	304,111		355,606		367,096	
Total:						
At end of period	171,436	15.65%	340,588	12.21%	264,825	14.22%
Daily average indebtedness during period	334,454	8.02%	415,367	10.30%	345,100	10.91%
Maximum month-end balance	307,435		366,935		394,160	

Deposits

The following table presents the components of our deposit base for the periods indicated.

	As of December 31,		
	2025	2024	2023
		(millions of Ps.)	
Interest-bearing demand deposits:			
Peso-denominated	678,835	575,198	604,621
Foreign currency-denominated	161,054	172,148	135,032
Subtotal	**839,889**	**747,346**	**739,653**
Non-interest-bearing demand deposits:			
Peso-denominated	786,728	723,779	679,031
Foreign currency-denominated	59,980	68,906	59,044
Subtotal	**846,709**	**792,685**	**738,074**
Saving deposits:			
Peso-denominated	—	—	—
Foreign currency-denominated	—	—	—
Subtotal	—	—	—
Time deposits:			
Peso-denominated	436,461	368,555	320,653
Foreign currency-denominated	58,025	59,890	51,155
Subtotal	**494,486**	**428,445**	**371,809**
Total	**2,181,084**	**1,968,476**	**1,849,536**

THE TEXAS AGENCY

General

On June 2, 2003, the Texas Agency was issued a license by the commissioner of the Texas Department of Banking under the Texas Finance Code (the "**Commissioner**"). Through the Texas Agency, we are a foreign bank licensed to transact business in the State of Texas under the Texas Finance Code. The Texas Agency's registered office is located at 5075 Westheimer Road, Suite 1260W, Houston, Texas, United States of America; the Texas Agency's telephone number is 713-341-8200; and the Texas Agency's charter number is 5030-03. On September 18, 2021, the Texas Department of Banking re-issued the license to the Texas Agency in order to reflect the legal name change to BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México.

A licensed foreign bank agency in the State of Texas has the powers outlined in the Texas Finance Code, including, but not limited to, the power to (i) borrow and lend money with or without property as security and (ii) buy or acquire and sell or dispose of a bill of exchange, draft, note, acceptance or other obligation for the payment of money. The Texas Agency may not accept deposits from citizens or residents of the United States, other than credit balances that are incidental to or arise out of the exercise of other lawful banking powers, but may accept deposits from persons who are neither citizens nor residents of the United States.

Activities

The Texas Agency is not an entity separate and distinct from BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México. The Texas Agency is required to keep the assets of our business in the State of Texas, including the assets of the Texas Agency, separate and apart from the assets of our business outside of the State of Texas. Our depositors and creditors arising out of transactions with, and recorded on the books of, the Texas Agency are entitled to absolute preference and priority over the depositors and creditors of our offices located outside of the State of Texas with respect to our assets located in the State of Texas. The majority of transactions of the Texas Agency are performed under our direction and involve issuing debt on our behalf, booking loans originated at our home office and accepting deposits from non-United States corporations, government agencies, or persons who reside, are domiciled, and maintain their principal place of business in a foreign country.

Regulation of the Texas Agency

Under Mexican law, the Texas Agency's obligations are our obligations. The Texas Agency is subject to regulations issued by the CNBV and *Banco de México*, including liquidity requirements as well as applicable regulations issued by the Texas Department of Banking and the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**"). See "Supervision and Regulation—Liquidity Requirements for Foreign Currency-Denominated Liabilities."

The Texas Agency is examined by the Texas Department of Banking and is generally subject to all of the laws of the State of Texas that are applicable to a Texas state bank, with certain exceptions. The Texas Agency is required to keep on deposit with unaffiliated banks in the State of Texas certain money and securities pledged to the Commissioner, and such required amount is subject to the conditions and limitations the Commissioner considers necessary or desirable for the maintenance of a sound financial condition, the protection of the creditors and depositors of the Texas Agency's business in the State of Texas, the public interest in the State of Texas, and the support of public confidence in the business of the Texas Agency. At this time, the Commissioner has not imposed upon the Texas Agency any requirement to maintain a specific ratio of assets to liabilities appearing on the books, accounts and records of the Texas Agency or liquidity requirements. However, the Commissioner has the discretion to impose such requirements as may be necessary or desirable to reflect differences among Texas agencies because of (i) the financial condition of the Texas agency offices of the foreign bank, (ii) the financial condition of the branch or agency offices of the foreign bank located in other states, (iii) the general economic conditions prevalent in the home country of the foreign bank, or (iv) the financial condition of the foreign bank itself, including the financial condition of branches or agencies in other countries, the financial condition of its affiliated bank and non-bank subsidiaries in the United States and the financial condition of the foreign bank on a worldwide consolidated basis or in its home country.

The Texas Agency is required to disclose that deposits and credit balances in the Texas Agency's offices are not insured by the Federal Deposit Insurance Corporation.

The Texas Finance Code authorizes the Commissioner to take enforcement actions to revoke the license of a foreign bank agency or to seize the assets that are located in Texas of a non-United States bank for a variety of offenses, including but not limited to, if the Commissioner by examination or other credible evidence finds that the foreign bank (i) has refused to permit the Commissioner to examine its books, papers, accounts, records or affairs, (ii) has failed to make a report required or made a material false or misleading statement in the report, (iii) has misrepresented or concealed a material fact in the original application for license, or (iv) conducts business in an unsafe and unsound manner. If the Commissioner finds that certain conditions have been met, including consideration of the foregoing factors and others established by statute, and that it is necessary for the protection of the interests of creditors of the foreign bank's business in the State of Texas or for the protection of the public interest, the Commissioner may initiate a variety of enforcement measures, including, without limitation, the following: (i) the Commissioner may issue, without notice and hearing, an order suspending or revoking the license of the foreign bank for a period of up to ninety (90) days, pending investigation or hearing, or (ii) the Commissioner may by order immediately take possession of the property and business of the foreign bank in the state of Texas and as soon as practicable thereafter initiate a receivership proceeding to liquidate the property and business of the foreign bank in the State of Texas, under circumstances and using procedures similar to those used to liquidate a Texas state bank, except that the depositors and creditors of a Texas agency, arising out of transactions with and recorded on the books of a Texas agency, would have an absolute preference and priority over the creditors of the foreign bank located outside of the State of Texas. Upon issuing a final order revoking the license of a foreign bank, such foreign bank must immediately cease all activity in the State of Texas requiring a license. After the Commissioner (or other receiver) completes the liquidation of the property and business of the foreign bank in the State of Texas, the Commissioner is required to transfer any remaining assets to the foreign bank or to the liquidators of the foreign bank's offices in other states if such proceedings were pending in other states in accordance with the applicable court order.

In addition to being subject to Texas banking laws and regulations, the Texas Agency is also subject to federal regulation primarily but not limited to the International Banking Act of 1978, as amended (the "**IBA**"), and the amendments to the IBA made pursuant to the Foreign Bank Supervision Enhancement Act of 1991 ("**FBSEA**"), and to examination by the Federal Reserve Board through the Federal Reserve Bank of Dallas. Under the IBA, as amended by FBSEA, all United States branches and agencies of foreign banks, such as the Texas Agency, are subject to reporting and examination requirements similar to those imposed on domestic banks that are owned or controlled by United States bank holding companies.

Among other things, FBSEA provides that a state-licensed branch or agency of a foreign bank may not engage in any type of activity that is not permissible for a federally licensed branch or agency of a foreign bank unless the Federal Reserve Board has determined that such activity is consistent with sound banking practice. A state branch or agency must also comply with the same single borrower lending limits applicable to national banks. These limits are based on the capital of the entire foreign bank. In addition, FBSEA authorizes the Federal Reserve Board to halt the activities of a United States branch or agency of a foreign bank if it finds that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country or there is reasonable cause to believe that such foreign bank, or an affiliate, has violated the law or engaged in unsafe banking practice in the United States, and as a result, continued operation of the branch or agency would be inconsistent with the public interest and purposes of the banking laws.

THE BANK

Overview

We are a leading multi-purpose bank with limited liability organized under Mexican law. As of December 31, 2025, we had total assets of Ps.3,437,361 million, total deposits of Ps.2,184,708 million and stockholders' equity of Ps.400,134 million. For the year ended December 31, 2025, our net income was Ps.98,946 million. As of December 31, 2025, based on assets, loans and deposits, we were the largest bank in Mexico according to information published by the CNBV as of December 31, 2025. In 2025, we offered our products and services to 33.8 million customers.

We are the principal subsidiary of Grupo Financiero BBVA México, S.A. de C.V., a holding company authorized to establish and operate as a subsidiary financial group of BBVA Spain, a global financial group that controls and owns the majority of GFBM's share capital. As of December 31, 2025, the Bank represented 87.3% of GFBM's total assets and 85.0% of GFBM's net income for 2025.

We are present in all 32 states of Mexico, serving our clients through a vast branch network and alternative distribution channels such as ATMs, bank correspondents, point-of-sale ("**POS**") terminals, internet and cellular telephony, among others. Additionally, we have specialized executives who provide differentiated and personalized service to individuals, corporations, small and mid-sized companies, and government entities.

We are primarily focused on distributing our banking products and services efficiently. As of December 31, 2025, we distributed our products and services in Mexico through a nationwide network of 1,635 branches strategically located throughout all 32 states of Mexico. In addition, the Texas Agency is located in Houston, Texas.

As of December 31, 2025, we operated 14,381 ATMs and 844,552 POS terminals, and we also offer our products and services through mobile phone apps and internet banking.

The Mexican economy decelerated from 1.2% in 2024 to 0.8% in 2025. That being said, the inflation rate reached a level of 3.7% year-on-year in December 2025, a decrease from the closing level of 4.7% year-on-year in December 2024, and below the closing level of 5.6% in December 2022. This creates a favorable environment for the gradual reduction of interest rates, encouraging investment and consumption in the medium term.

The Bank has maintained its focus on the growth and development of the country through the granting of credit, which is reflected in the balance of the Bank's current loan portfolio as of December 31, 2025, which was Ps.2,043,826 million. The current loan portfolio balance grew by 7.3% in 2025 with respect to 2024, and 15.8% in 2024 with respect to 2023. The evolution of the Bank's current loan portfolio has been accompanied by a total past due loan portfolio ratio of 1.6% as of December 31, 2025, 1.6% as of December 31, 2024 and 1.7% as of December 31, 2023.

In terms of portfolio composition, with respect to Stage 1 and Stage 2 loans, as of December 31, 2025, the total balance of our performing commercial loan portfolio, which includes loans to companies, as well as to financial and government entities, represented 54.0% of our total loan portfolio, while the total balance of our consumer loan portfolio represented 26.9% of our total loan portfolio and the mortgage portfolio represented the remaining 19.1% of our total loan portfolio. For information on the different loan stages reflected in our 2025, 2024 and 2023 financial information as a result of the new accounting criteria applied starting January 1, 2022, see "Selected Statistical Information—Loan Portfolio—Past Due Loan Portfolio" and Note 10 to our Audited Financial Statements included elsewhere in this Offering Memorandum.

The Bank's net income increased by 6.2% for the year ended December 31, 2025, as compared to 2024, mainly driven by a disciplined execution of the business model, supported by efficient funding management and growth in loan origination. The Bank's net income increased by 6.3% for the year ended December 31, 2024, as compared to 2023, mainly driven by a growth in our loan portfolio combined with a favorable mix of deposits. The Bank's net income was Ps.87,604 million for the year ended December 31, 2023, mainly driven by an environment of higher interest rates, higher commissions related to the volume of transactions, as well as our focus on not increasing expenses.

The Bank forms part of a financial group that is innovating to address new market trends and focused on catering to the needs of our customers, aimed at maintaining the Bank as a leader in innovation, and as a benchmark institution. Our main priority is our customers, offering the best service and generating the best experience. Our business model is based on customer segmentation, with personalized and specialized attention that allows us to offer products and services adapted to their needs. We offer our products and services through the following business units:

- **Retail Network:** Serves all retail segments through our extensive branch network. The Retail Network business unit focuses on providing financial products such as consumer loans, car loans, savings products and life insurance, among many others, both for retail clients and micro or small companies. It works in coordination with the Bank's business development teams to continue transforming and innovating in the offer of digital products and services, aimed to enhance sales and post-sale services. This has allowed us to remain a leading institution in the banking sector.

- **Business and Institutional Banking:** Specializes in serving medium-sized companies, government entities, housing developers and distributors in the automotive sector. It focuses on providing a wide range of banking services and products such as cash management for companies, loans for the distribution and acquisition of vehicles for car dealers, and tax collection and payment services for government entities, among others. This unit also relies on digital channels to improve the experience through digital services, with the *BBVA Empresas* mobile application, which allows our clients to manage and administer their businesses from cell phones, as well as contact a financial advisor.

- **Corporate and Investment Banking:** Focuses on providing banking services to international entities and large corporations, including the Bank's global clients, offering a wide range of services within the investment banking portfolio. For example, we offer *BBVA Net Cash*, a global electronic banking solution that allows handling high volumes of operations through a robust and easy-to-use platform, and we also offer *BBVA Trader Mx*, a platform that allows investors to carry out their own investments online and in real time. This unit also includes the Bank's global markets team which, together with Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México (our brokerage unit), offers more sophisticated products and services such as debt and capital issuances, structured financing and M&A, among others.

The business units are accompanied by a structure of support to promote the consistent performance of our business, while offering integral management that promotes the creation of synergies for continuous growth.

Organizational Structure

We are the principal subsidiary of GFBM, a holding company authorized under Mexican law to establish and operate a financial group.

In addition to our own products and services, we distribute and earn fee income and commissions from a wide range of financial and related products and services in Mexico for GFBM and other affiliates that are not our subsidiaries, including:

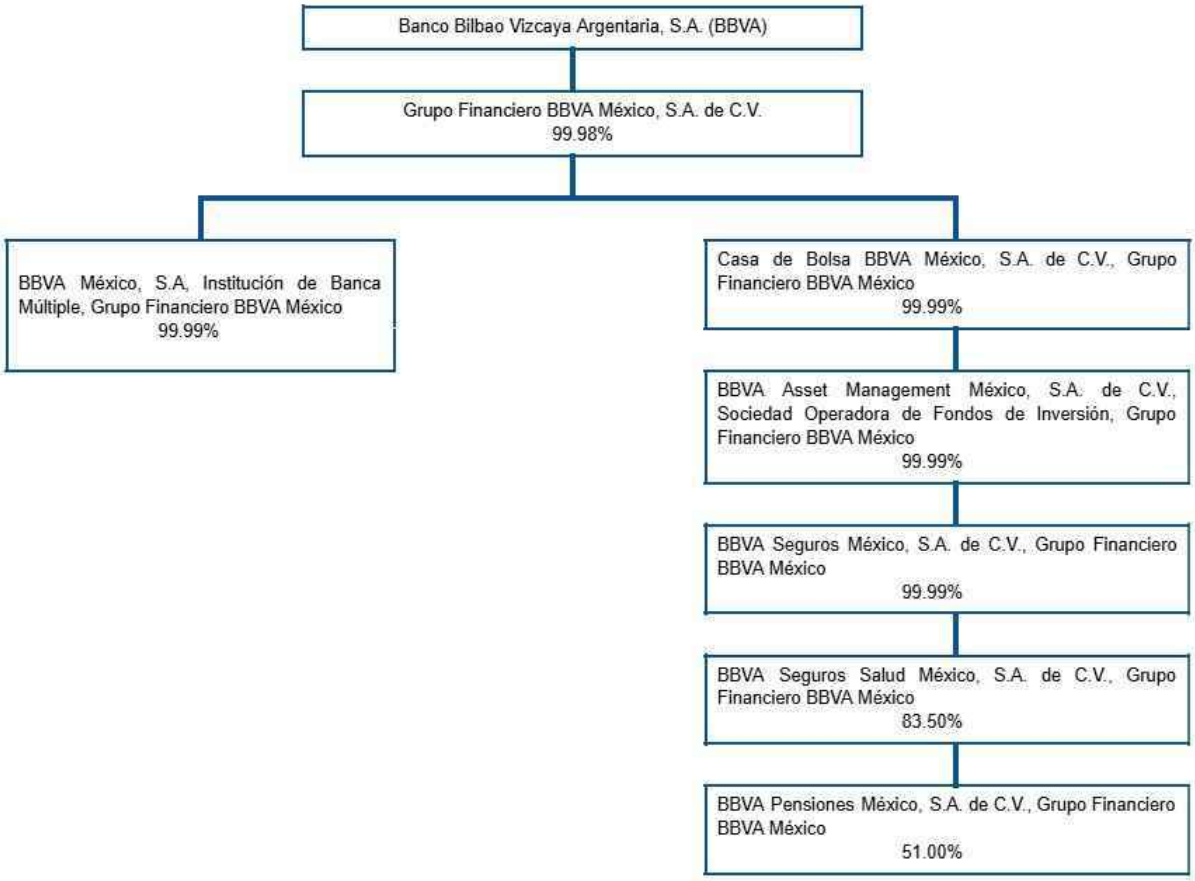
- bank insurance products on behalf of BBVA Seguros México, S.A. de C.V., Grupo Financiero BBVA México;

- mutual funds on behalf of BBVA Asset Management México, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero BBVA México;

- pension fund management on behalf of BBVA Pensiones México, S.A. de C.V., Grupo Financiero BBVA México; and

- health insurance products on behalf of BBVA Seguros Salud México, S.A. de C.V., Grupo Financiero BBVA México.

The following chart presents our current holding organizational structure and that of GFBM, including principal subsidiaries and affiliates, as well as respective ownership interests as of the date of this Offering Memorandum:[(1)]



(1) See our 2025 Audited Financial Statements included elsewhere herein for a complete list of our subsidiaries.

Our headquarters are located at Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, Mexico, C.P. 06600. Our telephone number is +52 (55) 5621-3434.

Our History

General

The Bank was incorporated under the name "El Nuevo Mundo, S.A." on October 8, 1945 in Mexico City. The Bank's name was changed in 1951 to "Industria y Crédito, S.A." and then to "Financiera Bancomer, S.A." in 1957.

In 1977, several institutions forming a part of the Bancos de Comercio System, including Banco de Comercio S.A. and Hipotecaria Bancomer S.A., merged with Financiera México, S.A., as the merging company. As a result, Financiera Bancomer, S.A. changed its name to "Bancomer, S.A."

Bancomer, like most other Mexican commercial banks, was nationalized in 1982. At the end of the 1980s, a series of measures were implemented to deregulate the Mexican financial system. This process of deregulation resulted in the re-privatization of commercial banks, including Bancomer, S.A.

As part of the subsequent privatization process, in 1991, a group of Mexican investors consisting of the major shareholders of Valores Monterrey Aetna, S.A. de C.V. acquired 56% of the outstanding capital stock of Bancomer, S.A. GFBM was incorporated in 1991 to acquire and hold a controlling interest in Bancomer and other financial institutions. GFBM subsequently increased its ownership of Bancomer through acquisitions and, in 1993, the Mexican government exchanged its remaining stake in Bancomer for shares of GFBM's capital stock, which gave GFBM control of nearly 100% of Bancomer's outstanding capital.

In July 2000, BBVA Spain acquired control of GFBM (through a Ps.1.4 billion capitalization), and as a result changed its name to Grupo Financiero BBVA Bancomer, S.A. de C.V.

In August 2000, the merger of GFBM and BBV-Probursa took effect.

On September 15, 2000, the merger of the Bank, as the merging party, was agreed upon and continued with Banca Promex, S.A., Institución de Banca Múltiple, which was extinguished, which took effect on October 6, 2000.

In November 2000, in the extraordinary general meetings of shareholders of the Bank and BBV México, S.A., their respective spin-off and merger agreements were approved, and these agreements took effect in December 2000. As a result, both credit institutions continued forming part of the BBVA Group, with different but complementary purposes. Subsequently, in 2001, their respective shareholders approved the name change of Bancomer, S.A., BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, and BBV-México, S.A. to BBVA Bancomer Servicios, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

The extraordinary general meeting of shareholders of the Bank that was held on October 3, 2001 approved the transformation of the Bank into a multiple banking institution subsidiary of GFBM, carrying out the corresponding modifications to its bylaws, as well as to reflect the reforms to the Credit Institutions Law, published in the Federal Official Gazette on June 4, 2001. The transformation was authorized by the SHCP on May 30, 2003. On May 9, 2002, GFBM obtained authorization to incorporate and operate as a subsidiary holding company of BBVA International Investment Corporation (BBVAIIC), through an indirect investment of 51% in its share capital. At that time, BBVAIIC, in turn, was wholly owned by BBVA Spain. The transformation of the Bank was formalized when these changes were registered in the Public Registry of Property and Commerce of the Federal District in 2003.

In 2009, after obtaining the corresponding authorizations, BBVA Spain increased its direct participation in the capital stock of GFBM to 99.98%.

In August 2009, after having obtained the necessary authorizations, the merger of the Bank as a merging company with BBVA Bancomer Servicios, S.A. was completed. As a result of this merger, the Bank now carries out the commercial activities of BBVA Bancomer Servicios, S.A., including fiduciary and ATM services.

On April 24, 2019, the global unification of the brand was reflected in all the geographies in which the BBVA Group operates. Consequently, in Mexico the brand changed from "BBVA Bancomer" to "BBVA." The announcement to the public of this unification was made on June 10, 2019, announcing the unique brand and the new logo with the aim of continuing to advance in the transformation and globality in the new digital era. The ownership of the "BBVA" brand belongs to BBVA Spain and is used by the Bank under a license agreement signed by both entities.

As part of the unified identity of the BBVA Group of which the GFBM Group is a part, on January 24 and 27, 2020, the authorization requests for the modification of the corporate name were submitted to the SHCP and the CNBV, respectively, with respect to GFBM and the Bank, as well as other subsidiaries of GFBM. On September 4, 2020, the CNBV authorized the modification of the Bank's corporate name, as well as that of other subsidiaries of GFBM. The SHCP granted authorization to modify the name of GFBM on March 19, 2021.

The financial entities that make up the GFBM Group changed their corporate names effective as of September 20, 2021. In the case of the Bank, the main subsidiary of GFBM, the new name is *BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México*, which replaced the previous name of *BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer*.

Strategy and Strengths

The constant transformation and innovation of products based on experience and customer service, aligned with strategic priorities marked by our purpose and values, is one of the main hallmarks of our identity.

Our values, which are at the core of our strategy, are the following:

- *Customer Comes First* - our customers' experience and needs are our highest priority
- *We Think Big* - we want to help our customers achieve their most relevant goals by being more than a bank

- *We Are One Team* - we encourage everyone at the Bank to actively participate so that everyone works towards the same common objectives

The 2025-2029 strategic plan gives new momentum to the vision with the purpose: *"Support your drive to go further,"* reinforcing BBVA's role as a key ally for individuals and businesses. More than just a bank, BBVA aims to be a springboard that helps those who seek to go further and achieve their goals.

To continue accelerating and deepening the impact of the transformation, we have taken another step that will allow us to adapt to the trends that are changing the world and the financial industry. With a clear vision of the future and anticipating future needs, the guideline for the entire Group is based on the following six strategic priorities, based on the following three pillars:

- Differentiation:
  - Embed a Radical Client Perspective (RCP) in All We Do
- Full commitment to growth and value creation:
  - Boost Sustainability as a Growth Engine
  - Scale up All Enterprise Segments
  - Promote a Value and Capital Creation Mindset
- Meaningful impact across the board:
  - Unlock the Potential of AI and Innovation through Data Availability and Next Gen Tech
  - Strengthen Our Empathy, Succeed as a Winning Team

The Bank is a participant and a leader in the commitment to a more environmentally responsible world. In this sense, the Bank has set objectives to decarbonize its portfolio in eight emissions-intensive sectors, with the objective of being neutral in carbon emissions by 2050, taking into account both the Bank's direct emissions (in which it has been carbon-neutral since 2020), as well as the indirect emissions. In line with the endorsement of the Mexican agenda for a sustainable recovery, the Bank will continue to work together with its customers to strengthen its green and inclusive offer for the country.

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 27.1 million digital customers as of December 31, 2025, equivalent to an increase of 8.6% compared to 2024. As of December 31, 2025, digital customers represented 80.1% of our total customer base.

Financial transactions carried out by clients on our digital platform from January to December of 2025 totaled more than 4,663 million, which represented an increase of 11.2% 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 our website, which represented 73.5% of the total in 2025 (compared to 69.9% in 2024, and 65.0% in 2023), and reflected an annual growth of 16.9% in the number of such transactions year-over-year. Our digital strategy and transformation allow 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.

In addition, we continue to promote the use of digital channels among our customer base, which is reflected in the percentage of digital sales (measured in units), which during 2025 reached 75.0% of the total sales made in the Bank (compared to 76.5% in 2024, and 76.8% in 2023).

Sustainable Finance

We incorporate sustainability in our daily activities, and it is part of our management both in our relationship with customers and in our internal processes. We are aware of our outstanding and relevant role as a bank in the transition towards a more sustainable world through financial services and products. We seek to accompany our retail, business, corporate and institutional clients in adopting more sustainable habits that help reduce their emissions, using

data-based tools and solutions that help them control their consumption and emissions. For example, our digital application is able to calculate how much emissions a client is producing based on the expenses reflected on the account statement. To this end, we continuously seek to improve our provision of advisory services, as well as focusing on the development and innovation of a wide range of sustainable investment and financial products.

Market Information

The following table provides comparative information with respect to the Bank and certain selected leading banks in Mexico as of December 31, 2025 (unless otherwise indicated). This comparison is for illustrative purposes only.

	The Bank[1]	Banamex	Banorte	Santander	HSBC	Scotiabank
	(millions of Ps., except percentages)					
Total loan portfolio	2,089,062	521,572	1,231,946	985,629	478,622	535,207
Total deposits funding[2]	2,202,390	820,850	1,271,061	1,117,057	578,129	576,114
Market share (total loans)	25.58%	6.39%	15.09%	12.07%	5.86%	6.55%
Total assets	3,437,361	1,112,198	1,966,230	2,074,455	902,875	893,217
Total loan portfolio / total assets	60.78%	46.90%	62.66%	47.51%	53.01%	59.92%
Total loan portfolio / total deposits funding	94.85%	63.54%	96.92%	88.23%	82.79%	92.90%
Total stockholders' equity	400,134	181,010	152,103	162,470	86,236	95,155
Net income	98,946	16,096	47,380	32,329	7,312	10,241
Return on average assets (ROA)	2.94%	1.46%	2.50%	1.61%	0.80%	1.15%
Return on average stockholders' equity (ROE)	25.82%	9.10%	29.04%	19.95%	8.53%	11.11%
Cost of funding[3]	2.61%	2.50%	3.18%	3.28%	3.96%	7.40%
Delinquency ratio[4]	1.63%	2.97%	1.41%	2.06%	3.06%	4.16%
Efficiency ratio[5]	32.70%	61.23%	38.14%	43.55%	60.88%	47.92%
Branches	1,635	1,257	1,216	986	727	407

(1) Data for the Bank is derived from our 2025 Audited Financial Statements. Data for the other financial institutions is derived from information reported by the CNBV.
(2) "Total deposits funding" includes "Deposits" and "Interbank and other borrowings."
(3) Source: *Banco de México*.
(4) Delinquency ratio is equal to total past due loan portfolio divided by total loans.
(5) Efficiency ratio is equal to total administrative and promotional expenses as a percentage of the aggregate of financial margin and non-interest income (fee income (net) plus financial intermediation income plus other operating income (expense)). For this purpose, financial margin and non-interest income are calculated before allowance for loan losses.

Business Units and Financial Performance

We are a bank in constant transformation, aiming to evolve every day in order to improve customer experience, the offer of traditional products and to innovate through the digital offering of products and services. One of the main elements of our business model is customer segmentation, which allows us to provide specialized attention to each of our customers through our business units, which are dedicated to developing products and services focused on our customers' specific needs. Our business units benefit from our support units, which provide support to all of our networks, striving to generate a better experience for our customers, with the objective of maintaining adequate business recurrence and integral management, as well as achieving synergies that enable continuous growth.

Retail Network

Our Retail Network business unit manages the entire branch network, offering services to different individual customer segments, ranging from ultra-high net worth, private, wealth and personal to the banking and express segments; micro and small businesses attended in this segment.

The structure of our branches includes larger self-service spaces to improve the experience for our customers by making the operation of the branch more efficient, encouraging the use of self-service facilities, and adding more intelligent ATMs through which our clients can obtain consumer loans or make deposits or payments in cash.

We have also made significant investments to develop alternative digital channels to increase sales by cross-selling opportunities with our customers while increasing customer loyalty.

In addition, we offer loans and deposits to individuals, small and micro companies, through the Retail Network business unit and through the digital channels developed to serve this segment. Depending on the special requirements of each customer segment, we offer a wide range of products and services, including consumer loans,

car loans, savings products (including demand deposits), time deposits, investment funds and life, car, housing and natural disasters insurance.

Throughout 2025, we continued to transform the customer service strategy, with the aim of consolidating long-term relationships by offering specialized solutions. In this sense, our service model for SMEs has been a key differentiator and has recorded positive results by attracting new customers. Additionally, we continue to promote our digital channels in order to strengthen and differentiate our product offer with innovative payment solutions (CoDi, electronic payment, e-commerce and POS).

The business development teams, which support our Retail Network, are responsible for developing new businesses, technologies, and digital channel strategies, aiming to guarantee our leadership position in the Mexican market. In this regard, there have been significant investments to develop alternative digital channels that support sales within the branches with the main objective of increasing opportunities to cross-sell to customers, and, at the same time, increasing customer loyalty.

Business and Institutional Banking

We offer services in the Business and Institutional Banking business unit through specialized branches. Clients in this segment are also an important source of deposits since they mainly use savings and cash management products. We offer a wide range of products designed to meet customer requirements for collection and cash management solutions.

This unit also offers services to clients in certain niche segments to increase cross-selling opportunities and customer loyalty:

- *Home Developers*: provides credits to developers for construction purposes.
- *Consumer Financing*: This segment was created exclusively to satisfy the various requirements of the automotive industry, including loans for the distribution and acquisition of vehicles, and is also part of the Corporate and Investment Banking business unit, as it provides services to meet the financial needs of car dealerships.
- *Government Entities*: This segment has specialized branches and personalized services to meet the needs of the Mexican federal government, the states and municipalities of Mexico, and other government agencies. The wide range of products for this segment includes paycheck services for government employees, checking accounts and tax collection services for states and municipalities. We also offer products such as "*Multipagos*" and "*CIE Online*" for tax collection.
- *BBVA Spark:* Our initiative to help high-growth companies (Start-up, Scale-up, Unicorn, Growth, etc.) with the agility and flexibility they need to achieve success. To this end, it has exclusive bankers to develop the segment giving reduced waiting time to financing needs and has adapted risk processes.
- *New Nearshoring Office in Houston:* Within just one year of operation, investments were attracted from various companies, reaffirming our commitment to driving Mexico's economic growth.
- *AutoMarket:* A digital platform launched by us to provide a secure mobility solution with financing access. This tool facilitates the purchase of pre-owned vehicles through financing while also maximizing transaction value for private car sales, prioritizing security for buyers and sellers. The platform connects customers with reliable vehicles backed by us, offering some of the most competitive rates in the industry.

Corporate and Investment Banking

Through the Corporate and Investment Banking business unit, we offer credit products and services to corporate and institutional clients, mergers and acquisitions services, market operations (equity and fixed income), cash management, online banking, and investment products. The business unit strives to ensure that customers receive the best possible service by developing new products tailored to their needs. Some examples of products that we offer to customers through this business unit are:

- "*BBVA Net Cash*," a global electronic banking solution that allows corporations and government organizations to efficiently and securely execute their banking transactions through one platform that is remotely accessible at any time; and

- "*BBVA Trader Mx,*" a platform that allows investors to carry out their own online trading transactions in real time.

This business unit also offers market information, analysis, news and technical tools, which can be customized to help our clients make financial decisions.

The Corporate and Investment Banking business unit also includes our Global Markets team and, in association with Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México, offers more sophisticated products and services to both individuals and companies, such as placements and issues of debt and equity securities and structured financing, among others. As market makers, we play an active role in the market for fixed-rate government securities and primary auction bids for these securities. The Bank has led the SHCP and *Banco de México*'s classification of market makers since 2012.

Financial Performance of the Business Units

Retail Network

General

Our Retail Network is our major operating business unit and includes sub-units for providing banking products and services and originating credit and debit cards, residential mortgage loans, consumer loans, payroll loans, and loans to small businesses through our vast network of retail branches and ATMs, as well as alternative distribution channels. As of December 31, 2025, the aggregate balance of our Retail Network lending portfolio was composed of 41.5% mortgages, 34.4% consumer loans and 24.1% credit cards.

As of December 31, 2025, we had 1,635 branches and 14,381 ATMs located throughout Mexico, as well as distribution channels outside of these networks, including 844,552 POS terminals, our internet portal, and mobile applications. As of December 31, 2025, our Retail Network unit accounted for 46.0% of the balance of our total current loan portfolio, and 51.6% of the balance of our demand and time deposits.

We have divided the customer base served by this business unit into the following classifications: (i) for individuals based on deposit size: ultra-high net worth, high net worth, upper affluent, affluent, upper mass and lower mass; and (ii) for small businesses: including micro and small enterprises.

This business unit focuses on increasing the value of the customer base and increasing cross-selling. We believe that payroll loans are a key product with considerable potential to keep increasing customer loyalty and promoting cross-selling while offering our customers additional benefits. We are also focused on delivering banking products and services to unbanked and underserved segments of the Mexican population, including through the enrollment of our customers in the CoDi® platform. This platform was designed by *Banco de México* and launched in September 2019, with the goal of simplifying payments by using electronic transfers through smartphones.

Our Retail Network business unit also emphasizes increasing productivity by reducing branch traffic through the installation of electronic payment systems at our branches and offering mobile and internet banking solutions to our customers. This is part of the new customer service model that has been implemented throughout our entire branch network.

Our business model focuses on customer segmentation and specialized products and services to customers within each customer segment. By following the main strategic priority of the BBVA Group, "Customer comes first" we strive to offer customers the best experience during any interaction they have with the Bank.

The customer attention model in our Retail Network business unit is structured as follows:

- *Ultra-high net worth:* We cater to high net-worth individuals by offering differentiated products and services aimed to satisfy their specific needs.
- *High net worth:* We provide personalized financial and investment services to these customers with our relationship officers, who are familiar with the customer's individual needs and who can recommend and provide access to specialized products and services.
- *Upper affluent:* We cater to this customer segment through our upper affluent officers, who provide specialized products and tailored solutions for customers' financial needs, rather than offering generic products and services.

- *Affluent:* We created this customer segment in 2011 to offer certain customers specialized attention and tailor-made products. These customers have specialized account executives within our retail branches.
- *Upper mass:* This customer segment is our largest retail customer segment based on the number of customers. We provide products and services to individuals in the upper mass segment through commercial executives and our retail distribution network throughout Mexico.
- *Lower mass:* This customer segment is dedicated to serving the low-income population without adequate access to financial services. We offer low-cost transactional accounts that allow customers to use our banking services. The Bank's correspondent network is useful for these customers, and these partnerships have enabled us to expand our network and hours of operation.
- *Micro and small businesses:* We also provide services to small businesses through our retail branches. Credit extended to these customers is generally secured.

Credit Activity

Credit Cards

We are one of the leading bank issuers of credit cards in Mexico and we maintain a strong relationship with Visa and MasterCard. Revenues from credit card operations are derived primarily from customer transactions. We originated more than 2.7 million credit cards during the year ended December 31, 2025, more than 2.5 million credit cards during the year ended December 31, 2024, and more than 2.3 million credit cards in the year ended December 31, 2023. As of December 31, 2025, total credit card loans outstanding were Ps.226,901 million, compared to Ps.198,891 million as of December 31, 2024, and Ps.175,243 million as of December 31, 2023.

We offer a wide array of different credit cards depending on the customer's monthly income and needs. Our credit card offerings include "*BBVA Azul*," "*BBVA Oro*," "*BBVA Platinum*" and "*BBVA Infinite*," which are accepted by merchants in Mexico and abroad. We also offer "*Vida BBVA*," a customer loyalty program that uses a credit card with an embedded intelligent microchip running proprietary software that was developed to offer real-time rewards to customers and marketing and merchandising flexibility to merchants.

Our risk analysis platform allows us to monitor and differentiate the behavior of each customer to better identify customers with debt problems early on, and offer them a support plan through preferential rates. This support program also helps us strengthen our credit card portfolio by offering better interest rates to credit card customers with higher credit scores, improving the quality of our service and the loyalty of our clients.

Consumer Loans

The consumer loan portfolio consists largely of unsecured personal and payroll loans, used mainly for the purchase of consumer goods. Consumer lending, excluding credit card and auto loans, reached Ps.244,380 million as of December 31, 2025, this is an increase of 12.7% with respect to December 31, 2024. Consumer lending, excluding credit card and auto loans, reached Ps.216,897 million as of December 31, 2024, representing an increase of 13.6% as compared to December 31, 2023.

In the breakdown, payroll loans are one of the main products we use to promote cross-selling within the Bank, which is reflected in a total of Ps.171,905 million in new loans for the year ended December 31, 2025, an increase of 11.4% as compared to December 31, 2024, where new loans represented Ps.154,370 million, an increase of 13.7% as compared to December 31, 2023. Personal loans amounted to Ps.72,475 million, an increase of 105.2% as compared to December 31, 2024, where personal loans amounted to Ps.35,326 million, an increase of 8.0% as compared to December 31, 2023.

Digital innovation has also allowed us to increase sales through multi-channel distribution, by permitting us to offer products through the internet, mobile applications and ATMs, in addition to our traditional distribution method of physical branches. For example, for the year ended December 31, 2025, 75.0% of total sales we performed were executed through a digital channel.

Residential Mortgages

We provide residential mortgages through our Retail Network business unit. As of December 31, 2025, we maintained our leadership position in the residential mortgage market, holding a 26.7% market share according to data

published by the CNBV. During the year ended December 31, 2025, we granted 36,027 new mortgage loans. As of December 31, 2025, our mortgage loan portfolio totaled Ps.390,458 million, an increase of 8.2% as compared to Ps.360,945 million as of December 31, 2024, which, in turn, reflected an increase of 9.16% as compared to December 31, 2023.

Deposits

Our deposit base has traditionally been one of our strengths and represents an area of strategic importance. Our strategy is aimed at increasing our deposit base while maintaining a competitive funding cost. We support this strategy through marketing campaigns and seek to increase both the balance of existing savings accounts and the number of new savings accounts opened.

As of December 31, 2025, the balance of demand deposits in this business unit was Ps.1,127,331 million, which represented 67.1% of our total demand deposits. This level of demand deposits reduces our cost of funding, which, in turn, results in a favorable performance of our financial margin. As of December 31, 2025, balances in time deposits in this business unit were Ps.178,292 million, which represented 41.4% of our total time deposits, and balances of mutual funds were Ps.911,672 million, an increase of 12.8% as compared to Ps.791,669 million as of December 31, 2024, which, in turn reflected an increase of 26.7% as compared to December 31, 2023.

Business and Institutional Banking

Our Business and Institutional Banking business unit offers services through a specialized network. Clients of this business unit are also an important source of deposits since they mainly use savings and cash management products. We offer a wide range of products designed specially to meet customer requirements for collections and cash management solutions.

In 2020, we launched the *BBVA Empresas* mobile application, which is targeted at small and medium-sized companies to large corporations. This app allows customers to manage and administer their business from their cell phones, and also provides us with an additional means to offer a wide range of additional services to these customers.

This business unit also offers services to clients in certain niche segments to increase cross-selling opportunities and customer loyalty:

- *Home Developers*: provides credit to developers for construction purposes.
- *Consumer Financing***:** This unit was created exclusively to satisfy the various needs of the automotive industry, including loans for the distribution and acquisition of vehicles. Through this unit, we cater the whole value chain from the financial needs of car dealerships to the final user.
- *Government Entities*: Cater the needs of the Mexican federal government, the Mexican states and municipalities and other government agencies. The wide range of products for this segment includes from a checking account for government employees up to tax collection services for Mexican states and municipalities through our systems called "*Multipagos*" and "*CIE Online*."

Business Performance of Business and Institutional Banking

We offer products and services tailored to the specific needs of the Business and Institutional Banking business unit. The middle-market business banking loan portfolio reached Ps.873,184 million as of December 31, 2025. The institutional banking loan portfolio reached Ps.176,928 million as of December 31, 2025.

Our middle-market business customers are also an important source of deposits, as they mostly use cash management and savings products. We offer a wide array of products designed to meet these customers' needs for cash management and collection solutions. Some of the unit's more popular products are: (i) *Tesorería Integral Bancaria*, which provides easier and faster operation of our customers' financial transactions through the installation of high-technology software through our website, and (ii) *Multipagos*, which is a software application that optimizes the collection process.

Consumer Financing

In 2013, the consumer financing segment was created to offer financial services, including credit for the distribution and purchasing of vehicles. This is a specialized segment that works in tandem with the middle-market banking segment and allows us to service automobile dealers.

The automobile loan portfolio reached Ps.79,119 million as of December 31, 2025, an increase of 16.1% compared to December 31, 2024, as the result of strategies linked to the entry of new brands into the Mexican market, as well as by growing consumer interest in electric and hybrid vehicles. During the year ended December 31, 2025, we granted 158,282 automobile loans, compared to 155,803 automobile loans during 2024.

Home Developers

This segment caters to home developers who need bridge loans for construction. The home developers loan portfolio totaled Ps.31,999 million as of December 31, 2025, an increase of 13.6% as compared to December 31, 2024.

Government Entities

This segment serves Mexican federal agencies, states, and municipalities. We have enhanced our relationships with our government entity customers, which has resulted in us becoming one of the market leaders in this segment. We offer several specialized products to our government customers, such as payroll for government employees and checking accounts, and tax collection solutions for states and municipalities. In addition, we offer "*Multipagos*" and "*CIE en línea*" for tax collections.

Corporate and Investment Banking

We offer credit products and services to corporate and institutional clients, mergers and acquisitions services, market operations (equities and fixed income), cash management, online banking, and investment products.

This business unit strives to ensure that customers receive the best possible service by developing new products tailored to their needs. Some examples of products that we offer to customers in this segment are: (i) *BBVA Net Cash*, a global electronic banking solution that allows entities, companies, and government organizations to carry out their banking operations efficiently and securely through a platform that is remotely accessible at any time, and (ii) *BBVA Trader Mx*, a platform that allows investors to carry out their own trading operations online in real time; offering also financial market information, analysis, news and technical tools, which can be customized, to help our clients make financial decisions.

The Corporate and Investment Banking business unit also includes our Global Markets team and, in association with Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México, offers more sophisticated products and services to both individuals and companies, such as placements and issues of debt and equity securities and structured financing, among others. As market makers, we play an active role in the market for fixed-rate government securities and primary auction bids for these securities. The Bank has led the SHCP and *Banco de México*'s classification of market makers since 2012.

Business Performance of Corporate and Investment Banking

The Corporate and Investment Banking business unit serves Mexico's major corporate and institutional customers through originating, distributing, and managing loans and providing money market and investment products and tailored financial solutions. In addition, this business unit provides financial advice and structuring and assures, originates, and syndicates complex financing structures including project finance, trade finance, and syndications.

As of December 31, 2025, our Corporate and Investment Banking loan portfolio was Ps.378,853 million, an increase of 21.0% as compared to December 31, 2024.

This unit strives to better serve our customers through the development of new products tailored to their needs. Some of our new products include *BBVA Net Cash* and *BBVA Trader Mx*.

Business through Subsidiaries and Affiliates

The extraordinary general meeting of shareholders of Financiera Ayudamos held on November 1, 2019 approved the dissolution of *Financiera Ayudamos*, since as of September 2018, *Financiera Ayudamos* suspended granting credit to the public and began the orderly closure of operations and branches. The dissolution took effect on December 3, 2019. The financial statements of *Financiera Ayudamos* as of December 31, 2023 and 2022 and for the years then ended were not prepared on a going concern basis and therefore, such financial statements have been prepared in accordance with the applicable accounting rules, determining estimated values from the disposal or liquidation of all net assets. On June 27, 2024, the liquidation of the company was carried out.

As of May 31, 2024 and December 31, 2023, *Financiera Ayudamos*' assets were Ps.128 million and Ps.126 million, respectively, and stockholders' equity was Ps.128 million and Ps.126 million, respectively. For the five

months ended May 31, 2024 and the year ended December 31, 2023, *Financiera Ayudamos'* net income amounted to Ps.4 million and Ps.8 million, respectively.

Competition

General

The Mexican financial sector is highly competitive. We face strong competition in all aspects of our business from other Mexican financial groups, commercial banks, insurance companies and securities-brokerage houses, as well as from non-Mexican banks and international financial intermediaries. In commercial banking, we compete with other large Mexican banks, many of which, like us, have been incorporated into a financial group and seek to offer a broad array of products and services to their customers. We also compete with certain non-Mexican banks based outside Mexico, for the business of the largest Mexican industrial groups, government entities and high net worth individuals, as well as for providing financings in U.S. dollars. Additionally, we compete with other banks that have recently obtained banking authorizations, reflecting a continued expansion and diversification of the banking landscape. In investment banking, we face competition principally from other major Mexican securities-brokerage houses, as well as from international investment banks.

Trends in associated markets are also shaping the competitive environment, such as the entry of new players on digital platforms, including fintech companies, which have demonstrated high concentrations in payments, lending and enterprise financial management. In general, the Mexican banking industry has experienced increasing competition in recent years, partly due to the entry of new players and the acceleration of digital transformation across the sector. By the end of 2025, there were approximately 1,111 players in the fintech sector in Mexico, of which 795 are mexican fintechs and 316 are foreign. Within this sector, neobanks have acquired companies incorporated as Popular Financial Societies (SOFIPOS) (supervised by the CNBV), with the aim of being able to grant loans and accept demand and time deposits, making electronic transfers of funds and simultaneously granting loans and credits to their clients, without the need to adhere to the more stringent regulatory standards of Commercial Banking. Despite the above, some fintech institutions have already applied for banking licenses to compete more directly with traditional banks by providing payroll services and offering greater deposit protection to their clients. In 2026, Mexico's neobank ecosystem has reached a new level of maturity, with 10 institutions holding an approved banking license and two more advancing through the regulatory approval process.

In addition, there has been a recent trend of investments by key banks updating their retail networks, strengthening their digital platforms and expanding their data analytics and artificial intelligence capabilities. This shift has been accompanied by structural changes in digital banking. In 2025, Banorte divested its digital bank Bineo through its sale to Klar. Also in 2025, Citigroup completed the separation of Banamex and Citi México, and Hey Banco progressed in its operational separation from Banregio. Openbank, Santander's digital bank, is fully operational in Mexico, and international digital players such as Revolut have entered the market, further increasing competition in the digital banking segment.

As of December 31, 2025, the Mexican banking system was composed of 52 private-sector banks, of which 58% are principally Mexican-owned and 42% are foreign-owned.

We believe that the Bank has competed more effectively due to several perceived advantages over many foreign banks and smaller Mexican banks and new players. For example, the Bank continuously seeks to improve its products and services in order to address greater competition in recent years. The following table sets forth certain statistics relating to the Mexican commercial banking system as of December 31, 2025, except as otherwise indicated:

	As of December 31, 2025							
	Assets		Loans		Deposits[1]		Stockholders' Equity	
	Amount	Market Share	Amount	Market Share	Amount	Market Share	Amount	Market Share
Domestic private-sector banks	5,853,793	30.30%	3,189,769	32.00%	3,556,127	30.30%	665,177	29.70%
Foreign-owned banks	9,715,682	50.30%	4,976,920	49.90%	6,044,857	51.50%	1,135,607	50.70%
Private-sector total	15,569,476	80.50%	8,166,689	81.90%	9,600,984	81.80%	1,800,785	80.50%
Public-sector banks	3,096,564	16.00%	1,366,782	13.70%	1,620,332	13.80%	324,637	14.50%
Total banking system	18,666,040	96.60%	9,533,472	95.70%	11,221,316	95.60%	2,125,422	95.00%
Non-banking institutions*	663,101	3.40%	433,235	4.30%	519,554	4.40%	112,230	5.00%
Financial system total	**19,329,140**	**100.00%**	**9,966,707**	**100.00%**	**11,740,870**	**100.00%**	**2,237,653**	**100.00%**

* *Source*: CNBV, includes *Sofomes*, *Sociedades Financieras Populares* (SOFIPOs), Currency Exchange Centers, Credit Unions, General Bonded Warehouse as of December 31, 2025.

(1) Deposits include demand deposits, term deposits, bank bonds and interbank loans and loans from other entities. Updated as of December 31, 2025.

Deposits

As of December 31, 2025, the Bank had deposits in an aggregate amount of Ps.2,202,390 million. Its 22.9% market share in deposits, including borrowings from domestic financial institutions, ranks first among commercial banks in Mexico according to data from the CNBV. As of December 31, 2025, Ps.1,679,511 million of its total deposits were demand deposits, representing a 27.6% market share, and Ps.337,816 million of its total deposits were time deposits, representing a 14.4% market share. As of December 31, 2025, the next two largest banks in terms of total deposits, Banorte and Santander, had deposits that amounted to Ps.1,271,061 million and Ps.1,117,057 million, respectively. The following table sets forth the market shares in terms of deposits for the six Mexican commercial banks with the largest market shares as of December 31 of each of the last three years:

	Bank Deposits As of December 31,		
	2025	**2024**	**2023**
		(%)	
The Bank	22.90%	21.90%	23.10%
Banorte	13.20%	12.80%	13.20%
Santander	11.60%	11.80%	12.30%
Banamex[(1)]	8.50%	8.10%	11.70%
HSBC	6.00%	6.90%	6.60%
Scotiabank	6.00%	6.70%	7.00%
Six main banks	**68.40%**	**68.20%**	**73.80%**

Source: CNBV. Market share includes commercial banks regulated by CNBV.

(1) Due to the separation of Citibanamex, for 2025 and 2024 only Banamex information is considered, but in 2023 it was considered together with Citi Mexico.

Loans

As of December 31, 2025, the Bank had the largest total loan portfolio among commercial banks in Mexico, with a total loan portfolio balance of Ps.2,077,981 million (excluding the portion of our loan portfolio that is measured at fair value, for comparability with other commercial banks). Its total loan portfolio represented 25.6% of the commercial bank market for loans. As of December 31, 2025, Ps.1,111,360 million of its total loan portfolio balance consisted of commercial loans, representing a 23.6% market share; Ps.567,211 million consisted of consumer loans, representing a 29.8% market share; and Ps.399,410 million consisted of mortgage loans, representing a 26.4% market share. Regarding commercial loans, Ps.881,920 million consisted of corporate loans, representing a 23.0% market share. See Note 10 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

The following table sets forth the market shares in terms of loans for the six private-sector banks with the largest market shares as of December 31 of each of the last three years.

	Bank Loans As of December 31,		
	2025	**2024**	**2023**
		(%)	
The Bank	25.60%	25.40%	24.70%
Santander	12.10%	11.60%	12.70%
Banorte	15.10%	14.90%	14.60%
Banamex[(1)]	6.40%	6.00%	8.90%
HSBC	5.90%	6.70%	6.90%
Scotiabank	6.60%	6.80%	7.60%
Six main banks	**71.50%**	**71.40%**	**75.40%**

Source: CNBV. Market share includes commercial banks regulated by CNBV.

(1) Due to the separation of Citibanamex, for 2025 and 2024 only Banamex information is considered, but in 2023 it was considered together with Citi Mexico.

Stockholders' Equity

As of December 31, 2025, the Bank had a market share of 22.2% in terms of stockholders' equity according to data from the CNBV. We maintain a strong solvency position, despite dividend payouts, increasing equity through recurrent income and organic capital generation.

The following table sets forth the level of stockholders' equity for the six largest commercial banks in Mexico (measured by stockholders' equity) as of December 31 of each of the last three years.

	Bank's Equity As of December 31,		
	2025	**2024**	**2023**
The Bank	400,027	361,317	328,613
Santander	162,470	153,283	160,311
Banorte	152,103	152,290	154,644
Banamex[(1)]	181,010	167,525	211,586
HSBC	86,236	80,884	77,520
Scotiabank	95,155	90,046	78,685
Six main banks	**1,077,001**	**1,005,344**	**1,011,358**

Source: CNBV. Market share includes commercial banks and the rest of the financial institutions regulated by CNBV.

(1) Due to the separation of Citibanamex, for 2025 and 2024 only Banamex information is considered, but in 2023 it was considered together with Citi Mexico.

Other Indicators

The Bank continues to maintain the lead in profitability among commercial Mexican banks and maintain a well-positioned and diversified loan portfolio. Based on publicly available information, as of December 31, 2025, our Total Net Capital ratio was 20.15%, compared to 19.49% for Santander and 20.06% for Banorte.

The following chart provides information regarding us and selected leading banks in the region with respect to our capitalization levels.



Source: Information for Santander, Banorte, the Bank, Itaú Unibanco Holding S.A., Banco Bradesco S.A., Bancolombia S.A., Banco de Chile and Santander Chile Holding S.A. ("**Santander Chile**") based on data as reported by each country's regulator, unless otherwise noted. Information for figures for Santander, Banorte, HSBC, Scotiabank and the Bank sourced from the CNBV and Quarterly Reports as of December 31, 2025; for Itaú Unibanco Holding S.A. and Banco Bradesco S.A. sourced from *4Q Reports* as of December 31, 2025; for Bancolombia S.A. sourced from *4Q Reports* as of December 31, 2025; and for Banco de Chile and Santander Chile sourced from sourced from *4Q Reports* as of December 31, 2025. Accordingly, this tabular comparison is for illustrative purposes only and we do not purport to assert that the above information is actually comparable.

Properties

We are domiciled in Mexico and our headquarters are located at Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, Mexico, C.P. 06600. As of December 31, 2025, the Bank owned 23% of its properties. The rest of the properties in which our operations are conducted were leased or granted in bailment. As of the date of this Offering Memorandum, all the personnel are installed in the three new buildings, the headquarters located in Paseo de la Reforma, the operations center located in Parques Polanco and the operations center of the financial group.

We also own a data processing center called the *Centro de Procesamiento de Datos BBVA*, which has an area of 6,082 square meters and houses our back-up computer facilities.

The following table provides detail about our owned and leased properties as of December 31, 2025.

	Owned	Leased	Commodated[(1)]	Total	Square meters	Years Owned	Use
Branches Network	23%	75%	2%	1,682	1,039,541	—	Branches
Computer Center	—	—	—	—	—	—	Computer Center
Torre Reforma	1	—	—	1	191,521	10 years	Offices
Torre Polanco	1	—	—	1	159,069	10 years	Offices

(1) Property leased under gratuitous leases

In addition, our properties have the following environmental certifications:

Building	ISO1400:2015 certified building	LEED-certified building
Torre BBVA	X	X
Parquest BBVA	X	X
Centro de Computo	X	—
Tecnoparque	X	—
Torre Murano	—	X
Torre Danos (Toreo)	—	X
Total	**4**	**4**

Human Resources

The following table shows our full-time, permanent employees at the dates indicated:

	As of December 31,		
	2025	2024	2023
The Bank	44,672	45,849	44,293
Overseas branches and representative offices	32	27	25
Total	**44,704**	**45,876**	**44,318**

As of December 31, 2025, approximately 28.6% of our employees were unionized which represented 12,788 of our employees and the remaining 71.4% were not unionized. All management positions (*empleados de confianza*) are held by non-union employees.

At the end of 2025, our workforce consisted of 44,672 employees, of which 51.1% were women and the remaining 48.9% were men.

The collective relationships of the Bank involve 95.5% of its workforce and a collective bargaining agreement has been concluded with the Sindicato Nacional BBVA Bancomer de Empleados de los Servicios de la Banca y Crédito y Actividades Relacionadas (SNAEBB), which is in force and duly deposited with the competent labor authority.

The relationship with the Bank's union representation is maintained in a framework of collaboration, communication and consultation, which supports the achievement of its objectives and the development of its employees.

The use of temporary employee hiring figures is carried out as part of our initial training strategy, pursuant to the applicable legal provisions; their number (2,004) and temporary nature do not negatively interfere with the Bank's operation.

We provide a training plan based for a continuous development of the employee, offering a wide range of training actions to reinforce their technical knowledge and allowing them to develop their current functions and prepare themselves for the future, and to strengthen essential leadership skills and other "soft skills."

We have a private retirement plan with a defined contribution that rewards the savings of personnel, and an insurance of a contributory life group, with coverage for death and total permanent disability. All our employees participate in variable compensation plans.

Legal Proceedings

Deposit Account and Electronic Transactions Cases

The Bank is a party to several litigations and other legal proceedings related to its normal course of business. The Bank's commercial activities take place in a heavily regulated sector and, due to the volume and variety of its business, the Bank commences or appears in a variety of types of legal proceedings against either private persons or authorities.

We continue to experience an increase in the number of legal proceedings intended to reject or annul electronic transactions (i.e., wire transfers or purchases carried out using a Personal Identification Number). Although, we do not believe that these proceedings, individually or in the aggregate, will affect the Bank's operations, several legal precedents recently issued may complicate the Bank's defenses by favoring consumers in terms of the burden of proof in these types of proceedings, over financial institutions, such as the Bank, as defendants.

Other Litigation

There are no relevant ongoing legal, administrative or arbitral proceedings other than those that are part of the normal course of our business, including those related to liquidation or bankruptcy proceedings, in which we, our subsidiaries or shareholders, directors and senior officials, are or could be involved, which could have or has had a significant impact on the outcome of our operations.

There are no legal, administrative or arbitral proceedings with contingencies amounting to more than 10% of the total assets of the Bank. Notwithstanding the foregoing, as described under "Risk Factors—Risks Relating to Our Business—We are subject to litigation and other legal, administrative and regulatory proceedings," the Bank is subject and may be subject in the future to a series of investigations, procedures and legal or regulatory actions that, if resolved against the Bank, could have a significant adverse effect on the Bank's reputation, financial condition or results of operations. Currently, it is not possible to predict the outcome of these proceedings or if they will have a significant adverse effect on the Bank's reputation, financial condition or results of operations.

RISK MANAGEMENT

General

Our principal risk exposures include credit risk, liquidity and funding risk, operational risk (including legal risk) and market risk. Credit risk is defined as the potential loss arising from a counterparty's failure to meet its contractual obligations. Depending on the nature and characteristics of the counterparties, and considering differences in granularity and risk management approach, exposures are classified into: (i) retail, which includes individuals, self-employed individuals and small businesses, and (ii) wholesale, which includes corporates, developers, financial institutions, sovereigns and project finance exposures.

Liquidity and funding risk is defined as the risk that the Bank is unable to meet its payment obligations as they fall due, or can only do so by obtaining funding under adverse conditions. Operational risk is defined as the potential loss resulting from inadequate or failed internal processes, human error, misconduct, system failures or external events, including cyber-attacks, fraud, legal risk, workforce-related risks and risks arising from third-party service providers. Market risk in the trading book is defined as the potential loss arising from adverse movements in market variables, such as interest rates, foreign exchange rates, equity prices and volatilities, which affect the fair value of financial instruments.

The Mexican financial authorities have established comprehensive risk management regulations for the banking sector. The CNBV requires financial institutions to implement robust risk management frameworks, including policies, procedures, measurement methodologies and risk limits covering all material risks. These regulations also require the establishment of a risk committee and an independent risk management function. We have implemented, and continuously enhance, a risk management framework approved by our Board of Directors that not only complies with CNBV requirements but, in certain aspects, exceeds minimum regulatory standards, reinforcing a prudent and forward-looking risk management approach.

Risk Management Organizational Structure

The Bank has a general risk management and control model that is appropriate for its business model, its organization, the territory where it operates and its corporate governance system. This model allows the Bank to carry out its activities within the parameters of its strategy and the policies that are defined by its governing bodies, and adapt to a changing economic and regulatory environment. The model includes the following basic elements: (i) government and organization, (ii) risk appetite framework, (iii) assessment, monitoring and reporting and (iv) infrastructure.

The risk appetite framework is a key element of the management of the BBVA Group and it provides a comprehensive framework that sets out the risks and exposure levels that the BBVA Group and the business areas are willing to assume to reach their goals considering the organic growth of the business. Our risk strategy is approved by our governing bodies (the Board of Directors and the Risk Committee) through the risk appetite framework and its statements, as well as the core metrics and by type of risk metrics, which together constitute the principles on which the risk function is based.

The head of the risk function at the executive level is the Chief Risk Officer ("**CRO**") who is appointed by the Board of Directors as a member of senior management and reports directly to the Chief Executive Officer on the activities carried out by the corporate bodies. The CRO is responsible for the management of all the financial risks with the necessary independence, authority, rank, experience, knowledge and resources. The CRO is supported by a structure consisting of risk units in the corporate area and specific risk units in the business areas. The CRO provides information to the Risk Committee about the performance of risk portfolios and the actions taken by his units to manage them. The Risk Management Committee Strategies ("**RMC-E**"), the highest executive authority in terms of our risk management, was established to develop the strategies, policies, procedures and infrastructures required to identify, assess, measure and manage material risks faced by us in the ordinary course of business, which in some cases are subject to approval by our governing bodies.

In addition, we have a specific Internal Risk Control unit whose main function is to ensure the integration of our risk strategy in all areas of our management through an internal regulatory framework.

Credit Risk

Credit Policies and Procedures

The credit risk policies and procedures constitute the internal regulatory framework over which prudential and integrated management is carried out during the credit life cycle (admission, monitoring and settlement).

The Risk Management Unit has hierarchies to authorize exposure to credit risk by the different units that comprise it. The approval is the result of an analysis of the potential or existing capacity of the client to comply in a timely manner with all financial obligations with business or other income. The risk decision is supported by risk models and tools that are used at all times in accordance with our policies and procedures.

Credit Risk Quantification

We have an integrated risk assessment system throughout the Bank that provides us with sophisticated risk measurement tools and risk management practices. We use the following two measures for this purpose:

- The expected loss is calculated on the total outstanding loan portfolio. Credit scores are calculated using qualitative and quantitative information obtained from financial statements and self-regulatory organizations. This score is determined to reflect the expected probability of a borrower's default and the expected loss given a default in any particular operation. We record this measure as a cost when creating a reserve for expected losses related to a particular portfolio. As of December 31, 2025, the total allowance for expected credit losses was Ps.63,458 million.
- The unexpected loss represents the uncertainty that actual losses will, in fact, differ from the expected loss as it measures the impact of external events that can affect a customer's probability of payment and helps us determine how much economic capital we need to maintain a satisfactory investment grade for our shareholders.

Credit Analysis and Pricing

Account officers are trained and responsible for assigning risk ratings based on a set of quantitative and qualitative variables, as well as information from credit rating agencies and credit agencies using homogeneous criteria. Different rating systems have been developed for different customer segments. The analysis of a loan application by an account officer is accompanied by a summary of the main sources of risk. With respect to the approval of commercial loans, several prior authorizations are required depending on the amount of the loan requested and the rating of a given debtor, as shown in the table below.

Middle-Market Division's Credit Authorizations by Credit Amount

Committee	Maximum amount (millions of U.S.$)
Division Manager	30
Operations Technical Committee	120
Risk Management Committee – Admission	Greater than 120

The pricing of the loan is tied to our risk and operating costs. The pricing formula is based on the following factors: cost of funds (as priced by our finance division) based on general local market conditions, our yield model and market competition; commissions; operating costs; expected losses; required margins; adjustment for risk rating; and capitalization requirements.

Retail Lending Analysis

We perform credit analysis of all our retail borrowers. In the case of individual borrowers, the credit approval process is based primarily on an assessment of the borrower's ability to pay. A branch officer evaluates the information presented by the prospective borrower taking into account the following factors: (i) the results generated by an automated rating program, which takes into account the income, expenses and personal assets of the potential borrower; (ii) the credit history of the potential borrower; and (iii) our prior experience, if any, with the prospective borrower. We have improved our systems to track the payment of loan balances and credit cards. Decisions on the granting of loans are made at different levels and with varying degrees of participation of executives and officers, depending on the size of the loan in question, the total amount of credit outstanding for the borrower and the complexity of the loan.

Our credit assessment procedures with respect to credit cards and consumer loans are based on a computerized credit scoring system. The credit rating process centralizes the decision-making process regarding the issuance of credit cards and increases in credit lines, which increases the level of control exercised in making such decisions. We have taken additional steps to improve the quality of our credit card assets, including increasing the minimum gross monthly income requirement for credit card applicants and verifying the information contained in credit card applications more rigorously. We have access to online information on the credit history of each of our credit card customers that we use in our decision-making process regarding increases or decreases in the line of credit provided to a particular client. We have also been working on the development of additional decision-making systems to verify the reliability of the information obtained from our admission process.

Our mortgage loan origination process is centralized and based on a computerized credit scoring system. The credit process begins in the prequalification phase, which serves as a filter for the loan approval process, and provides all the applicant's required information, including information about the applicant's credit history obtained through a credit bureau, which is reviewed to determine if the applicant meets the requirements. The evaluation of the property is carried out through a centralized independent unit. The relevant official reviews the applicant's file and the guarantee file (including the evaluation) to determine the capacity of the applicant's debt and the amount of the authorized loan. Once a final decision is made, the credit agreement is signed before a notary public, the deed is registered in the Public Registry and the funds are disbursed to the applicant's checking account. Loan to value relationships are established according to the size of the loan with a maximum of 90%, which requires a minimum initial payment of 10%. We only accept first mortgages on property.

Corporate and Middle-Market Lending Analysis

The evaluation of a potential corporate borrower focuses mainly on the credit history and reputation of its owners and management, its production processes and facilities, the diversification of its financing sources, its current and projected cash flows and the guarantee offered to the loans. With regard to loans to finance a particular project, the evaluation focuses mainly on the experience of the borrower, the existence of a technological alliance, market conditions and the projected financial condition of the borrower. We assign a credit risk rating based on this analysis that helps identify the customer's risk profile.

Account officers are responsible for preparing proposals related to corporate loan applications. Each loan application is classified according to its industrial sector and then reviewed by the credit manager responsible for that particular sector to determine if it deserves more consideration. The credit manager submits the proposal to the corresponding credit committee for approval.

Applications for loans in excess of U.S.$120 million (or the equivalent in pesos) must be submitted by the responsible credit manager to our Risk Management Committee, which is composed of the Credit Risk Officer, the Director of Wholesale Credit Risk and credit managers of all sectors.

The middle market segment is covered by risk teams assigned to each of the divisions in which the business unit is divided. The division's risk managers report directly to the central risk department and make credit decisions through the division committees.

Monitoring

We operate a compliance center to monitor our borrowers' compliance with the terms of loans. The compliance center monitors the dates and payments of loans, the conditions and covenants of loans and any authorized exceptions to standard procedures. The monitoring process also includes the verification of the use of proceeds and satisfaction contractual conditions, financial analysis of the borrower and guarantors, on-site visits to the borrower's place of business, confirmation of credit bureau information and analysis of the economic environment, among other procedures. Finally, the compliance center also operates an early warning default system.

Pursuant to the rules governing lending activities under the General Rules Applicable to Mexican Banks, Mexican banks must implement certain measures relating to lending controls, including processes relating to loan promotion, evaluation, approval, documentation, management control and collection. We have implemented these measures with the approval of the CNBV.

Derivative Financial Instruments

Credit exposure from derivative financial instruments arises from the risk that customers or counterparties will default on their obligations to us. To reduce this risk, each customer or counterparty engaged in these transactions

must have either a trading line of credit, which takes into account the trading risk for each customer or counterparty, or a collateral deposit. The amount of risk implied in derivative financial instrument transactions, measured as the potential credit exposure, is added to the total risk authorized for a specific customer and must be authorized by a credit committee. To quantify the amount of line of credit utilized by a specific customer or counterparty in a derivative financial instrument transaction, our risk management unit calculates, by the use of statistics and volatility levels, the maximum expected credit exposure within a pre-defined confidence level. This amount is the potential credit exposure and corresponds to an amount that must be blocked out of the customers' or counterparties' line of credit. Lines of credit are monitored during the day and at the end of the day by our risk management unit.

Liquidity Risk

Liquidity risk is related to the inability to efficiently meet both expected and unexpected current and future cash flows without affecting either our daily operations or our financial condition; it is also related to the structure of the balance sheet regarding the term structure gap between assets and liabilities. The purpose of managing liquidity risk is to minimize the cost of funds through adequate coverage of liquidity needs that arise in either the ordinary course of business or from unforeseen events.

Our treasury unit is responsible for maintaining adequate intraday and short-term liquidity levels in pesos and U.S. dollars. Our Asset and Liability Committee is responsible for maintaining overall adequate liquidity levels and funding structure in pesos and U.S. dollars, including planning of short and long-term wholesale funding issuances. Our principal sources of peso funding are customer deposits, which are highly concentrated in checking accounts (non-interest and interest-bearing) and short-term notes with interest due at maturity. Our main sources of U.S. dollar funding are checking accounts (non-interest and interest-bearing), time deposits and foreign exchange derivatives.

Liquidity risk is analyzed by time horizon (intraday, short and long-term), by concentration of funding, by the relation between the liquidity buffer and net outflows, by encumbrance of the Bank's assets, and by uses and sources of funding under normal and extreme conditions. Liquidity risk is monitored through a limit scheme for quantitative and qualitative indicators where, if necessary, a contingency funding plan is implemented for immediate corrective actions. Our non-peso lending activities generally have re-pricing intervals of one, three or six months depending on our funding opportunities. Spreads over the reference rate are managed in accordance with our marginal cost of funding in currencies other than pesos.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. We measure the operational risk through our operational risk management unit and endeavor to control operational risk through our non-financial risk unit.

Our non-financial risk unit reports to a risk executive officer who is responsible for establishing and implementing methodologies and procedures to identify, evaluate, follow up, monitor and mitigate operational risk throughout the Bank processes. Because operational risk mitigation is a part of every process, the responsibility of its management is assigned to each process owner or manager in the Bank who has designated a member of his staff as Responsible Control Assurer, each of whom works as a delegate of the non-financial risk unit.

We mainly use tools such as "MIGRO" (*Marco Integral para la Gestión del Riesgo Operacional*) and "SIRO" (*Sistema Integrado de Riesgo Operacional*) to manage operational risk, each of which was developed in-house and is a proprietary trademark. MIGRO is a qualitative management tool that identifies and evaluates operational risk factors and helps us establish and prioritize mitigating measures, including a collection of key risk indicators that are customized for each process and that provide information about the level and type of operational risk exposure in the respective process. SIRO is a database of historic losses suffered by us as a consequence of operational risk events that are classified by risk class and loss type, business unit and account, among other criteria.

Pursuant to applicable regulations in Mexico, as of January 2023, regulatory capital for operational risk is calculated under CNBV's Business Indicator (BI – *Indicador de negocio*).

Market Risk

Our exposure to market risk arises from trading and investment in financial instruments, where interest rates, foreign exchange rates (mainly the peso/U.S. dollar exchange rate) and stock prices are the most important sources of

market risks, and from traditional banking services such as deposit taking and lending, where the balance sheet is exposed to interest-rate risk and foreign-exchange risk.

Trading positions are evaluated on a daily basis for market risk using Value at Risk Methodology. In addition, information regarding risk versus limits, scenario analysis and stress tests is produced on a daily basis.

Our risk management unit uses a historical simulation model to calculate value at risk. Equally weighted historical simulation is used as the central measure, against which limits are compared. In addition, historical simulation with an exponentially weighted moving average is used as a complement because it is more sensitive to risk and, therefore, responds more quickly to changes in volatility and correlation levels. Finally, the effect of portfolio diversification is measured within each model.

Historical data of market parameters such as interest rate curves, foreign exchange prices, volatilities and stock indexes for the last two years are available for value at risk calculations. "Unwind Period Value at Risk" looks to reflect market liquidity risk by calculating the number of days it will take to unwind a position without affecting the market. In making these calculations, market outstanding amounts and trade volume information is compared against current exposures, with the information being updated periodically for internal use.

The following table sets forth the average, maximum and minimum values of the daily Value at Risk during the year ended December 31, 2025, as well as the daily limits in effect as of December 31, 2025. Daily Value at Risk is calculated with a 99% confidence level. Value at Risk is calculated to represent the maximum loss at this confidence level due to changes in market values of trading positions. The information below does not include securities that are no longer traded, recorded as for sale, or as held-to-maturity, or that are highly illiquid or in workout. During the year ended December 31, 2025, daily Value at Risk did not exceed Ps.275 million (U.S.$15.3 million). The daily consolidated Value at Risk limit was Ps.340 million. Limits are reviewed periodically.

	Year ended December 31, 2025			Actual limit as of December 31, 2025
	Average	Maximum	Minimum	
Equities	3	26	1.8	25
Interest rate	204	289	142	320
Foreign exchange	35	125	4	110
Vega EQ	1	2	0.5	30
Vega FX	10	25	3	25
Vega IR	5	8	3	40
Total	**194**	**275**	**137**	**340**

Stress testing is used to complement the value at risk methodology. Stress testing involves the creation of scenarios based on infrequent or catastrophic events to evaluate contingencies, and is of particular importance in periods of highly volatile or illiquid markets. The sensitivity analysis we conduct shows the effect on positions caused by predetermined changes in market variables (a 1% increase in interest rates).

In addition, we have a stop-loss process that issues a warning if losses reach a certain level preset by our Board of Directors. If a stop-loss warning is issued, the trading desk head is convened to establish an action plan.

Our Asset and Liability Committee monitors our Basis Point Value ("**BPV**") and Net Interest Income ("**NII**"), exposures and positions of our banking book. We seek to manage our assets and liabilities to reduce any potential adverse impact on our results of operation and economic value that might result from changes in interest rates. Exposure of interest rate risk in the banking book is conducted through systematic monitoring of limit exposure. Particularly, we have established sensitivity alerts for BPV and expected NII for the following twelve months, as well as limits for economic capital, which is the maximum expected loss in net economic value with a 99% confidence level over a three-month volatility horizon, and for margin at risk, which is the maximum expected loss in net expected NII for the following 12 months with a 90% confidence level over a three-month volatility horizon.

The primary methods used to estimate the interest rate risk of the balance sheet portfolio are as follows:

- parallel and non-parallel scenario analysis (including theoretical and historical stress scenarios); and
- interest rate simulation.

Non-maturity products are characterized according to their economic durations and to their market rate sensitivity and using a stability model. Also, prepayment models are considered for mortgage and consumer loans.

Our non-peso lending activities are generally priced based on SOFR-related reference rates, with re-pricing intervals of one, three or six months depending on our funding opportunities. Spreads over the SOFR reference rate are managed in accordance with our marginal cost of funding in currencies other than pesos.

MANAGEMENT

Board of Directors

Pursuant to Mexican Banking Law, the board of directors of the largest Mexican banks must be composed of a minimum of five and a maximum of 15 directors, of whom at least 25% must be independent. For each director an alternate may be appointed; *provided*, that alternate directors of the independent directors shall also be independent. In each session an alternate may only represent one director. No more than a third of the board members may be employees of the relevant bank.

On February 28, 2023, our shareholders accepted the resignation presented by Mr. Eugenio Bernal Caso from his position as secretary non-member of our Board of Directors. Consequently, Mr. Jacobo de Nicolás de Benito was appointed as new secretary non-member of our Board of Directors.

On November 28, 2023, our shareholders accepted the resignations presented by Mr. Ricardo Guajardo Touché and Mr. Eduardo Javier Garza Fernández from their respective positions as member and alternate member of our Board of Directors, as well as from their respective positions in any delegated committees of the Bank. On the same date, Mr. Rafael Salinas Martínez de Lecea and Mrs. Patricia Espinosa Cantellano were appointed, respectively, as non-independent member and alternate independent member of the Board; while Mr. Arturo Manuel Fernández Pérez, who used to be an alternate member, was appointed as member of the Board, and Mr. Vicente Maria Rodero Rodero, who was already a member, was appointed as independent member of the Board. In addition, on that same date, our shareholders voted to ratify the rest of the members of our Board of Directors.

On February 28, 2024, our shareholders voted to ratify the members of our Board of Directors. On June 1, 2024, Alejandra Palacios Prieto was appointed as an independent member of our Board of Directors.

On February 28, 2025, our shareholders voted to appoint Valeria Moy Campos as an independent member of our Board of Directors. On the same date, Alejandro Ramírez Magaña, who was already a non-independent member, was appointed as an independent member of the Board. In addition, on the same date, our shareholders voted to ratify the remaining members of our Board of Directors. In accordance with our bylaws, they will serve for a term of one year and may be re-elected. Our Board of Directors meets at least every three months and is chaired by Mr. Jaime Serra Puche, who is also the Chairman of the Board of Directors of GFBM. Except as otherwise indicated, the address of each director listed below is Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, Mexico, C.P. 06600.

On October 28, 2025, our shareholders accepted the resignation presented by Mr. Fernando Gerardo Chico Pardo from his position as alternate member of our Board of Directors; while Mr. Rafael Salinas Martinez de Lecea, who used to be a member, was appointed as an alternate member of the Board. In addition, on that same date, our shareholders voted to ratify the rest of the members of our Board of Directors.

None of the directors or alternate members of our Board of Directors is related by blood or affinity up to the fourth degree or by civil relationship. None of the members of the Board of Directors has an individual holding of more than 1%.

The Board of Directors of the Bank is composed of nine directors and nine alternate directors. Of the total number of directors, 10 are independent, of which five are directors and five are their respective alternates.

The following table presents our current directors and their alternates:

Name and position	Principal activity	Years on our board of directors	Age
Chairman			
Jaime Serra Puche	Chairman of GFBM	18	74
Vice Chairman			
Eduardo Osuna Osuna	Chief Executive Officer (CEO) of the Bank	10	56
Onur Genç	CEO of BBVA Spain	6	51
Carlos Torres Vila	Chairman of BBVA Spain	9	59
Vicente Maria Rodero Rodero	Independent Director	13	68
Carlos Vicente Salazar Lomelín	Independent Counsel	20	74
Arturo Manuel Fernández Pérez	The Dean of the Instituto Tecnológico Autónomo de México (ITAM)	31	72
Jorge Sáenz-Azcúnaga Carranza	Country Monitoring BBVA Spain	9	55

Name and position	Principal activity	Years on our board of directors	Age
Valeria Moy Campos	Independent Director	<1	53
Alternates			
Alejandro Mariano Werner Wainfeld	Director of the Western Hemisphere for the IMF	4	59
Armando Garza Sada	CEO of Alfa and Nemak Group	7	68
Juan Asúa Madariaga	Senior Advisor Chairman BBVA Spain	6	63
Rafael Salinas Martínez de Lecea	Independent Director	2	62
Patricia Espinosa Cantellano	CEO onepoint5	2	67
Alejandra Palacios Prieto	Independent Director	1	50
Ana Laura Magaloni Kerpel	Founding Member of Magaloni Abogadas, S.C.	4	62
Enrique de Jesús Zambrano Benitez	CEO of Grupo Proeza	5	70
Alejandro Ramírez Magaña	CEO of Cinépolis de México, S.A. de C.V.	12	55

Examiners

The examiners of the Bank must be residents of Mexico. The duties of the examiners include monitoring and supervising our operations, books and records. The examiners must comply with obligations imposed by law and bylaws and must meet the following requirements:

- technical expertise;
- extensive knowledge and experience in accounting, financial, legal or administrative matters;
- satisfactory credit and business history;
- moral character; and
- absence of any legal impediment to the performance of their duties (such as conflict of interest).

Because of the relationship between the examiners and the Bank, the examiners are bound by confidentiality obligations. They may attend the meetings of our board of directors and our shareholders but may not vote.

Although some of the functions of the examiner and the external auditor are similar, their responsibilities differ. To avoid conflicts of interest, examiners cannot sign the audit opinion on our annual financial statements.

Board Activities

The main functions of our Board of Directors are to:

- manage and represent the Bank and fulfill its corporate purposes;
- implement the agreements adopted by the shareholders' meeting;
- appoint and dismiss the Secretary and Alternate Secretary, the General Director, executive officers and the internal and external auditors;
- create committees and commissions as it deems necessary, delineating their structure, organization and authority and granting them the necessary powers to carry out the business as the board may determine;
- approve the internal regulations; and
- call for the ordinary and extraordinary shareholders' meetings.

Risk Committee

Our credit and market risk committee is responsible for:

- approving credit and market risk management policies (excluding policies that must be approved by the full Board of Directors);
- appointing and dismissing the responsible of the Integrated Risk Management Unit;
- informing the Board of Directors on a quarterly basis about the risk exposure of the Bank;
- establishing the framework of appetite for risk;

- creating committees as it deems necessary;
- performing, if applicable, the functions inherent to the Compensation Committee related to the "General Provisions applicable to Credit Institutions" issued by the CNBV; and
- addressing certain special issues referred to it by our Board of Directors.

The current members of our credit and market risk committee are Arturo Manuel Fernández Pérez (Chairman), Eduardo Osuna Osuna, Jaime Serra Puche, Alejandro Mariano Werner Wainfeld, Rafael Salinas Martínez de Lecea and Blanca Cecilia Muñoz Martínez and, pursuant to the general rules applicable to the brokerage institutions (*Disposiciones de carácter general aplicables a las casas de bolsa*), Luis Fernando Rivera Martínez, since the Risk Committe of Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México is delegated to the Risk Committee of the Bank. Jacobo de Nicolás de Benito acts as Secretary of the committee without being a member and José Francisco Eduardo Uriegas Flores acts as Alternate Secretary of the committee but is not a member of the committee.

Audit Committee

Our audit committee performs the following functions:

- *Internal Controls*. Our audit committee reviews and submits internal control procedures and policies to our Board of Directors for approval, analyzes and approves operations manuals and evaluates our internal control system, reporting its findings and recommendations to our Board of Directors.
- *Code of Ethics.* Our audit committee analyzes amendments to our code of ethics and submits its recommendations to our Board of Directors for its approval.
- *Financial Information.* Our audit committee makes recommendations to our Board of Directors concerning the preparation of our financial information to ensure it is useful, adequate and reliable. The committee also reviews our financial statements, on a quarterly and annual basis, before they are presented to our Board of Directors and reviews the relevant changes in accounting principles to ensure our financial statements comply with them.
- *Compliance.* Our audit committee reviews and approves the annual program of our compliance unit before it is presented to our Board of Directors, and the committee verifies our compliance with the program.
- *Anti-Money Laundering and Anti-Funding to Terrorism.* Our audit committee examines and approves annually the working plan about these matters. Every six months the committee evaluates the fulfillment of this plan and its outcomes.
- *Internal Auditing.* Our audit committee evaluates and makes recommendations to our Board of Directors concerning the appointment of the head of our internal audit unit; reviews and approves our annual auditing plan; supervises and evaluates the independence, quality and effectiveness of our internal auditing department; facilitates communication between our Board of Directors and our auditors, oversees training of internal auditors; and oversees the implementation of corrective measures taken based on recommendations from the audit committee.
- *External Auditing.* Our audit committee submits external auditing candidates to our Board of Directors for its approval, verifies that we rotate external auditors every five years, evaluates the independence of the external auditor, ensures that the external auditing program is based on contractual agreements and reviews the external auditor's reports before they are presented to our Board of Directors.
- *External Supervision.* Our audit committee reviews the results of any inspections by external supervisory bodies and oversees our compliance with their recommendations.
- *Systems.* The audit committee is informed about the incidents that occur in systems and services provided to users through electronic media (i.e., e-mail and websites), to ensure that measures are taken to prevent or avoid any incidents in the future.

- *Outsourcing Operations.* The audit committee is informed of the performance of contracted services to third parties, as well as of compliance with applicable regulations relating to such services, to ensure that appropriate mechanisms are followed to manage, control and protect information created, received, transmitted, processed or stored in the technological infrastructure, telecommunications or information processing services that are performed by such third parties.
- *Credit Risk.* The audit committee is provided with quarterly reports on any deviations detected with respect to objectives, guidelines, policies, procedures, strategy and current regulations concerning credit.
- *Derivative Operations.* Each year the audit committee is informed and informs the Board of Directors of the results of the annual evaluation regarding our compliance with the requirements imposed by *Banco de México* on our derivative operations, including approval by our Board of Directors of our procedures, products and risk limits, qualification of our personnel and sufficiency of our infrastructure and internal controls related to our derivative operations.
- *Remuneration System.* Each year the audit committee must update the Board of Directors regarding the compliance, procedures and success of the remuneration system.

The current members of our audit committee are Alejandro Mariano Wainfeld (Chairman), Ana Laura Magaloni Kerpel and Jaime Serra Puche. Jacobo de Nicolás de Benito acts as Secretary of the committee but is not a member of the committee, and José Francisco Eduardo Uriegas Flores acts as Alternate Secretary but is not a member of the committee.

Executive Committee

Our executive committee is responsible for:

- working on special and urgent matters of competence of the Board of Directors that cannot be considered by the entire Board of Directors given time limitations or other limiting factors. The resolutions of the executive committee must be ratified by the Board of Directors;
- being knowledgeable about any matter that the Chairman or the General Director submits to the committee;
- convening extraordinary meetings of the Board of Directors; and
- resolving any matter expressly delegated to it by the Board of Directors.

The current members of the executive committee are Jaime Serra Puche (Chairman), Eduardo Osuna Osuna and Carlos Torres Vila. Jacobo de Nicolás de Benito acts as Secretary of the committee but is not a member of the committee, and José Francisco Eduardo Uriegas Flores acts as Alternate Secretary but is not a member of the committee.

Related Party Transactions Committee

Our related party transactions committee is responsible for:

- approving related party transactions with a potential risk equal or below 5% of the net basic capital of the Bank; and
- informing the Board of Directors of the performance of such related party transactions at least every 180 days, including the amount thereof.

The current members of the committee of related party transactions are Arturo Manuel Fernández Pérez (Chairman), Eduardo Osuna Osuna, Jaime Serra Puche and Alejandro Mariano Werner Wainfeld. Jacobo de Nicolás de Benito acts as Secretary of the committee but is not a member of the committee, and José Francisco Eduardo Uriegas Flores acts as Alternate Secretary but is not a member of the committee.

Executive Officers

Our executive officers are appointed by the Chief Executive Officer or by the Board of Directors in accordance with our bylaws and applicable regulations. The latest amendment to the organizational structure was approved by the Board of Directors on December 11, 2019.

In 2025, our executive officers received an aggregate fixed compensation of Ps.322.5 million and an aggregate variable compensation of Ps.121.1 million. The amount of variable compensation is determined under the same criteria that applies to the rest of the Bank's staff, based on the results of an annual evaluation. This evaluation considers different indicators regarding the Bank's results, the area/country's results and individual (financial and non-financial) results; the corresponding achievement scales, according to the weighting attributed to each indicator; and an annual variable "target" compensation, which is the amount of annual variable compensation our executive officers receive in the event of reaching 100% of their pre-established objectives. The resulting amount constitutes the annual variable compensation for each officer.

With respect to the pension plan for our executive officers, the obligations regarding this matter amounted to Ps.457.1 million at the end of December 2025, with an additional amount of Ps.39.1 million for additional retirement benefits, for a total amount of Ps.496.2 million. These liabilities include contractual conditions upon retirement.

None of our executive officers are related by consanguinity or affinity up to the fourth degree, nor by civil relationship. None of our executive officers has an individual holding of more than 1%.

The following table sets forth our current executive officers:

Name	Position	Years employed by the BBVA Group	Age
Eduardo Osuna Osuna	Chief Executive Officer; Vice Chairman; General Director of the Bank	30	56
Beatriz Muñoz Villa	Chief Financial Officer—Finance	26	51
Jacobo de Nicolás de Benito	General Director—Legal Services	22	53
Blanca Cecilia Muñoz Martínez	General Director—Global Risks Management	41	64
Jesús María Verdugo Borja	General Director—Regulation and Internal Control	10	45
Enrique José Fernández Gutiérrez	General Director—Talent and Culture	11	43
Álvaro Vaqueiro Ussel	General Director—C&IB Global Markets	20	57
Alejandro José Cárdenas Bortoni	General Director—Business and Institutional Banking	28	54
Sergio Fidalgo Vallejo	Chief Security Officer; Chief Information Security Officer	27	57
Daniel Ordaz Palacios	General Director—Business Process & Operations	12	37
Hugo Daniel Nájera Alva	General Director—Business Development	33	61
Adolfo Arcos González	General Director—Audit	20	47

RELATED PARTY TRANSACTIONS

Operations to Related Parties

The Mexican Banking Law regulates and limits our credit and other transactions (including bank deposits, loans, credits, market investment securities and derivative transactions and other types of financing) to related parties pursuant to which such parties may become creditors of the Bank, except for certain exceptions applicable to transactions involving officers or employees of the Bank in connection with certain employment benefits. As permitted by the Mexican Banking Law, we currently provide loans to our employees at favorable rates.

Article 73 of the Mexican Banking Law regulates and limits our loans and other transactions (including securities and derivatives transactions) to related parties pursuant to which such parties may become creditors of a bank, including loans to (1) individuals or corporations controlling, directly or indirectly, 2% or more of the securities representing the capital stock of the institution, of the holding company or of the financial entities and companies that are members of the financial group to which, if applicable, the Bank belongs, according to the most shareholders register, (2) the members of the board of directors, the institution, the holding company or the financial entities and companies that are members of the financial group to which, where appropriate, it belongs, (3) relatives of the persons referred to in the prior sections, (4) persons other than officials or employees who, with their signature, may bind the institution, (5) the legal entities, as well as their directors and officers, in which the institution or the holding company of the financial group to which, where appropriate, the institution belongs, have, directly or indirectly, control of 10% or more of its capital stock; *provided*, that the indirect participation of multiple banking institutions and holding companies through institutional investors provided for in article 15 of the Mexican Banking Law will not count to consider the issuing company as related; (6) the legal entities in which the officials of the institutions are directors or administrators or occupy any of the first three hierarchical levels in the legal entities, and (7) the legal entities in which any of the persons indicated in the sections above, as well as officials or employees, commissioners and external auditors, have, directly or indirectly, control of 10% or more of their capital stock, or in which they hold representative authority.

Our Board of Directors must approve such loans by a qualified majority of the votes. Before approval, however, the loan must undergo our customary review procedures for loans, which will vary depending on the nature and amount of the loan, except that such loans must always be reviewed and recommended by the highest loan review committee at the management level. In addition, CNBV shall be informed about certain loans. Loans to individuals in amounts less than the greater of (i) two million UDIs or (ii) 1% of a bank's Tier 1 net capital (approximately Ps.373,854 million, as of December 31, 2025, in our case), are exempt from such provisions. Loans to related parties may not exceed 35% of a bank's Tier 1 Capital. The CNBV may, upon request, grant exemptions from these provisions.

Loans with related parties in which the aggregate amount does not exceed one percent of the basic part of the Bank's net capital, to be granted in favor of the same person or group of people who, due to their patrimonial or liability ties, constitute common risks for the Bank, will not require the approval of the Board of Directors. However, they must be made known and all the information related to them must be made available to it.

The Related Party Transactions Committee shall have the exclusive function of approving operations with related parties, where the amount does not exceed five percent of the basic part of the Bank's net capital.

The CNBV has adopted rules which exclude from the category of loans to related parties (i) loans granted to the Mexican federal government and to companies that provide banking ancillary services, (ii) financial entities that are part of the same financial group, and (iii) loans for an aggregate amount not exceeding 400,000 Investment Units ("**UDIs**"). These loans are not considered for purposes of determining the 35% of Tier 1 Capital limit of our loan portfolio that may consist of loans to related parties, and do not require the prior approval of our Board of Directors.

As of December 31, 2025, our loans to related parties under Article 73 of the Mexican Banking Law totaled Ps.48,507 million, which comprised 2.3% of our total loan portfolio as of such date. The Ps.48,507 million was comprised primarily of Ps.31,613 million representing loans made to the BBVA Group and/or their guarantee schemes and Ps.16,866 million representing loans made to borrowers affiliated with members of our Board of Directors. Our loans to related parties are made on terms and conditions comparable to other loans of like quality and risk. Of all the related party loans outstanding on December 31, 2025, 97.97% were graded "A," 1.92% "B" and 0.10% "C" under the regulations of the CNBV. The majority of such credits are loans for either commercial or industrial activities.

Affiliate Transactions

From time to time we enter into agreements, including service agreements, with our affiliates. We have entered into service agreements with our affiliates, including with BBVA Seguros México, S.A. de C.V., Grupo Financiero BBVA México for the sale of insurance policies and Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México for brokerage services.

Based on these service agreements, we receive fees on a cost basis from BBVA Seguros México, S.A. de C.V., Grupo Financiero BBVA México and pay fees on a cost basis to and Casa de Bolsa BBVA México, S.A. de C.V., Grupo Financiero BBVA México. No assurance can be given that transactions between us, on the one hand, and GFBM and our affiliates (including BBVA Spain), on the other hand, have been or will in the future be conducted on a basis as favorable to us as could be obtained by us from unaffiliated parties. Future conflicts of interest between us, on the one hand, and GFBM and our affiliates (including BBVA Spain), on the other hand, may develop, which are not required to be and may not be resolved in our favor.

All of our transactions among our subsidiaries are carried out at arms' length and in compliance with the applicable legal framework on transfer price matters. See Note 25 to our 2025 Audited Financial Statements included elsewhere in this Offering Memorandum.

THE MEXICAN FINANCIAL INDUSTRY

General

Mexico's financial industry is currently comprised of commercial banks, national development banks, brokerage firms, development trust funds, and other non-bank institutions, such as insurance and reinsurance companies, bonding companies, credit unions, savings and loan companies, popular financial entities, foreign exchange houses, factoring companies, bonded warehouses, financial leasing companies, investment funds, mutual fund, pension fund management companies and limited purpose financial institutions. In 1990, Mexico adopted the first Financial Groups Law (*Ley para Regular las Agrupaciones Financieras*) aimed at achieving the benefits of universal banking, which permits a number of financial services companies to operate as a single financial services holding company. The Financial Groups Law was amended and restated on January 10, 2014. Most major Mexican financial institutions are members of financial groups.

The principal financial authorities that regulate financial institutions are *Banco de México*, the SHCP, the CNBV, the National Commission for Retirement Savings (*Comisión Nacional del Sistema de Ahorro para el Retiro*, or the "**CONSAR**") the National Insurance and Bonding Commission (*Comisión Nacional de Seguros y Fianzas*, or the "**CNSF**"), the IPAB and the CONDUSEF.

Nationalization and Subsequent Privatization

On September 1, 1982, Mexico's president decreed the nationalization of the private banking in Mexico. On November 18, 1982, a constitutional amendment came into force to implement the nationalization, which granted the Mexican government a monopoly on banking and credit service. The number of banking institutions was reduced from 68 to 29 in the first two years of nationalized banking. By 1988, the number had been further reduced to 18 entities, of which six had national coverage, five were regional banks and seven were multi-regional banks.

On June 28, 1990, an amendment to the Mexican constitution came into force to permit Mexican individuals and financial services holding companies to own controlling interests in the then-existing 18 Mexican commercial banks owned by the Mexican government. Subsequently, on July 18, 1990, a new Mexican Banking Law was enacted to regulate the ownership and operation of full-service banks, national development banks, and the establishment in the national territory of representative offices of foreign financial entities. Thus, the process of re-privatization of the private banking in Mexico began. By the third quarter of 1992, the Mexican government had privatized all 18 state-owned commercial banks. Since that time, new commercial banks, have been chartered and regulations regarding investment in the banking sector by foreign investors, including foreign sovereigns, have become more flexible.

Financial Groups Law

The enactment of the former Financial Groups Law in 1990 permitted the development of the universal banking model in Mexico. By July 1992, most major Mexican financial institutions had become part of financial groups controlled by a holding company, such as ourselves, and made up of a number of financial operating entities. Also, on January 10, 2014, an amendment to the Financial Groups Law, among other amendments to different financial laws, was published in the Federal Official Gazette.

The operations of financial services holding companies are generally restricted to holding shares representing the capital stock of financial operating subsidiaries. Such subsidiaries may include Mexican banks, brokerage firms, insurance companies, bonding companies, mutual fund operators, bond-warehousing companies, *Sofomes*, foreign exchange service providers, retirement fund administrators and financing companies that provide credit to low income borrowers (*sociedades financieras populares*). As a general rule, a financial services holding company must maintain a majority participation and effective control of at least two financial subsidiaries, provided that holding only two *Sofomes* does not constitute a financial services holding company.

The Mexican Financial Groups Law allows entities controlled by the same financial services holding company:

- to act jointly before the public, offer services that are supplemental to the services provided by the other and hold themselves out as part of the same group;
- use equal or similar corporate names that identify them with the public as members of the same financial group (except for fintech institutions); and
- conduct their activities in the offices and branches of other entities as part of the same group.

In addition, the Mexican Financial Groups Law requires that each financial services holding company enter into an agreement with each of its financial group services subsidiaries, pursuant to which the holding company agrees to guarantee without limitation the satisfaction of the obligations undertaken by its subsidiaries as a result of the activities that each such subsidiary is authorized to conduct under the applicable laws and regulations, and is fully responsible for the losses of its subsidiaries, up to the total amount of the holding company's assets. If the assets of the financial services holding company are insufficient to meet the losses of its subsidiaries if occurred simultaneously, the financial services holding company must first meet the liabilities of the credit institution that is part of the group and subsequently the liabilities of any other entities that form the group will be prorated. For such purposes, a subsidiary is deemed to have losses if its assets are insufficient to meet its payment obligations. The subsidiaries will never be held liable for the losses of their financial services holding company or for the losses of the other subsidiaries of the group.

On March 9, 2018, the Financial Groups Law was modified to permit fintech institutions to be part of financial groups, so long as a fintech institution that is a part of a financial group may not use a denomination or name similar to those used by the other financial institutions that are members of that group.

Authorities of the Mexican Financial System

The principal financial authorities that regulate financial institutions are *Banco de México*, the SHCP, the CNBV, the CONSAR, the CNSF, the IPAB, and the CONDUSEF. These authorities are subject to a number of organic laws and other administrative regulations that govern their regulatory, supervisory and other powers. Also, these entities continually enact administrative regulations within the scope of their respective authority for the regulation of the corresponding financial entities, as further mentioned below. We, as a financial services holding company, are subject to the supervision and regulation of the SHCP, the CNBV and the CONDUSEF, particularly with respect to retail consumer banking. In addition, we and other financial subsidiaries are subject to the supervision and regulation of their corresponding financial authority, and are in constant interaction with such authority during the normal course of their business.

Banco de México

Banco de México is the Mexican central bank, which is an autonomous entity that is not subordinate to any other authority of the Mexican federal government. The purpose of *Banco de México* is to provide the country with domestic currency, promote the healthy development of the financial system and foster the proper functioning of the payment systems. Likewise, its main objective is to ensure the stability of the peso's purchasing power.

The exercise of *Banco de México*'s functions and administration are entrusted, within the scope of their respective competencies, to a Board of Governors and a Governor. The Board of Governors is composed of five members, the Governor himself and four Deputy Governors, all of whom are appointed by the President of Mexico and ratified by the Senate or the Permanent Commission of the Mexican Congress, as the case may be. Among the powers of the Board of Governors are the authorization of orders for the minting of coins and the production of banknotes, the decision to grant credit to the Mexican Federal Government, the determination of policies and criteria that *Banco de México* uses in its operations, and the issuance of general rules and criteria to which the preparation and exercise of the budget must be subject.

SHCP

The SHCP is the regulator in charge of proposing, conducting and controlling the policy of the Mexican federal government in matters of economics, tax, finance, public budget, public debt and income. Together with the CNBV and *Banco de México*, it is the primary regulator of commercial and national development banks, and the supervisor of financial groups holding companies. The SHCP participates in the process of incorporation, revocation, operation, merger, control and stock purchase of financial institutions by providing opinions in each of them.

CNBV

The CNBV is a governmental authority subordinated to the SHCP and has independent technical and executive powers. The CNBV is in charge of the authorization, supervision, regulation and penalty of financial entities, with the purpose of ensuring their stability and sound performance, as well as the maintenance of a sound financial system. The scope of the CNBV's authority includes inspection, supervision, prevention and correction powers, including the imposition and supervision of capitalization requirements and requirements for the creation of loan-loss reserves. The primary financial entities regulated by the CNBV are commercial banks, national development banks, regulated multiple purpose financial institutions, brokerage firms, as well as publicly traded companies and other

entities that have issued debt securities to the public. The CNBV is also in charge of granting and revoking banking, securities brokerage and fintech licenses in Mexico.

CNSF

The CNSF is a governmental authority ascribed to the SHCP and has independent technical and executive powers. The CNSF is in charge of the supervision and regulation of insurance and bonding companies, promoting the safe and sound development of the insurance and guaranty bond financial sectors.

IPAB

After the 1994 financial crisis, the Mexican federal government created the IPAB, an independent, decentralized governmental institution with its own legal standing and assets. The IPAB's primary purpose is the protection and insurance of bank deposits, and it also has the power to provide solvency to banking institutions, thereby contributing to the sound development of the banking sector and the national payments system. The IPAB is also entitled to acquire assets from distressed banking institutions.

CONDUSEF

The CONDUSEF is a governmental authority, decentralized from the SHCP. The CONDUSEF is in charge of providing financial guidance and information to costumers of financial services as well as protecting and defending the rights of users of financial services, and serves as an arbitrator between financial institutions and their customers, having the power to establish regulations and impose sanctions to financial institutions in order to protect consumers. Among others, the CONDUSEF has the power to order the amendment of standardized agreements used by financial entities when it considers that such agreements contain abusive clauses, it may issue general recommendations to financial institutions, and suspend the distribution of information regarding financial services and products that it considers confusing.

The Banking Sector

Banking activities in Mexico have been and continue to be affected by prevailing conditions in the Mexican economy, and the demand for and supply of banking services have been vulnerable to economic downturns and changes in government policies may have an adverse effect on our business, financial condition and results of operations.

Amendments to the Rules for Performing Derivatives Operations

On March 14, 2023, *Banco de México* published Official Letter 2/2023 in the Federal Official Gazette, directed, among others, to banks, broker dealers and other financial institutions regarding amendments to the rules for performing derivative operations set forth in Official Letter 4/2012, including the obligation of such financial institutions to post and receive initial and variation margins. Particularly, the modifications to Official Letter 4/2012 consist, among others, of the following: (a) the inclusion of the concept of "Non-Centrally Cleared Over the Counter Derivative Transactions," which are defined as those whose clearing or settlement of the respective obligations is not carried out through clearinghouses or foreign financial institutions that act as central counterparties; (b) the inclusion of the concept of initial margin and variation margin for derivative transactions that are not cleared or settled in clearinghouses or foreign entities that provide central counterparty services; (c) within the margins, the establishment of guidelines for its constitution, determination for its calculation, the models that can be used for its calculation, the obligations that must be met for the use of the calculation models, exceptions for the exchange of margins, thresholds for the exchange of initial margins, assets that can be accepted for the exchange of margins, as well as the requirements that the master agreements must meet for the exchange of margins; and (d) the identification of the entities that have to carry out the administration and custody of the assets that are received as collateral of initial margins, as well as the requirements for their contracting.

By March 15, 2024, master agreements were amended in order to establish the procedure by which the exchange of margins is carried out with respect to derivative transactions that are held in over-the-counter markets whose clearing and settlement is not carried out through from clearinghouses or foreign institutions that act as central counterparties and that will be subject to the exchange of margins.

Reforms to Mexican Banking Law

On January 10, 2014, several amendments to the Mexican Banking Law were published in the Federal Official Gazette, and are currently in effect, which provide for following:

- *Update capital requirements according to Basel III*. The amendments to the Mexican Banking Law update the capital requirements for banking institutions by incorporating the requirements of the Basel III accords, currently included in the General Rules Applicable to Mexican Banks, The amendments specify that net capital will be comprised of capital contributors, retained profits and capital reserves. The CNBV is authorized to allow or prevent the inclusion of other items to calculate a bank´s net capital.

- *Strengthen measures to maintain the liquidity requirements of banks*. The amendments to the Mexican Banking Law grant authority to the CNBV to order adjustments to a bank's accounting registries. If a bank fails to meet the liquidity requirements imposed by CNBV and *Banco de México*, the CNBV may order the bank to adopt actions toward meeting its liquidity requirements, including suspending or partially limiting certain lending, borrowing or service operations of the bank, and requiring the bank to present a liquidity restoration plan.

- *Create a special liquidation mechanism for banks*. The amendments to the Mexican Banking Law establish that the revocation of a bank's authorization to organize and operate as a banking institution, will immediately lead to the resolution and liquidation of the bank under the provision of the Mexican Banking Law excluding banks from the *concurso mercantil* procedure under the Mexican Bankruptcy Law. Except when the shareholders specifically request the revocation of the authorization to organize and operate as a bank, the IPAB will act as receiver (*liquidador judicial*) of the bank in liquidation.

- *Allow foreign government to hold shares in Mexican banks under certain conditions*. The amendments to the Mexican Banking Law expressly set forth an exception to the rule prohibiting the participation of foreign governments in the capital stock of banking institutions, when such governments hold equity in the banking institution (i) pursuant to preventive temporary measures, such as financial support or rescue programs, (ii) when control over such institution is held through official entities (such as funds or support governmental entities) and there is evidence that such entities do not exercise any authority functions and their decision making bodies operate separately from the relevant foreign government, and (iii) when the participation is indirect and does not imply the control by the relevant foreign government over the banking institution in terms of the Mexican Banking Law.

- *Strengthen the authority of CNBV*. The amendments to the Mexican Banking Law reinforce the oversight powers of CNBV by giving it authority to order the suspension or limitation of transactions with related parties if such transactions are not within market terms. The CNBV may also order measures to stimulate banks into channeling more funds to the productive sector of the Mexican economy.

In addition, on March 9, 2019, the Mexican Banking Law was amended to (i) establish the regulation of the use of advanced electronic signatures and any other form of electronic authentication for the execution of transactions between banks and their customers, provided that such means comply with CNBV requirements and (ii) allow fintech institutions to be funded by the public without violating the Mexican Banking Law. In addition, the definition of banking crimes was expanded to include more specific scenarios in which identity fraud occurs.

On March 27, 2020, the Mexican Banking Law was amended in order to allow banks the opening of deposit accounts for minors under the age of 18 through their legal representatives, with the exception that minors aged 15 years or over may open an account without the intervention of their representatives, under the condition that these accounts will be limited to receiving resources from government programs and salaries deposited by their employer.

On April 17, 2023 the Mexican Banking Law was amended. The amendments, were enacted in order to, among others, (a) strengthen the provisions that limit the maximum loss to a counterparty or group of interconnected counterparties that, due to their size, could jeopardize the solvency and continued operation of credit institutions, (b) establish measures that allow credit institutions to identify and control the levels of concentration of exposures to counterparties or group of counterparties that could be related to each other, (c) establish new maximum funding limits, including a specific limit for risk groups associated with local or global systemically important banking institutions, and (d) regulate a standardized and homogeneous treatment in the deduction of regulatory capital for computation purposes, in terms of international best practices.

Amendments to the Mexican Securities Market Law (*Ley del Mercado de Valores*) and the Investment Funds Law (*Ley de Fondos de Inversión*)

On December 29, 2023, several amendments to the Mexican Securities Market Law and the Investment Funds Law came into effect. These amendments are primarily aimed at expediting the registration of securities for new market participants.

Some of these amendments also pertain to publicly traded corporations, publicly traded investment-promoting corporations, and structured instruments, which are mainly associated with easing legal constraints related to shareholder structure, poison pill provisions, mandatory conversion, and capital increases, where applicable.

Simplified Issuers. A new legal category called the "simplified issuer" has been established, along with specific regulations for the registration and management of its securities in the RNV. Any entity that is not currently classified as an issuer (any person with securities registered in the RNV) may qualify as a simplified issuer and proceed to register its equity or debt securities in the RNV. The criteria for attaining the status of a simplified issuer is defined by the CNBV through secondary provisions. The main features of the simplified issuer framework include: (i) simplified issuers are not required to adhere to the corporate legal framework of a publicly-traded company (*sociedad anónima bursátil*) nor are they subject to regulation related to mandatory tender offers, (ii) securities may only be offered to institutional and qualified investors, (iii) simplified issuers do not fall under the supervision of the CNBV, and neither their legal nor auditing advisors are subject to the CNBV's inspection and oversight powers, (iv) the registration process is streamlined, requiring only a favorable opinion from the relevant Mexican stock exchange, (v) the prospectus and the offering documents are not subject to review by the CNBV, (vi) the CNBV has issued general provisions to outline the required information to be included in the prospectus, as well as the underwriter's responsibility to adhere to guidelines during its preparation, and (vii) underwriters assume increased responsibility and oversight in the public offering process of securities issued by simplified issuers, including the structuring, auditing, and ensuring compliance with applicable regulations.

ESG. To promote, inform, and evaluate the adoption of enhanced corporate practices by participants in the securities market, these amendments mandate the establishment of specific regulations related to sustainable development, which will include provisions aimed at advancing gender equity. Such regulations have not been enacted.

Shareholder Structure. The limitations on establishing restricted series or series with differentiated economic voting rights have been removed, with the sole requirement being the disclosure of the relevant capital structure. Restrictions concerning the establishment of joint negotiation mechanisms (CPOs) have also been lifted.

Poison Pill Provisions. Specific restrictions on measures aimed at limiting the acquisition of shares in public companies or takeover attempts have been lifted. The new provisions are more flexible, as long as such provisions are approved by more than 80% of the outstanding shares of the company and are in compliance with the rules for mandatory tender offers.

Capital Increases. Enhanced flexibility is provided to publicly traded companies regarding capital increases. If the shareholders' meeting opts to delegate this authority to the board of directors, the board may approve capital stock increases, waive preemptive rights, and set disclosure exemptions for offerings exclusively targeting qualified and institutional investors.

Hedge Funds. Hedge funds are now regulated to enhance buy-side market participants.

Funding TIIE (*TIIE de Fondeo*)

On April 13, 2023, *Banco de México* published in the Federal Official Gazette (i) Official Letter 3/2023 (*Circular 3/2023*) addressed to Credit Institutions and Regulated Multiple Purpose Financial Companies, related to the amendments to Official Letter 14/2007 (*Circular 14/2007*) and (ii) Official Letter 4/2023 (*Circular 4/2023*) addressed to Credit Institutions, Regulated Multiple Purpose Financial Companies that maintain equity links with Credit Institutions and the Rural Financing Public Institution (*Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero*), regarding the amendments to Official Letter 3/2012 (*Circular 3/2012*), in order to establish the transition from the TIIE for terms longer than one banking business day to the Funding TIIE (*TIIE de fondeo* - i.e., to the TIIE for terms of one banking business day), as well as to establish the dates as of which the use of the TIIE in local currency for terms longer than one banking business day will be restricted as a reference for new transactions.

Initiatives to Improve Creditors' Rights and Remedies

In Mexico, legislation has been enacted to improve creditors' rights and remedies. These laws include collateral pledge mechanisms and a bankruptcy law, which implies benefits for the Bank with respect to the operations and activities entered into with its customers.

Collateral Mechanisms

On June 13, 2002, the Mexican Commerce Code (*Código de Comercio*), the General Law of Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*), the Mexican Securities Market Law, the Mexican Banking Law, the abrogated Insurance Companies Law (*Ley General de Instituciones y Sociedades Mutualistas de Seguros*), the abrogated Bonding Companies Law (*Ley Federal de Instituciones de Fianzas*) and the General Law of Ancillary Credit Organizations and Activities (*Ley General de Organizaciones y Actividades Auxiliares del Crédito*) were amended with the purpose of providing an improved legal framework for secured lending and, as a consequence, encourage banks to increase their lending activities. Among its provisions, the decree eliminated a prior non-recourse provision applicable to non-possessory pledges (which allowed the creation of a pledge over all the assets used in the main business activity of the debtor, but limited recourse to the applicable collateral) and collateral trusts, to allow creditors further recourse against debtors if proceeds derived from the sale or foreclosure of collateral are insufficient to repay secured obligations; changes to these laws also permit the non-judicial foreclosure of collateral.

Laws regarding the perfection and enforcement of security interests include mechanism for pledging without transferring possession, as well as a common security device known in Mexico as the security trust. All personal property being used in a debtor's main business activity may be pledged, by making only a generic description of such property. The provisions regulating the security trust are similar to those governing pledges of personal property, except they provide that title to the collateral must be held by the trustee.

Also, for security pledges, there are provisions allowing the transfer of title to pledgee of the pledged assets, if agreed by the parties. Under the Mexican Securities Market Law, if the transfer of property over the pledged securities is agreed upon by the parties, the pledge may apply the market value of the pledged securities to the payment of the corresponding obligation in the event of default, without requiring the enforcement of such pledge before a court.

Amendments to Financial Regulations Impacting Banks

The Mexican financial system, consistent with demands from regulators and market participants and developments in other jurisdictions, has committed to address systemic issues resulting from the global financial crisis, such as the enactment of new regulations aimed at improving disclosure standards for derivative transactions.

On July 5, 2010, the Federal Law for Protection of Personal Data Held by Private Persons (*Ley Federal de Protección de Datos Personales en Posesión de Particulares*) was enacted, which requires us to ensure the confidentiality of the information received from clients, including their personal data. We have adapted our processes, procedures and systems as required to implement this law and the supervision of our activities.

On January 9, 2015, the General Rules Applicable to Financial Entities and other Persons that Provide Investment Services (Disposiciones de Carácter General Aplicables a las Entidades Financieras y otras Personas que Proporcionan Servicios de Inversión) were published. One of the main purposes of such rules was to establish a sole regulation that contains the rules applicable to brokerage firms, credit institutions and investment advisors, companies that operate mutual funds and companies or entities that distribute shares of mutual funds. In accordance with the rules, financial entities and investment advisors rendering advisory services in connection with investments shall ensure that any advice, recommendation or suggestion given to the client is reasonable for such client, and consistent with the client's investment profile and the financial product profile.

Climate Change

Due to the nature of the business and the services we provide, there are no significant risks or effects that climate change may have on the Bank's business. However, the Bank considers that climate change is a significant and complex challenge that requires cooperation between individuals, companies and nations.

Other Regulations

Please refer to the section "Risk Factors," in particular to the risk factors related to modifications and reforms to certain laws, including "The recently-enacted reforms to Mexican laws and regulations relating to labor, social security and fiscal matters has required the Bank to modify its employment scheme, and these or any other future reforms could have a material adverse effect on the Bank in the future," "Modifications to the *Banco de México* Law (*Ley de Banco de México*) could result in a decrease in Mexico's credit rating and an increase in interest rates, which could have negative consequences on the Bank's business, financial condition or results of operations," among others.

SUPERVISION AND REGULATION

Our operations are primarily regulated by the Mexican Banking Law, and the rules issued thereunder by the SHCP and the CNBV, as well as rules issued by *Banco de México* and the IPAB. The authorities that supervise our operations are the SHCP, *Banco de México*, the CONDUSEF and the CNBV.

Banking Regulation

The SHCP, either directly or through the CNBV, possesses broad regulatory powers over the banking system. Banks are required to report regularly to the financial regulatory authorities, principally the CNBV and *Banco de México*. Banks must submit their unaudited monthly and quarterly and audited annual financial statements to the CNBV for review, and must publish on their website and in a national newspaper their unaudited quarterly balance sheets and audited annual balance sheets. The CNBV may order a bank to modify republish such balance sheets. From time to time, we are required to respond to information requests and to also cooperate with regulators in the course of an investigation.

Additionally, banks must publish on their website, among other things:

- the bank's basic consolidated and audited annual financial statements, together with a report containing the management's discussion and analysis of the financial statements and the bank's financial position, including any important changes thereto and a description of the bank's internal control systems;
- a description of the bank's board of directors, identifying independent and non-independent directors and including their resume;
- a description and the total amount of compensation and benefits paid to the members of the board of directors and senior officers during the past year;
- unaudited quarterly financial statements for the periods ending March, June and September of each year, together with any comments thereon;
- any information requested by the CNBV to approve the accounting criteria, specific measures for loan-loss classifications and special registries;
- a detailed explanation regarding the main differences in the accounting used to prepare the financial statements;
- the credit rating of their portfolio;
- the capitalization level of the bank, its classification (as determined by the CNBV) and any modifications thereto;
- financial ratios;
- a brief summary of the resolutions adopted at any meeting of shareholders, of debenture holders, or of holders of other securities or instruments; and
- the bank's bylaws as then in effect.

The CNBV has the authority to grant and revoke authorizations to bank institutions and to impose fines for failing to comply with the provisions of the Mexican Banking Law, or regulations issued thereunder. In addition, *Banco de México* has authority to impose certain fines and administrative sanctions for failure to comply with the provisions of the Law of *Banco de México*, the Law for the Transparency and Regulation of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*), and regulations and provisions that it promulgates, including violations relating to the regulation of interest rates and fees and the terms of disclosure of fees charged by banks to customers. Violations of specified provisions of the Mexican Banking Law are subject to administrative sanctions and criminal penalties.

The Mexican Banking Law includes a provision for self-correcting irregularities detected by Mexican banks, arising from non-compliance with applicable law.

A Mexican bank may only be dissolved and liquidated, if the CNBV has issued a determination to that effect. Prior to such dissolution and liquidation, the IPAB may provide temporary financial assistance to Mexican banks

having liquidity problems. Additionally, a Mexican bank may grant last resort shareholder-guaranteed loans to banks in such conditions.

The SHCP is authorized to conduct evaluations of Mexican banks. Although guidelines for such evaluations have already been issued, additional rules may be issued in the future. Such evaluations are based upon the size of the banks and their participation in the relevant markets, and will determine whether or not a particular bank is lending to all sectors of the economy (primarily to small- and medium-sized companies). Results of evaluations are required to be made publicly available by the SHCP. Negative results from evaluations may result in corrective measures being ordered, however.

Licensing of Banks

An authorization from the Mexican government is required to organize and operate as a bank. The CNBV, prior agreement of its governing board and favorable opinion of *Banco de México*, has the power to authorize the establishment of new banks, subject to minimum capital requirements, among other things. Approval of the CNBV is also required prior to opening, closing or relocating offices, including branches outside of Mexico, or transfer of assets or liabilities between branches.

Intervention

The CNBV, with the approval of its governing board, may declare managerial intervention (*intervención*) of a banking institution pursuant the Mexican Banking Law (the "**CNBV Intervention**"). In addition, and only if the IPAB provides liquidity to the bank pursuant to applicable law, the governing board of the IPAB may also appoint a "peremptory manager" (*administrador cautelar*).

A CNBV Intervention will only occur when (i) within a calendar the capital ratio of a bank is reduced from a level equal to or above the minimum capital ratio required under Article 50 of the Mexican Banking Law to a level equal to or lower than the minimum fundamental capital required under Article 50 of the Mexican Banking Law and the provisions emanating from it; (ii) the banking institution does not comply with the minimum Capital Ratios required under the Mexican Banking Law and it does not submit itself to the conditional operation regime under Article 29 Bis 2 of the Mexican Banking Law, or (iii) the banking institution defaults with respect to any of the following payment obligations: (a) in the case of obligations in an amount greater than 20,000,000 UDIs or its equivalent: (1) loans granted by other banking institutions, foreign financial institutions or *Banco de México*, or (2) payments of principal or interest on securities issued, that have been deposited in a securities deposit institution; or (b) in the case of obligations in an amount greater than 2,000,000 UDIs or its equivalent, if during two business days (1) one or more participants the amounts due under any compensation process carried out through a clearinghouse or central counterparty, or does not pay three or more checks for such amount, that have been excluded from a clearinghouse for causes attributable to the drawee institution in terms of the applicable provisions, or (2) in the bank windows of two or more branches the banking deposits and cash withdrawals carried out by 100 or more of their customers and such total amount.

If the IPAB granted financial support to a bank pursuant to the Mexican Banking Law, the peremptory manager will be appointed by the IPAB and will assume the authority of the board of directors. The peremptory manager will have the authority to represent and manage the bank with the broadest powers under Mexican law. The appointment of the peremptory manager will be published in the Federal Official Gazette and in two national newspapers, and must be registered in the Public Registry of Commerce of the corresponding domicile.

Resolution and Payment of Guaranteed Obligations

Revocation of authorization to operate as a bank

If the CNBV revokes a license to be organized and operating as a banking institution, the IPAB's Governing Board will determine the manner under which the relevant banking institution shall be dissolved and liquidated in accordance with the Mexican Banking Law. In such a case, the IPAB's Governing Board may determine to undertake the liquidation through any or a combination of the following transactions: (i) transfer the liabilities and assets of the banking institution in liquidation to another banking institution; (ii) constitute, organize and manage a new banking institution owned and operated directly by the IPAB, with the exclusive purpose of transferring the liabilities and assets of the banking institution in liquidation; or (iii) any other alternative that may be determined within the limits and conditions provided by the Mexican Banking Law that the IPAB considers as the best and less expensive option to protect the interest of bank depositors.

Causes for Revoking the authorization to organize and operate as a bank

The following are the events upon which the CNBV may revoke a banking license:

- If the banking institution does not commence operations within 30 days from the date on which it is notified of the granting of the license;
- If a general extraordinary shareholders' meeting approves a request of revocation;
- If the banking institution is dissolved or initiates liquidation procedures;
- If the banking institution (a) does not comply with the minimum corrective measures ordered by the CNBV pursuant to Article 122 of the Mexican Banking Law; (b) does not comply with more than one special corrective measure ordered by the CNBV pursuant to such Article 134 Bis 1; (c) repeatedly does not comply with an additional special corrective measure ordered by the CNBV;
- If the banking institution does not comply with the minimum Capital Ratio required under Mexican Capitalization Requirements;
- If the banking institution defaults with respect to any of the following payment obligations (a) in the case of obligations in an amount greater than 20,000,000 UDIs or its equivalent: (1) loans granted by other banking institutions, foreign financial institutions or Banco de México, or (2) payments of principal or interest on securities issued, that have been deposited with a clearing system, and (b) in the case of obligations in an amount greater than 2,000,000 UDIs, or its equivalent, if during two business days or more, (1) it does not pay its obligations with one or more participants in clearing systems or central counterparts, or (2) it does not pay in two or more of its branches, banking deposits claimed by 100 or more of its customers.
- If the banking institution repeatedly performs prohibited operations according to article 106 of the Mexican Banking Law; and
- If the banking institution does not have sufficient assets to meet its liabilities in accordance with Article 226 of the Mexican Banking Law.

Upon publication of the resolution of the CNBV revoking banking license in the Federal Official Gazette and two newspapers of wide distribution in Mexico and registration of such resolution with the corresponding Public Registry of Commerce, the relevant banking institution will be dissolved and liquidation will be initiated. Upon liquidation of a banking institution, the IPAB shall proceed to make payment of all "guaranteed obligations" of the relevant banking institution, in compliance to the terms and conditions set forth by the Mexican Banking Law, other than those "guaranteed obligations" that have been actually transferred pursuant to Article 186 of the Mexican Banking Law.

Obligations of a banking institution in liquidation that are not considered "guaranteed obligations" pursuant to the IPAB Law, and that are not effectively transferred out of the insolvent banking institution, will be treated as follows:

- term obligations will become due (including interest accrued);
- unpaid principal amounts, interest and other amounts due in respect of unsecured obligations denominated in pesos or UDIs will cease to accrue interest;
- unpaid principal amounts, interest and other amounts due in respect of unsecured obligations denominated in foreign currencies, regardless of their place of payment, will cease to accrue interest and will be converted into pesos at the prevailing exchange rate determined by *Banco de México*;
- secured liabilities, regardless of their place of payment will continue to be denominated in the agreed currency, and will continue to accrue ordinary interest, up to an amount of principal and interest equal to the value of the assets securing such obligations;
- obligations subject to a condition precedent, shall be deemed unconditional;
- obligations subject to a condition subsequent, shall be deemed as if the condition had occurred, and the relevant parties will have no obligation to return the benefits received during the period in which the obligation subsisted; and

- derivatives, repurchase transactions and securities loans will be early terminated and netted after two business days following the publication of the resolution of the CNBV revoking a banking license in the Federal Official Gazette and in two newspapers of wide distribution in Mexico.

Liabilities owed by the banking institution in liquidation will be paid in the following order of preference pursuant to Articles 180 and 241 of the Mexican Banking Law: (i) guaranteed or pledged credits, (ii) liquid and enforceable labor liabilities, (iii) tax liabilities, (iv) credits with special privileges, (v) liabilities to the IPAB, as a result of the partial payment of obligations of the banking institution supported by the IPAB in accordance with the Mexican Banking Law; (vi) bank deposits, loans and other liabilities as provided by Article 46, Sections I and II of the Mexican Banking Law, to the extent not transferred to another banking institution, as well as any other liabilities in favor of the IPAB different from those referred to clause (v) above, (vii) any other liabilities other than those referred to in the following clauses, (viii) preferred subordinated debentures, (ix) non-preferred subordinated debentures (such as the Notes), and (x) the remaining amounts, if any, shall be distributed to stockholders.

Financial Support

Determination by the Banking Stability Committee

The Banking Stability Committee (the "BSC," formerly called the "Financial Stability Committee"), includes representatives of the SHCP, *Banco de México*, the CNBV and the IPAB. In the case that the BSC determines that if a bank were to default on its payment obligations and such default may (i) generate, directly or indirectly, severe negative effects in one or more commercial banks or other financial entities, endangering their financial stability or solvency, and such circumstance may affect the stability or solvency of the financial system, or (ii) put the operation of the payments systems, necessary for development of economic activity, at risk, then the BSC may determine that a general percentage of the amounts of all of the outstanding obligations of the troubled bank that are not considered "guaranteed obligations" under the IPAB Law and guaranteed obligations in amounts equal to or higher than the amount set forth under Article 11 of the IPAB Law (400,000 UDIs per person per entity), be paid as a means to avoid the occurrence of any of such circumstances. Notwithstanding the foregoing, under no circumstance may the transactions referred to in Sections II, IV and V of Article 10 of the IPAB Law (which include transactions such as liabilities or deposits in favor of shareholders, members of the board of directors and certain top level officers, and certain illegal transactions) or the liabilities derived from the issuance of subordinated debentures be covered or paid by the IPAB or any other Mexican governmental agency.

Types of Financial Support

If the BSC makes the determination referred to in the preceding paragraph, then the IPAB's Governing Board will determine the manner according to which the troubled bank will receive financial support, which may be through either of the following options:

- If the BSC determines that the full amount of all of the outstanding liabilities of the relevant troubled bank institution (guaranteed and non-guaranteed) must be paid, then the financial support may be implemented through (i) capital contributions or (ii) credit support granted by the IPAB in accordance with the Mexican Banking Law, and, in either case, the CNBV shall refrain from revoking the banking license granted to such commercial bank.
- If the BSC determines that less than the full amount of all the outstanding liabilities of the troubled commercial bank (guaranteed and non-guaranteed) must be paid, then the support will consist of the payment of the general percentage of outstanding obligations of the relevant troubled banking institution in determined by the BSC, or transferring the assets and liabilities of such bank to any third party.

Conditional Management Regime

As an alternative to revoking the banking license, the relevant bank may request, with the prior approval of its shareholders, the application of a conditional management regime. This regime may be requested when the Capital Ratio of the relevant bank is below the minimum required pursuant to the Mexican Capitalization Requirements. In order to qualify for such regime, the relevant commercial bank should (i) deliver to the CNBV a plan for the reconstitution of its capital, and (ii) transfer at least 75% of its shares to an irrevocable trust.

Banking institutions that do not comply with the minimum fundamental capital required under Article 50 of the Mexican Banking Law may not adopt the conditional management regime.

Bank Liquidation Process

According to the amendments to the Mexican Banking Law enacted on January 10, 2014, upon the resolution of the CNBV revoking an authorization to organize and operate as a bank, the declaration will be published in the Federal Official Gazette and two newspapers of wide distribution in Mexican territory and will be registered with the Public Registry of Commerce, the relevant banking institution will be liquidated. The IPAB will be appointed liquidator of the banking institution.

If a banking license is revoked because the assets of the relevant bank are insufficient to meet its liabilities, the IPAB shall undertake the liquidation procedure before a competent Mexican federal court, according to the terms and conditions provided for a court liquidation procedure (*liquidación judicial*) under the Mexican Banking Law, in substitution of the *concurso mercantil* under the Mexican Bankruptcy Law. Moreover, the IPAB will be appointed as receiver (*liquidador judicial*).

The IPAB will carry out the creditor identification process and must comply with the preference for payments of banking institution's debts set forth in Article 214 of the Mexican Banking Law.

Capitalization

The minimum subscribed and paid-in capital for banks is set in accordance with three different components: credit risk, market risk and operational risk. Pursuant to the Mexican Banking Law and the General Rules Applicable to Mexican Banks, banks may participate in any of the activities and render the services as provided under the Mexican Banking Law, as well as those permitted under other laws.

In accordance with the capitalization rules, the minimum equity capital required for banks that engage in all banking activities under the Mexican Banking Law is 90,000,000 UDIs.

The capitalization requirements in the General Rules Applicable to Mexican Banks set forth the methodology to determine the net capital (*capital neto*) relative to market risk, risk-weighted assets and operations risk. Under the relevant rules, the CNBV may impose additional capital requirements. The capitalization requirements provide capitalization standards for Mexican banks similar to international capitalization standards, particularly with respect to the recommendations of the Basel Committee on Banking Regulations and Supervisory Practices, or the Basel Committee, which includes the supervisory authorities of twelve major industrial countries.

The General Rules Applicable to Mexican Banks classify Mexican banks in several categories based on their Capital Ratios. The corrective measures referred to below are determined based on the following classifications:

		Net Capital Ratio (*ICAP*)				
Fundamental Capital or CET1 (*CCF*)	**Tier 1 Capital (*CCB*)**	**≥ 10.5% + CBF**	**≥ 8.0%**	**≥ 7.0% + CBF**	**≥ 4.5%**	**< 4.5%**
≥ 7% +CBF	≥ 8.5% + CBF	I	II			
	≥ 7% + CBF	II	II	III		
≥ 4.5%	≥ 8.5% + CBF	II	II			
	≥ 6%	II	II	III	IV	
	≥ 4.5%	III	III	IV	IV	
< 4.5%						V

Where:

ICAP = Net Capital Ratio (*Índice de Capitalización*)

CCB = Tier 1 Capital Ratio (*Coeficiente de Capital Básico*)

CCF = Fundamental Capital Ratio (*Coeficiente de Capital Básico Fundamental*)

CBF = Capital Supplements (Systemically Important Bank Capital Supplement + Countercyclical Capital Supplement)

For the classification of multiple banking institutions of local systemic importance in categories, the Total Capital Supplement mentioned in the last paragraph of Article 2 Bis 5 of the capitalization rule will also be considered.

The Multiple banking institutions of local systemic importance (D-SIBs) that, according to the previous table, correspond to a classification in category I, will be classified in category II when:

$$ICAP + Z < 10.5\% + SCCS + SCCI + SCN$$

Where:

Z = The percentage that corresponds to the amount of securities and Capital Instruments eligible to constitute the supplement to Total Capital referred to in the last paragraph of Article 2 Bis 5 of these provisions divided by the total RWAs.

SCCS = The percentage of total risk-weighted assets referred to in subsection b) of section III of Article 5 of the General Rules Applicable to Mexican Banks, as applicable in accordance with Article 2 Bis 117 n of the General Rules Applicable to Mexican Banks.

SCCI = The percentage of total risk-weighted assets referred to in subsection c) of section III of Article 5 of the General Rules Applicable to Mexican Banks, corresponding to the Countercyclical Capital Supplement determined in accordance with Chapter VI Bis 2 of First Title Bis of the General Rules Applicable to Mexican Banks.

SCN = The percentage equivalent to the amount of the supplement to Total Capital referred to in Article 2 Bis 5 of these provisions divided by the total RWAs.

The first phase of this new supplement began in December 2022 and was fully implemented in December 2025.

Article 121 of the Mexican Banking Law provides that, in the exercise of its supervisory duties, the CNBV, through general provisions approved by its board of governance, will classify banking institutions based on their compliance with the provisions of the Mexican Capitalization Requirements, which may take into account Capital Ratios that reflect the degree of stability and solvency of a bank.

Article 122 of the Mexican Banking Law provides that, if a Mexican bank does not comply with the minimum Capital Ratios required pursuant to the Mexican Capitalization Requirements, such bank must implement the corrective measures ordered by the CNBV, including:

(a) informing the bank's board of directors of its classification, based on its Capital Ratios, and submit a detailed report containing an evaluation of the bank's overall financial status and its level of compliance with applicable regulations and the main financial indicators on the bank's stability and solvency; the bank shall also provide written notice to the general director and the chairman of the board of directors of the bank's regulated holding company (*sociedad controladora del grupo financiero*) with respect to such events and the status thereof;

(b) if the bank is not in compliance with (i) any corrective measures under Article 122 of the Mexican Banking Law or (ii) the minimum Capital Ratios required pursuant to the Mexican Capitalization Requirements (Section V of Article 28 of the Mexican Banking Law), the CNBV will give notice to the bank, and the bank, within a period not to exceed seven (7) Business Days, shall file with the CNBV, for its approval, a capital recovery plan to increase the bank's Capital Ratios; the bank's capital recovery plan shall be approved by such bank's board of directors before it is submitted to the CNBV; and the CNBV, through its board of governance, will determine whether the recovery plan is approved, within a period not to exceed sixty (60) calendar days from the aforementioned filing;

(c) suspending, in whole or in part, any payment of dividends to its shareholders, as well as any mechanism or act for the making of any distributions or the granting of any economic benefits to shareholders; such measure shall apply to the bank's regulated holding company (*sociedad controladora del grupo financiero*) and other financial entities of the financial group (*grupo financiero*);

(d) suspending, in whole or in part, any share repurchase programs, including those of the bank's regulated holding company (*sociedad controladora del grupo financiero*);

(e) deferring or canceling, in whole or in part, payment of interest and, in the event of deferring or canceling the payment of principal on outstanding subordinated debt, and, if applicable, exchanging outstanding

convertible subordinated debt into shares of the bank in the amount necessary to cover the capital deficiency if ordered by the CNBV; these corrective measures shall be applicable to subordinated debt considered part of the bank's Tier 1 Capital (*capital básico*) or Tier 2 Capital (*capital complementario*); if the bank issues subordinated debt, the bank is obligated to include in the documentation evidencing such debt, in the applicable indenture and in the applicable offering document, that such deferral of payment of principal or deferral and cancellation of payments of interest, as the case may be, shall apply upon the occurrence of certain events as provided in the General Rules Applicable to Mexican Banks and that the implementation of such measures shall not be considered a default under the documents evidencing such debt;

(f) suspending payment of any extraordinary benefits and bonuses that are not a component of the ordinary salary of the general director or any officer within the next two levels of seniority, and suspending the granting of new benefits to the general director and the officers mentioned above until the bank complies with the minimum Capital Ratios set forth under the Mexican Capitalization Requirements;

(g) abstaining from increasing the outstanding amounts of any loans granted to any person who is a related party of the bank under Article 73 of the Mexican Banking Law; and

(h) any other corrective measures that are provided by the General Rules Applicable to Mexican Banks.

Article 122 of the Mexican Banking Law further provides that:

(a) If a Mexican bank complies with the minimum Capital Ratios required pursuant to the Mexican Capitalization Requirements, but any of its Capital Ratios is not equal to or greater than the minimum Capital Ratios for a bank not to be subject to any corrective measures, such bank must implement certain corrective measures ordered by the CNBV, including, among others, (A) informing the bank's board of directors of its classification, based on the Capital Ratios thereof and submitting a detailed report containing an evaluation of the bank's overall financial status and its level of compliance with applicable regulations including the principal regulatory ratios, that reflect the bank's degree of stability and solvency (together with any determinations or indications made by any of the CNBV or *Banco de México*) and providing written notice to the general director and the chairman of the board of directors of the bank's regulated holding company (sociedad controladora del grupo financiero) with respect to such events and the status thereof; (B) abstaining from entering into any transaction that may decrease the bank's Capital Ratios below the Mexican Capitalization Requirements; and (C) any other corrective measures ordered by the CNBV.

(b) Regardless of a bank's capitalization level, the CNBV may order the implementation of additional special corrective measures, including, among others: (A) requiring compliance with additional corrective measures that the bank will be required to carry out to avoid a decrease of its Capital Ratios; (B) requiring special audits to be performed by special auditors in connection with specific matters; (C) abstaining from increasing the salaries and benefits of all officers and employees of the bank, except for any changes in salary previously agreed on and subject to the officers' and employees' labor rights; (D) removing officers, directors, statutory auditors or external auditors or appointing any persons to such positions; or (E) any other measures ordered by the CNBV, based on its authority to inspect and supervise banking institutions.

(c) If a Mexican bank does not comply with any of the Capital Ratio requirements pursuant to the Mexican Banking Law and the Mexican Capitalization Requirements, the CNBV may order the bank to suspend any payment of dividends or other distributions to its shareholders.

(d) Corrective measures will not be applicable to Mexican banks with Capital Ratios equal to or greater than the minimum Capital Ratios required by the Mexican Capitalization Requirements.

(e) The Mexican Banking Law and the General Rules Applicable to Mexican Banks classify Mexican banks in categories from Class I through Class V based on their Capital Ratios for Total Net Capital (*capital neto*), Tier 1 Capital (*capital básico*) and Fundamental Capital (*capital básico fundamental*); corrective measures are imposed based on such classification, starting at the time a bank is categorized as Class II.

(f) Article 122 of the Mexican Banking Law specifies that if a bank does not satisfy the Capital Ratios required to be classified as Class I pursuant to the Mexican Capitalization Requirements, the bank must implement the corrective measures ordered by the CNBV. Currently, the minimum Capital Ratios

required to be classified as Class I are: (i) 10.5% in the case of the Total Net Capital (capital neto), which includes the Capital Conservation Buffer, (ii) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (iii) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, plus, in each case, any other applicable Capital Supplement.

If the minimum Capital Ratios to be classified as Class I are not satisfied, Mexican banks shall be classified as Category II, III, IV or V, as the case may be, according to the General Rules Applicable to Mexican Banks then in effect.

The General Rules Applicable to Mexican Banks further provide that corrective measures applicable to Mexican banks classified in Categories II, III, IV or V include, among other things, requiring a bank to suspend or cancel payment of interest, defer or cancel payment of any principal on outstanding subordinated debt or exchange outstanding convertible subordinated debt into shares of the bank in the amount necessary to cover the capital deficiency; if the bank issues subordinated debt, a bank must include in the relevant debt documentation, including in the applicable indenture and offering document, that such suspension or cancellation of payment of interest and deferral or cancellation of payment of principal shall apply to subordinated debt if a bank is classified in Category II, III, IV or V and that the implementation of such measures shall not be considered a default under the relevant debt documentation.

The General Rules Applicable to Mexican Banks require Category I Mexican banks to maintain Capital Ratios equal to or exceeding: (i) 10.5% in the case of the Total Net Capital (capital neto), which includes the Capital Conservation Buffer, (ii) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (iii) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, plus, in each case, any other applicable Capital Supplement.

Mexican banks that are determined by the CNBV to be of systemic importance, in light of the impact that their default may cause to the Mexican financial system, the Mexican payment system or the Mexican economy, are required by the CNBV to constitute an additional capital supplement, as determined from time to time (the "**Systemically Important Bank Capital Supplement**"). The CNBV also has the authority to require countercyclical capital supplements from any and all Mexican banks, designed to cover adverse economic cycles, if the aggregate financing received by the Mexican private sector grows at a higher level as compared to the level of growth of the Mexican economy (the "**Countercyclical Capital Supplement**" and, together with the Systemically Important Bank Capital Supplement and any other additional capital supplement that may be required to be maintained and comprised of Fundamental Capital pursuant to the Mexican Capitalization Requirements, the "**Capital Supplements**").

In June 2021, amendments to the capitalization framework were published in the Federal Official Gazette requiring banking institutions designated as domestic systemically important banks to maintain an additional supplement to Total Net Capital, consisting of capital in excess of that required to comply with the minimum Capitalization Ratio, in accordance with Article 2 Bis 117 ñ of the General Provisions applicable to Credit Institutions. The regulation provided for a phased implementation of this requirement in four equal annual increments beginning on December 31, 2022 and concluding on December 31, 2025, at which time the requirement became fully effective. As of such date, the Bank is required to maintain the applicable supplement to Total Net Capital on an ongoing basis.

On April 24, 2025, the CNBV reconfirmed the Bank's designation as a Bucket IV domestic systemically important bank (D-SIB). As a result, the Bank is required to maintain a Systemically Important Bank Capital Supplement of 1.50% of total risk-weighted assets, in accordance with the General Provisions applicable to Credit Institutions. In addition, the Countercyclical Capital Buffer currently remains set at 0.00% by the CNBV.

The Systemically Important Bank Capital Supplement was implemented through a phased approach in four equal annual increments beginning on December 31, 2016 and became fully effective on December 31, 2019. The Bank is therefore required to maintain this capital supplement on an ongoing basis in addition to the minimum capital requirements and the capital conservation buffer.

As a result of the foregoing, the minimum Capital Ratios applicable to us as of the dates indicated below, including, in each case, the Capital Conservation Buffer, the Systemically Important Bank Capital Supplement, the Countercyclical Capital Supplement and the supplement to Total Capital, to remain classified as Class I pursuant to the Mexican Capitalization Requirements are as follows:

Minimum Capital Ratios	December 31, 2025	2024	2023
(i) Total Net Capital (capital neto)	20.15%	16.88%	15.25%
(ii) Tier 1 Capital (*capital básico*)	16.48%	10.00%	10.00%
(iii) Fundamental Capital (*capital básico fundamental*)	16.48%	8.50%	8.50%

As of December 31, 2025, our Capital Ratios were (i) 20.15% in the case of Total Net Capital, (ii) 16.48% in the case of Tier 1 Capital, and (iii) 16.48% in the case of Fundamental Capital.

As of December 31, 2024, our Capital Ratios were (i) 18.68% in the case of Total Net Capital, (ii) 15.24% in the case of Tier 1 Capital, and (iii) 15.24% in the case of Fundamental Capital.

As of December 31, 2023, our Capital Ratios were (i) 18.25% in the case of Total Net Capital, (ii) 15.66% in the case of Tier 1 Capital, and (iii) 15.66% in the case of Fundamental Capital.

Aggregate net capital consists of Tier 1 Capital (which, in turn, consists of Core Equity Tier 1 Capital and instruments that are not common equity, but are eligible to be included in such tier ("**Additional Capital Tier 1**")) and Tier 2 Capital. The Mexican Capitalization Requirements include among the Core Equity Tier 1 Capital, mainly, paid-in capital, which represents the most subordinated right to collect in case of liquidation of a credit institution, which are not due and do not grant reimbursement rights, profits (mainly including retained profits), and capital reserves, and subtract from such Core Equity Tier 1 Capital, among other things, certain subordinated debt instruments, issued by financial and non-financial entities, securities representing residual parts of portfolio securitization, investments in the equity of venture-capital funds and investments in or credits to related companies, reserves pending creation, loans and other transactions that contravene applicable law, and intangibles (including goodwill). Additional Capital Tier 1 is comprised of preferential shares, regarding which the issuer has the right to cancel the dividend payments, and subordinated debt instruments, which are not subject to a due date or forced conversion, regarding which it is possible to cancel the interest payments and which may become shares of a credit institution or a controlling entity or are subject to cancellation (when capitalization problems arise).

The complementary part of basic capital (Tier 2) comprises capitalization instruments, as long as such capitalization instruments are subordinated to deposits and any other debt of the credit institution, do not have any specific guarantee, have a term of at least five years and are convertible into shares at their maturity date, and the total allowable reserves without total expected losses up to an amount that does not exceed 0.6% of weighted assets by IRB credit risk and 1.25% of weighted assets by standardized approach of credit risk. These instruments shall be included as capital based on their maturity date: 100% if the due date exceeds five years, 80% if the due date exceeds four years but is less than five years, 60% if the due date exceeds three years but is less than four years, 40% if the due date exceeds two years but is less than three years, 20% if the due date exceeds one year but is less than two years, and 0% if the due date is less than one year.

Every Mexican bank must create certain statutory reserves (*fondo de reserva de capital*), that are considered to be part of Tier 1 capital. Banks must separate and allocate 10.0% of their net income to such reserve each year until the statutory reserve equals 100.0% of their paid-in capital (without adjustment for inflation). The remainder of net income, to the extent not distributed to shareholders as dividends, is added to the retained profits account. Under Mexican law, dividends may not be paid out against the statutory reserves. As of December 31, 2025, we had set aside Ps.6,901 million in statutory reserves compared to paid-in capital of Ps.24,143 million (without adjustment for inflation).

Corrective Measures

Pursuant to the Mexican Capitalization Requirements, the CNBV classifies Mexican banks in several categories based on their Capital Ratios and orders corrective measures to prevent and correct problems that may affect the stability or solvency of banks if a bank fails to meet any of the minimum required Capital Ratios.

The Mexican Banking Law and the General Rules Applicable to Mexican Banks establish the minimum corrective and special additional measures that banks must fulfill according to the category in which they are classified based on their capital. These corrective measures are designed to prevent and, when necessary, correct the operations of the banks that could negatively affect their solvency or financial stability. The CNBV is required to notify the relevant bank in writing of the corrective measures that it must observe, within five business days after *Banco de México* has notified the CNBV of the capitalization ratio of the bank, as well as verify the bank's compliance with the corrective measures imposed. Class I banks are exempted from any corrective measures, but banks in the remainder

of the categories may be subject to specific corrective measures. Regardless of the Capital Ratio of the banks, the CNBV may order the implementation of additional and special corrective measures.

On July 26, 2010, the group of governors and heads of supervision of the Basel Committee, reached broad agreement on the overall design of a capital and liquidity reform package for internationally active banking organizations around the world, known as Basel III, which includes, among other things, the definition of capital, the treatment of counterparty credit risk, the leverage ratio and the global liquidity standard. On September 12, 2010, the Basel Committee announced a substantial strengthening of existing capital requirements in connection with Basel III. The full text of the Basel III rules and the results of a quantitative impact study to determine the effects of the reforms on banking organizations were published on December 16, 2010. The Basel III rules for capitalization were implemented in Mexico through an amendment to the General Rules Applicable to Mexican Banks published in the Federal Official Gazette on November 28, 2012, effective as of January 1, 2013.

Reserve and Compulsory Deposit Requirements

The compulsory reserve requirement is one of the monetary policy instruments used as a mechanism to control the liquidity of the Mexican economy to reduce inflation. The objective of *Banco de México*'s monetary policy is to maintain the stability of the purchasing power of the peso and in this context, to maintain a low inflation level. Given the historic inflation levels in Mexico, the efforts of *Banco de México* have been directed towards a restrictive monetary policy. Under this policy, *Banco de México* has elected to maintain a short-term financial creditor stance with respect to the Mexican financial money markets, where *Banco de México* compensates liquidity deficits through daily operations in the money market providing adequate liquidity and stability to these markets.

In order to manage its maturity exposures to the Mexican financial markets, *Banco de México* has been extending the maturities of its liabilities for longer terms to avoid the need for continuing refinancing of its liabilities. Those liabilities have been restructured into voluntary and compulsory deposits (*Depósitos de Regulación Monetaria*), and into investment securities such as longer-term government bonds (Bondes) and monetary regulatory bonds (BREMs). At the same time, *Banco de México* has elected to hold short-term assets, thus allowing it the ability readily to refinance its positions of assets and reduce its maturity exposure to the financial markets.

Banco de México may impose on Mexican commercial banks reserve and compulsory deposits from time to time. The amount of the deposit that each bank has to make is determined based on each bank's pro rata share of total Mexican financial institution time deposits allocated and registered as of certain date. Such compulsory deposits have an indefinite term. During the time, these reserves are maintained on deposit with *Banco de México*, each banking institution receives interest on such deposits every 28 days. *Banco de México* provides advance notice of the date and the procedure to withdraw the balance of these compulsory deposits at such time, if any, that the compulsory deposit reserves are suspended or terminated.

To promote the sound development of the financial system and improve monetary policies, on May 12, 2016, *Banco de México* published in the Federal Official Gazette the rules for auctions of *Bonos de Regulación Monetaria Reportables* ("BREMS R"), as an alternative for the banking institutions to comply with the compulsory deposit reserves (through the purchase of BREMS R). The BREMS R may only be acquired by Mexican banks, through auctions carried out by *Banco de México* or through *reportos* (repurchase transactions). Thus, there is no secondary market for BREMS R. The BREMS R maintained by banking institutions may only be sold directly or through *reportos* to *Banco de México* or to other banking institutions. Furthermore, on June 13, 2019, *Banco de México* allowed, through Bulletin 9/2019, banking institutions to use its BREMS R to secure overdrafts (*sobregiros*) of their sole accounts (*cuenta única*) maintained with *Banco de México*.

Classification of Loans and Allowance for Loan Losses

The Loan Classification and Rating Rules established in the General Rules Applicable to Mexican Banks, provide a methodology for classifying (i) consumer loans (i.e., each of the exposures of credit cards and loans to individuals, divided into separate groups) that are considered major factors (a) for the exposure of credit cards, the probability of default and potential losses, and (b) for loans to individuals, the probability of non-payment, potential losses (taking into account the guarantee received), and credit exposure (net of the reserves created), (ii) mortgage loans (i.e., residential, including loans for construction, remodeling or improvements), considering as main factors periods of non-payment, the possibility of default and possible losses (taking into account the collateral and guarantees received), and (iii) commercial loans, based primarily on an assessment of the borrower's ability to pay off their loan (including country risk, financial risk, industry risk history and payments) and an evaluation of the guarantees and related guarantees. Based on this methodology, the percentage of reserves required is determined. The Loan

Classification and Rating Rules also allow banks, subject to the prior approval of the CNBV, to develop and adopt specific internal procedures and methodologies within certain parameters to qualify the loans in their portfolios.

The Loan Classification and Rating Rules require Mexican banks to rate 100.0% of their commercial loan portfolio at the end of each month. The classification of mortgage and consumer loans must be made monthly and reported to the CNBV.

The allowance for credit losses for the commercial loan portfolio is primarily determined based on the assigned risk classification of each exposure. The applicable methodology requires an evaluation of the borrower's repayment capacity and the quality of guarantees to estimate expected losses and determine the appropriate level of reserves. While the Bank has developed an internal methodology for rating corporate and large corporate portfolios, which was approved by the CNBV in April 2014 and subsequently reauthorized, including during 2025, as of December 31, 2025, the Bank applies the methodology prescribed by the CNBV for the classification of its commercial loan portfolio.

Under this framework, all commercial loans, including those with an outstanding balance equal to or greater than 14,000,000 UDI, are classified based on their risk characteristics. In addition, exposures are segmented by type (financial institutions, states and municipalities, project finance) or by company size (small, medium and large enterprises). Expected loss is calculated based on probability of default, loss given default and exposure at default, using the parameters established by the CNBV in the relevant annexes (21, 22, 23 and 24) of the Single Banking Circular. Changes in the classification of a loan from one period to another result in corresponding adjustments to the level of loan loss reserves.

The Loan Classification and Rating Rules establish the following categories corresponding to levels of risk and set forth procedures for the grading of commercial loans: Grade "A" loans, representing minimal risk of non-payment; Grade "B" loans, represent low risk loans; Grade "C" loans, representing loans with moderate risk; Grade "D" loans, represent high risk loans; and Grade "E" loans, representing non-collectible loans.

Commercial Loans

We classify each loan in our commercial loan portfolio based on the following default probability percentages:

Percentage of expected loss	Risk Level
0.000% to 0.90%	A1
0.901% to 1.5%	A2
1.501% to 2.0%	B1
2.001% to 2.50%	B2
2.501% to 5.0%	B3
5.001% to 10.0%	C1
10.001% to 15.5%	C2
15.501% to 45.0%	D
Greater than 45.01%	E

We record loan loss allowances for individual loans on a monthly basis, and apply the results of the classification monthly to the balance of the loan recorded on the final day of each month.

The loan loss reserves are held in a separate account on our balance sheet and all write-offs of uncollectible loans are charged against this reserve. Mexican banks are required to obtain authorization from their boards of directors to write off loans. In addition, Mexican banks are required to inform the CNBV after such write-offs have been recorded.

The determination of the allowance for loan losses, particularly for commercial loans, requires management's judgment. The loan loss reserve calculation that results from using the estimated and prescribed loss percentages may not be indicative of future losses. Differences between the estimate of the loan loss reserve and the actual loss will be reflected in our financial statements at the time of charge-off.

Because of the changing conditions of our borrowers and the markets in which we operate, it is possible that significant adjustments to the loan loss reserve for changes in estimates of the collectability of loans will be made in the short term.

Consumer Revolving Loans (Including Credit Cards)

Our internal advanced model for the classification of consumer revolving loans (including credit cards) was certified by the CNBV in June 2011, with our most recent annual reauthorization approved in 2025.

We determine the allowance for loan losses based on the following criteria:

(a) Probability of default: Based on variables, such as portfolio type, account aging, admission tool or the behavior of loans with at least three outstanding payments, together with a 100% rating for loans with three or more outstanding payments.

(b) Severity of loss: Calculated based on variables like portfolio type, balance aging and noncompliance period.

(c) Exposure: Determined according to the credit limit and current balance.

The allowance made according to the following percentages:

Percentage of expected loss	Risk Level
0.00% to 3.0%	A1
3.01% to 5.0%	A2
5.01% to 6.5%	B1
6.51% to 8.0%	B2
8.01% to 10.0%	B3
10.01% to 15.0%	C1
15.01% to 35.0%	C2
35.01% to 75.0%	D
Greater than 75.01%	E

Consumer Non-Revolving Loans (Excluding Credit Card Loans)

We determine the allowance for credit losses for our consumer loan portfolio by applying specific percentages to the number of billing periods with payments in arrears as of the classification date. These billing periods can be weekly, biweekly or monthly. Additionally, we assign risk ratings from the credit losses for our consumer loan portfolio based on the following percentages according to the Loan Classification and Rating Rules:

Percentage of expected loss	Risk Level
0.00% to 2.0%	A1
2.01% to 3.0%	A2
3.01% to 4.0%	B1
4.01% to 5.0%	B2
5.01% to 6.0%	B3
6.01% to 8.0%	C1
8.01% to 15.0%	C2
15.01% to 35.0%	D
Greater than 35.01%	E

Residential Mortgage Loans

Our internal advanced model for the classification of residential mortgage loans was certified by the CNBV in November 2018, with our most recent annual reauthorization approved in 2025.

We determine the allowance for loan losses based on the following criteria:

- Probability of default: Based on variables, such as portfolio type, account aging, admission tool or the behavior of loans with at least three outstanding payments, together with a 100% rating for loans with three or more outstanding payments.
- Severity of loss: Calculated based on variables like portfolio type, balance aging and noncompliance period.
- Exposure: Determined according to the credit limit and current balance.

The following table shows the degree of risk to classify mortgage credits from their level of expected loss.

Percentage of expected loss	Risk Level
0.000% to 0.50%	A1
0.501% to 0.75%	A2
0.751% to 1.00%	B1
1.001% to 1.50%	B2
1.501% to 2.00%	B3
2.001% to 5.00%	C1
5.001% to 10.0%	C2
10.001% to 40.00%	D
Greater than 40.001%	E

Liquidity Requirements for Foreign Currency-Denominated Liabilities

Pursuant to Bulletin 3/2012 regulation of *Banco de México*, the liquidity requirement for foreign currency-denominated liabilities, or the liquidity coefficient in foreign currency, requires Mexican banks to maintain liquid assets, denominated in foreign currencies, equal to or greater than (i) the maximum excess between liabilities to assets for different gaps (1 day, 1 to 8 days, 1 to 30 days and 1 to 60 days) plus (ii) the sum of the excess between liabilities to assets for each day multiplied by a factor specified in the bulletin, for each day to the 60 days horizon.

Banks must have sufficient liquid assets to meet their obligations for the next 60 days.

Banco de México defines liquid assets as those assets in foreign currency that are not granted as collateral, loan, repurchase or that have not been used in any other similar operation that limits their free availability, as follows:

- U.S. dollar-denominated cash or cash denominated in any other currency freely convertible, and with no transfer restrictions, to U.S. dollars;
- U.S. dollar deposits with *Banco de México*;
- treasury bills, treasury bonds and treasury notes issued by the United States government;
- one to seven-day term deposits in foreign financial institutions rated at least P-2 by Moody's or A-2 by S&P;
- investments in mutual funds or companies identified by *Banco de México* upon the bank's request;
- unused lines of credit granted by foreign financial institutions rated at least P-2 by Moody's or A-2 by S&P, subject to certain requirements; and
- foreign currency-denominated deposits made with foreign financial institutions rated P-2 by Moody's or A-2 by S&P that may be drawn against on demand or on two-day notice.

Banks must report this requirement on a daily basis to *Banco de México*.

Mexican Banking Regulation has incorporated Basel III best practices for liquidity risk, so Banks must report the *Coeficiente de Cobertura de Liquidez* ("**CCL**") on a daily basis and also publish the average quarterly CCL. This measure is similar to LCR from Basel. The regulation establishes a minimum level for CCL of 100%.

Foreign Currency Liabilities Regulation

In addition, Regulation 3/2012 establishes that the total liabilities denominated or indexed in foreign currencies of a bank, its subsidiaries and foreign agencies are limited to 1.83 times the amount of its Tier 1 Capital. To calculate such limit, maturity-adjusted foreign currency-denominated or indexed assets (including liquid assets, assets with a maturity of less than one year, short-term derivatives and spot foreign exchange transactions) are subtracted from maturity-adjusted foreign currency-denominated or indexed liabilities, and the aforementioned factor is applied to the resulting amount.

The maturity-adjusted net liabilities of Mexican banks denominated or indexed to foreign currencies are subject to a liquidity coefficient. Permitted liquid assets may not be posted as collateral, lent or be subject to repurchase transactions or any other similar transactions that may limit their transferability.

Lending Limits

In accordance with the General Rules Applicable to Mexican Banks, on the application of the Large Exposures regulatory framework came into effect, in order to limit the potential losses of banks against a counterparty or group of interconnected counterparties, which due to their size would damage their solvency and operations. In this way, restrictions related to the diversification of financing operations are established as follows:

- The new General Maximum Financing Limit for a counterparty or group of interconnected counterparties is 25.0% of the bank's basic capital, and in the case of GSIBs or D-SIBs is 15.0% if the exposure is with another GSIBs or D-SIBs.
- Maximum limit of 100.0% of the basic capital of the lending bank with the following persons:
- The sum of the four largest debtors of the bank.
- *Sofomes* of which the bank owns 99% of their capital.
- State-owned companies.
- Entities and agencies that are part of the Federal Public Administration.
- Public trusts created by the Federal Government for economic development.

The capital for the calculation of the applicable limits is the bank's basic capital at the close of the third month prior to the calculation date. Excesses to the limits, if any, are immediately subtracted from the core capital.

The above limits will not be applicable to the amount of loans drawn, or to the coverage of guarantees provided by individuals or groups of individuals representing common risk, which the bank has entered into prior to October 1, 2023, as long as they do not carry out restructurings or renewals of such loans. For these operations, the applicable limits are as follows:

- Capitalization ratio greater than 8.0% and up to 9.0%, the maximum financing exposure to a person or a group of persons representing common risk to the bank is limited to 12.0% of the bank's Tier 1 Capital.
- Capitalization ratio greater than 9.0% and up to 10.0%, the maximum financing exposure to a person or a group of persons representing common risk to the bank is limited to 15.0% of the bank's Tier 1 Capital
- Capitalization ratio greater than 10.0% and up to 12.0%, the maximum financing exposure to a person or a group of persons representing common risk to the bank is limited to 25.0% of the bank's Tier 1 Capital.
- Capitalization ratio greater than 12.0% and up to 15.0%, the maximum financing exposure to a person or a group of persons representing common risk to the bank is limited to 30.0% of the bank's Tier 1 Capital
- Capitalization ratio greater than 15.0%, the maximum financing exposure is limited to 40% of the bank's Tier 1 Capital.

Any financing that has unconditional and irrevocable guarantees, covering the principal and accessories of such financing, granted by a bank or a financial institution from abroad that has a minimum investment grade rating and is established in a country that is part of the Organization for the Cooperation and Economic Development or the European Community, as well as those guaranteed with securities issued by the Mexican government, or with cash, may exceed the maximum limit applicable to the institution in question, but in no case shall they represent more than 100% of the basic capital of such bank or financial institution.

An additional exception is for financing granted to multi-purpose financial corporations in respect of which the accrediting institution has at least 99% of its capital stock, may also exceed the maximum limit applicable to the institution in question, but in no case shall they represent more than 100% of their basic capital.

Additionally, banking institutions must ensure that the sum of the financing granted to the 3 largest debtors does not exceed 100% of the basic capital of the banking institution. Financings granted exclusively to multiple banking institutions and the financings granted to the entities and organizations that make up the Federal Public Parastatal Administration, including public trusts, as well as the state's productive companies, do not count towards this limit.

Funding Limits

In accordance with the General Rules Applicable to Mexican Banks, Mexican banks are required to diversify their funding risks. In particular, a Mexican bank is required to notify the CNBV on the business day following its receipt of funds from a person or a group of persons acting in concert that represent, in one or more funding transactions, more than 100% of a bank's Tier 1 Capital. As of December 31, 2024, none of our liabilities to a person or group of persons exceeded the 100% threshold.

Related Party Loans

Pursuant to the Mexican Banking Law, the total amount of the transactions with related parties may not exceed 35% of the bank's Tier 1 capital. For the case of loans and revocable credits, only the disposed amount will be counted. See "Related Party Transactions—Operations to Related Parties."

Foreign Currency Transactions

Banco de México regulations govern transactions by banks that are denominated in foreign currencies. Mexican banks may, without any specific additional approval, engage in spot foreign exchange transactions (*i.e.*, transactions having a maturity not exceeding four business days). Other foreign currency transactions are deemed derivative transactions and require approvals as discussed below. At the end of each trading day, banks are generally obligated to maintain a balanced foreign currency position (both in the aggregate and by currency). However, short and long positions are permitted in the aggregate, so long as such positions do not exceed 15% of a bank's Tier 1 Capital. In addition, Mexican banks must maintain certain minimum liquidity, prescribed by regulations issued by *Banco de México*, in connection with maturities of obligations denominated in foreign currencies (as discussed under "—Liquidity Requirements for Foreign Currency-Denominated Liabilities" above).

Derivative Transactions

Certain *Banco de México* rules apply to derivative transactions entered into by Mexican banks. Mexican banks are permitted to enter into swaps, credit derivatives, futures forwards and options with respect to the following underlying assets:

- specific shares, groups of shares or securities referenced to shares, that are listed in a securities exchange;
- stock exchange indexes;
- Mexican currency, foreign currencies and UDIs;
- inflation indexes;
- nominal and real interest rates, including those referring to debt instruments an index referring to such rates;
- loans and other advances;
- yellow corn (*maíz*), wheat, soybeans, sugar, rice, sorghum, cotton, oats, coffee, orange juice, cacao, barley, bovine and porcine livestock, milk, canola, soy oil and soy paste, lean value hog carcasses, natural gas, heating oil, gasoline, gas oil, crude oil, aluminum, copper, nickel, platinum, lead and zinc;
- gold or silver; and
- futures, forwards, options and swaps with respect to the underlying assets referred to above.

Mexican banks require an express general approval, issued in writing by *Banco de México* to enter into, as so-called intermediaries, into derivative transactions, with respect to each class or type of derivative. Mexican banks that have not received the relevant general approval, would require a specific approval from *Banco de México* to enter into such derivative transactions (or even if in possession of such general approval, to enter into derivative transactions with underlying assets different from the assets specified above). Mexican banks (and not other financial institutions) may enter into credit derivatives such as total return swaps and credit default swaps, if expressly approved by *Banco de México*. Mexican banks may, however, enter into derivatives without the authorization of *Banco de México*, if the exclusive purpose of such derivatives is to hedge the relevant bank's existing risks. Authorizations may be revoked if, among other things, the applicable Mexican bank fails to comply with the Mexican Capitalization Requirements, does not timely comply with reporting requirements, or enters into transactions that contravene applicable law or sound

market practices. Mexican banks are also authorized to trade with listed derivatives that are traded in recognized markets including the Chicago Mercantile Exchange and the MexDer.

Mexican Banks that execute derivative transactions with related parties or with respect to underlying assets of which the issuer is a related party, are subject to lending limits and other requirements generally specified in connection with related party transactions, set forth in Mexican Banking Law.

Mexican Banks may collateralize derivative transactions through cash deposits, receivables and/or securities of its portfolio. In the case of derivative transactions that take place in over-the-counter markets, collateral may be granted only when the counterparties are credit institutions, brokerage firms, foreign financial institutions, mutual funds, mutual funds manager of pension funds and any other counterpart authorized by *Banco de México*, as well as counterparties that exceed certain thresholds of aggregate average notional amount of derivatives. Mexican banks are required to periodically inform their board of directors with respect to the derivatives entered into, and whether or not the Mexican bank is in compliance with limits imposed by the board of directors and any applicable committee. Mexican banks must also inform *Banco de México* periodically of derivative transactions entered into and whether any such transaction was entered into with a related party. Derivatives must be entered into pursuant to master agreements that must include international terms and guidelines, such as International Swaps and Derivatives Association ("**ISDA**") master agreements. As an exception to applicable rules, Mexican banks may pledge cash, receivables and securities to secure obligations resulting from their derivative transactions. Mexican Banks are subject to uncleared margin rules that require comply with initial and variation margin rules, by posting collateral to certain counterparties including Mexican and foreign financial institutions and corporates that exceed certain threshold of aggregate average notional amount of derivatives.

We carry out swaps, futures forwards and options related to pesos and foreign currencies in the underlying assets described above, as well as credit derivatives related to interest rates, except commodities (yellow corn, wheat, soybean, gold, silver, etc.).

Repurchase Operations and Securities Lending

Under a bulletin issued by *Banco de México*, Mexican banks may enter into repurchase operations with Mexican and foreign counterparts. Repurchase operations may be entered into in respect of bank securities, Mexican government securities, debt securities registered with the CNBV and certain foreign securities. Repurchase operations must be entered into under master agreements, such as the master agreements of the International Securities Market Association and the Public Securities Association. Collateral may be provided in connection with repurchase operations, and it is required when the term of the transaction exceeds three Business Days.

Banco de México has also authorized Mexican banks to participate in securities lending activities on terms similar to those applicable to repurchase operations.

Limitations on Investments in Other Entities

Under the Financial Groups Law, members of a financial group may not directly or indirectly own capital stock of their own financial group holding company, unless they hold such stock as institutional investors under the Financial Groups Law. Institutional investors under the Financial Groups Law are insurance and bond companies that invest their technical reserves, investment funds and pension funds. In addition, members of a financial group may not extend credit in connection with the acquisition of their capital stock, the capital stock of their financial group holding company or the capital stock of other subsidiaries of their financial group holding company. Without the prior approval of the SHCP (which shall take into consideration the opinions of *Banco de México* and the primary Mexican regulatory commission supervising the financial entity), and subject to certain exceptions, members of a financial group may not accept as collateral shares of stock of Mexican financial institutions. Mexican banks may not acquire or receive as collateral, certain securities issued by other Mexican banks in authorization from the SHCP are required prior to acquisition of shares of capital stock of non-Mexican financial entities.

In addition, Mexican Banking Law imposes certain restrictions on investments by Mexican banks in equity securities of companies engaged in non-financial activities. Mexican banks may own equity capital in such companies in accordance with the following guidelines: (i) up to 5.0% of the capital of such companies at any time; (ii) more than 5.0% and up to 15.0% of the capital of such companies for a period not to exceed three years, upon prior authorization of a majority of the members of each class of the bank's board of directors; and (iii) for higher percentages and for longer periods, or in companies engaged in new long-term projects or carrying out development

related activities, with prior authorization of the CNBV. The total of all such investments made by a bank may not exceed 30.0% of such Tier 1 Capital.

Restrictions on Liens and Guarantees

Under the Mexican Banking Law, banks are specifically prohibited from (i) pledging their properties as collateral (except when pledging collection rights or securities in transactions with *Banco de México*, development banks, public federal trust and the IPAB or if the CNBV so authorizes or as described above with respect to derivative transactions, securities lending and repurchase transactions) and (ii) guaranteeing the obligations of third parties, except, generally, in connection with letters of credit and bankers' acceptances.

Bank Secrecy Provisions; Credit Information Companies (Credit Bureaus)

Pursuant to the Mexican Banking Law, a Mexican bank may not provide any information relating to the identity of its customers or specific deposits, services transactions to any third parties (including any purchaser, underwriter, or broker or holder of any of the bank's securities) other than (i) the depositor, debtor, accountholder or beneficiary, settlor, and their legal representatives or attorneys-in-fact, to have the account or to intervene in the operation or service (ii) judicial authorities by virtue of trial proceedings in which the accountholder, or the settlor, beneficiary, trustee, principal, or agent, is a defendant; (iii) banking institutions in the cases in which they are requested by the following authorities: the Attorney General of the Republic, the attorney general of the states and Mexico City, the Attorney General of Military Justice, the Mexican federal tax authorities for tax purposes, the SHCP for purposes of the provisions of Article 115 of Mexican Banking Law, the Federal Treasurer, the Federal Auditor (*Auditoría Superior de la Federación*), to exercise its review and inspection authorities, the secretary and the undersecretaries of the Ministry of Public Administration and the Unit of Control of the Resources of the Political Parties. Applications must be made with the correct legal basis and through CNBV.

The Mexican Banking Law authorizes the SHCP, *Banco de México*, the CNBV, the IPAB and the CONDUSEF to furnish foreign financial authorities with certain protected information under the Mexican bank secrecy laws; *provided*, *however*, that an agreement must be in place between the CNBV and such authority for the reciprocal exchange of information. The CNBV, the SHCP, *Banco de México*, the IPAB and the CONDUSEF must abstain from furnishing information to foreign financial authorities if, in its sole discretion, such information may be used for purposes other than financial supervision, or by reason of public order, national security or any other cause set forth in the relevant agreement.

Banks and other financial entities are allowed to provide credit related information to duly authorized Mexican credit bureaus. We currently use the services of (i) Buró de Crédito for Corporations provided by Trans Unión de México, S.A. Sociedad de Información Crediticia, and (ii) Buró de Crédito for Natural Persons provided by Dun & Bradstreet, S.A., Sociedad de Información Crediticia. Both companies were incorporated as providers of complementary or auxiliary services to the Bank and other credit institutions under article 88 of the Mexican Banking Law (*Ley de Instituciones de Crédito*) together with leading foreign companies in the provision of credit information services in the United States.

Anti-Money Laundering Regulations

Mexico has in effect a regime for the prevention of operations with resources of illicit origin (commonly known as money laundering) and terrorist financing. The most provisions on this matter in effect, issued by the SHCP, and applicable to credit institutions, are called "General provisions a referred to in article 115 of the Mexican Banking Law" which have been in effect since April 21, 2009 (as amended from time to time, the "**General Provisions**").

The General Provisions establish various obligations, including:

- the establishment of procedures and criteria of clients and users identification and know-your-customer policies in order to carry out a due diligence of such clients and users that enables us to prevent and detect actions, omissions or transactions that could favor, provide help or cooperation of any kind for money laundering and financing of terrorism;
- implementing procedures to detect and report operations of clients, users or employees of the Bank when there are indications, under specific criteria, that such operations favor money laundering and terrorist financing;

- creation and implementation of a methodology designed to carry out an assessment of risks of becoming vehicles for money laundering and financing of terrorism to which credit institutions are exposed, which are derived from their products, services, clients, users, countries and geographical areas, transactions and distribution or delivery channels with which they operate. Such methodology shall establish the processes for the identification, measurement and mitigation of such risks.
- in order to determine the risk score in which clients should be located, credit institutions will have a model of risk assessment that must be consistent with the methodology referred to in the previous bullet, to carry out the process of identification, measurement and classification of the risk score of its clients.
- the establishment of a Communication and Control Committee; equivalent to the "SARs Committee" (Suspicious Activities Report Committee) under U.S. law, and the appointment of a compliance officer in charge of supervising full compliance with the General Provisions.
- the appointment of a compliance officer in charge of, among other matters, the elaboration of the anti-money laundering policies and procedures, supervising the correct implementation of the Communication and Control Committee's determinations, and informing the Committee of high risk clients;
- the development of training programs and dissemination contemplating, among other aspects, those related to the content of their internal policies, criteria and procedures regarding money laundering and terrorism financing, the content of the regulation on the matter, as well as information on techniques, methods and trends to prevent, detect and report money laundering and terrorist financing; and
- having automated systems that enable compliance with the General Provisions, including, without limitation, evaluating customers and users in light of the list of blocked persons

We are also subject to sanctions under the Mexican Banking Law if we knowingly perform services for persons or entities that are on the list of blocked persons prepared by the SHCP. Potential sanctions include:

- A fine of 10% to 100% of the amount of the activity, transaction or service performed by an entity for a customer or user whom the entity knows to be on the list of blocked persons;
- A fine of 10% to 100% of the amount of any unreported unusual transaction and, if applicable, any additional transactions related to same customer or user involved in the unreported transaction;
- A fine of 30,000 to 100,000 UMAs *(Unidades de Medida y Actualización)* due to omissions in client due diligence and identification, record retention, and the use of automated systems; or
- A fine of 5,000 to 50,000 UMAs worth of the minimum wage applicable in Mexico for other failures to comply with the General Provisions.

On March 3, 2022, an amendment to the General Provisions was published in the Federal Official Gazette, allowing the exchange of information regarding specific anti-money laundering purposes, between Mexican banks and their respective following foreign counterparts:

- Parent companies;
- Financial entities in which they hold direct or indirect investments in securities representing their capital stock, as well as with those financial intermediaries that are their subsidiaries; and
- Financial entities with which they carry out correspondent transactions.

Know-your-Customer

Credit institutions are required to organize and maintain a file for the identification of each client, before opening an account or entering into an agreement to execute transactions (each, an "**Identification File**").

An individual's Identification File shall include, among other information, the following data: (i) full name, (ii) gender, (iii) country, federal entity (where applicable) and date of birth, (iv) nationality, (v) contact telephone number, (vi) Citizenship Registry (*Clave Única de Registro de Población*), tax identification number and/or

equivalent, as well as the country or countries which granted them, when available, (vii) occupation, profession, main activity or line of business, (viii) complete domicile, (ix) e-mail address, if any, and (x) advanced electronic signature series number, when available.

Likewise, the Identification File must include, among others, the following documentation: (i) identification, (ii) proof of domicile, and (iii) declaration of acting in the name and on their own account or on behalf of a third party, as the case may be.

A Mexican entity's Identification File shall include, among other information, the following data: (i) corporate name, (ii) domicile, (iii) nationality, (iv) name of the administrator(s), the members of the board of directors, the general manager or any relevant attorney-in-fact who may act in name and on behalf of the Mexican entity before the credit institution, (v) main activity or line of business, (vi) Mexican tax identification number and if applicable, tax identification number and/or equivalent, as well as the country or countries which assigned them, and (vii) advanced electronic signature series number.

Likewise, the Identification File shall include, among others, the following documentation: (i) articles of incorporation, (ii) certificate evidencing the Mexican tax identification number issued by the SHCP and, where appropriate, the document attesting the assignment of a tax identification number and/or equivalent issued by the competent authority and proof of the advanced electronic signature, (iii) proof of domicile, (iv) identification and copy of the public deed containing the powers of attorney of its representative, and (v) statement regarding the identity of its beneficial owner (resulting in the obligation to gather the beneficial owner's data and documents).

The previous data and documents that are part of the client's Identification File must be kept for the entire duration of the business relationship, and upon its termination, by a period not less than 10 years after the termination date.

Regulatory Reports of Operations

In accordance with the General Provisions, material transaction reports must be submitted to the SHCP, through the CNBV, and reports of certain international funds transfers, certain U.S. dollar cash transactions, unusual transactions, troubling internal transactions and certain transactions with cashier's checks.

Additionally, the General Provisions restrict cash transactions denominated in U.S. dollars that may be entered into by credit institutions. Credit institutions are not permitted to receive physical cash amounts in U.S. dollars from individual customers in excess of U.S.$4,000.00 per month for deposits, payment of credits and services, and purchase of U.S. dollars. Credit institutions are also not permitted to receive physical cash amounts in U.S. dollars from their corporate clients, except in limited circumstances.

Furthermore, credit institutions are not permitted to receive more than U.S.$300.00 per day in cash currency from individual domestic non-customers, and more than U.S.$1,500.00 per day from individual foreigner non-customers for individual foreign exchange transactions. In each case, the monthly amount per individual for such transactions cannot exceed U.S.$1,500.00.

Throughout the amendment to the General Provisions dated March 22, 2019, the SHCP set forth obligations for credit institutions to obtain more information of their clients' counterparts on international funds transfers (which gradually became effective as of September 2020 and November 2020), as well as the geolocation of the customers' devices from which (i) transactions are carried out, (ii) accounts are remotely opened and (iii) agreements to execute any kind of transaction are remotely executed (which became effective as of March 23, 2021).

Additionally, on March 3, 2022, the General Provisions were amended to provide (i) the authority of the SHCP to include in the list of blocked persons referred to in the Mexican Banking Law those who appear on the list of taxpayers referred to in the fourth paragraph of Article 69-B of the Mexican Federal Tax Code, and (ii) that in the exchange of national information for the purpose of the prevention and detection of money laundering, financing of terrorism and other financial crimes, the following is recognized: (a) the authority of the SHCP to share, with other national banks, background and known activity, statistics and unusual circumstances, and (b) the need for Mexican banks to evolve and carry out the exchange of information through the technological platform that for such purpose they agree, provided that the confidentiality of such information is ensured, respectively.

Finally, on August 28, 2024, the General Provisions were amended, with the most relevant changes being: (i) the obligation to implement a review process for client files without the participation of the officer involved in their preparation, in order to verify their consistency and completeness, under the terms and conditions determined by the

Bank itself, (ii) the definition of geolocation was enhanced to include the IP address, in addition to the Global Positioning System (GPS) of the clients' devices; (iii) the obligation was established to independently assess, at least every two years, the effectiveness of the alert system, as well as the parameters and criteria for transaction monitoring and blacklist filtering, and (iv) the establishment of differentiated criteria for the prevention of terrorist financing.

Apart from the Mexican regulation as described above, we have included in our anti-money laundering and financing of terrorism, policies the obligation to screen customers and potential customers against Office of Foreign Assets Control lists. To that effect, we have implemented an automated screening process to identify any person included in those lists as well as procedures to close the accounts of any customer included in those lists in accordance with applicable laws, as well as to avoid any future relationship with them. Accordingly, by being part of our policies, and compliance of those obligations is subject to supervision and sanctioning by Mexican authorities.

Rules on Interest Rates

Banco de México regulations limit the number of reference rates that may be used by Mexican banks as a basis for determining interest rates on loans. For peso-denominated loans, banks may choose a fixed rate, a capped variable rate or a variable rate based on a reference rate, which can be one of the following: the Funding TIIE, *Cetes*, CCP (*costo de captación promedio a plazo*), the rate determined by *Banco de México* as applied to loans funded by or discounted with *Nacional Financiera, S.N.C. Institución de Banca de Desarrollo* or the rate agreed to with development banks or public economic development trusts in loans funded or discounted with them, the weighted average bank funding rate or the weighted average government funding rate, both as determined by *Banco de México*. For UDI-denominated loans, the reference rate is the UDIBONOS.

For foreign currency-denominated loans, banks may choose either a fixed rate or a variable rate using as reference: (i) one-day rates based on market observed transactions that meet International Organization of Securities Commissions principles and that are accepted by the authorities of the international jurisdiction to which they belong, including SOFR, the UK's Sterling Overnight Interbank Average Rate and the European Union's Euro Short Term Rate. Likewise, more than one-day-term rates, representing either arithmetic or geometric averages constructed with compounded methodologies or established through other methods, may be considered as reference rates as long as they derive from the aforementioned rates and their use is promoted by a competent authority or association recognized by the market for the recommendation of rates on the respective currency, through mass broadcasting media, including their respective web pages, (ii) market based rates, not determined unilaterally by a financial institution but by a financial authority or group of financial institutions (*i.e.*, SOFR), (iii) the rate agreed with international or national development banks or trusts, for loans funded by or discounted with such banks or trusts, or (iv) for U.S. dollar-denominated loans, the commercial banks' average cost of term deposits in U.S. dollars (Dollar-CCP) as determined by *Banco de México*.

In June 2014, the Mexican Supreme Court of Justice issued a thesis, of mandatory application, allowing federal judges to determine *ex officio* if an interest rate agreed in a promissory note is evidently excessive, violating an individual's human rights, and consequently establishing a reduced interest rate. The elements the judge should take into account to determine if an interest rate is evidently excessive are: (i) the type of relationship between the parties; (ii) the qualification of the persons intervening in the issuance of the promissory note and if the activity of the creditor is regulated; (iii) the purpose of the credit; (iv) the amount of the loan; (v) the term of the loan; (vi) the existence of guarantees or collateral for the payment of the loan; (vii) the interest rates applied by financial institutions in transactions similar to the one under analysis, as a mere reference; (viii) the variation of the national inflation index during the term of the loan; (ix) market conditions; and (x) other issues that may be relevant for the judge.

To date, the Mexican courts have not issued any judgment reducing the interest rates on loans charged by the Bank. In addition, in November 2016, the Mexican Supreme Court of Justice published a separate thesis setting forth a rebuttable presumption that the interest rates charged on loans made by Mexican banking institutions are not excessive. The thesis was based on the fact that the loans offered to the public by credit institutions are supervised by *Banco de México*, whose supervision has the objective of ensuring that credit institutions' conditions are accessible and reasonable for the public. Although this precedent is not binding and has been subject to judicial review, we do not expect to have to adjust our interest rates or reimburse our customers for this concept (see "Risk Factors—Risks Relating to our Business—The Mexican Supreme Court of Justice has ruled that Mexican judges are entitled, in their sole discretion, to reduce interest rates agreed in a promissory notes (*pagarés*) that are considered inequitable").

On January 15, 2020, *Banco de México* published Bulletin 1/2020, introducing the new reference rates: the overnight Funding TIIE and a "TIIE for terms longer than one day." The rules also provide that only one interest rate

can be used for each transaction and that no alternative reference rate is permitted, unless the selected reference rate is discontinued, for which event one or more substitute reference rates must be established, along with their order of substitution. Similarly, a bank's spread has also been restricted to a single formula of either a fixed percentage or a number of basis points to be added to the selected reference rate.

On April 13, 2023, *Banco de México* published Bulletin 3/2023, establishing that, as of January 1, 2024, financial institutions must refrain from using the TIIE at 91 days and TIIE at 182 days as references in new contracts. Moreover, as of January 1, 2025, financial institutions will refrain from using the TIIE at 28 days as a reference in new contracts. However, regarding old contracts that are still in force, that were granted prior to the indicated dates, financial institutions may still use the TIIE at 91, 182 and 28 days as references, until the expiration of these corresponding contracts. For this purpose, *Banco de México* will continue to publish the TIIE at 28, 91 and 182 days, but these rates will be determined based on a new methodology, which will no longer be based on a survey.

On September 8, 2023, *Banco de México* published amendments to Regulation 3/2012 and Regulation 14/2007 regarding the transition from the TIIE to the Funding TIIE. As a result, beginning in 2024, financial institutions, investment funds, general deposit warehouses (*almacenes generales de depósito*), insurance companies and *Sofomes* that enter into new derivative or standardized derivative transactions have to use the Funding TIIE as a reference, and references to the TIIE can only be used for derivative agreements entered into prior to 2024.

On February 2, 2024, *Banco de México* amended its rules on government securities' swaps, introducing the new Funding TIIE rate for the purposes of interest calculations, and on June 7, 2024 it made adjustments to the Funding TIIE transition period, adding two exceptions to the restriction of using the outgoing 28-day TIIE as reference for new derivative operations after January 1, 2025, allowing for its use i) in swap and standardized derivative operations celebrated during 2025 with a settlement date not beyond December 31, 2025, and ii) "basis swaps" celebrated before January 1, 2026.

On November 12, 2010, *Banco de México* published new rules that regulate the issuance and use of credit cards. Such rules standardize the regulations and forms that enable cardholders to authorize charges for recurrent payments relating to goods and services and standardize the procedures for objecting to improper charges and canceling such services quickly and securely. The rules also establish the way in which credit card issuers shall determine the amount of the minimum payment in each period by means of a formula that favors payment of a part of the principal at the time of each minimum payment, with the aim of achieving payment of debts within a reasonable time period. Such rules also include certain protection provisions for card users in case of theft or loss of their credit cards, the creation of incentives to credit card issuers to adopt additional measures to reduce risks derived from use of credit cards in Internet transactions and the wrongful use of information contained in credit cards.

In August 2023, amendments to the general framework for derivative transactions were published by *Banco de México*. These amendments strengthen the regulatory framework for the comprehensive risk management of derivative transactions and formally create the Comprehensive Risk Management Unit within *Banco de México*.

Fees

The Law for the Transparency and Regulation of Financial Services defines a "commission" as "any charge, regardless of its denomination or modality other than interest, that an Entity collects from a Client."

Banco de México has the authority to regulate and veto commissions and must ensure that they are in furtherance of the public interest, among other considerations. In addition, *Banco de México* establishes a list of prohibited commissions, which can be found on its website. Prohibited commissions include, but are not limited to, commissions related to (i) basic checking and payroll accounts; (ii) cash withdrawal and balance inquiries at tellers; and (iii) payroll portability services. Each new commission and changes issued by a banking institution must be registered at *Banco de México*, who can veto them.

Banco de México also promotes transparency of commissions with comparisons of costs of financial services, reports of basic indicators and calculators of total annual cost. In addition, the CONDUSEF is a decentralized public organization, whose purpose is to promote, advise, protect and defend the rights and interests of people who use, or contract to use, a product or financial service, as well as to create and foster among users an adequate culture regarding financial operations and services.

Banking regulations in Mexico are constantly monitored by regulators and supervisors. In connection with assessing whether reasonable competitive conditions exist in connection with the fees charged by banks, *Banco de*

México must obtain the opinion of the CNA in carrying out present and future assessments. *Banco de México* may take measures to address the proper implementation of any changes and/or new regulations.

Banco de México published rules that modified the rules on ATM user fees, which limited the Bank's ability to charge fees for the use of ATMs by customers and the amount of such fees for services, including: (i) cash withdrawals, (ii) checking account balances, (iii) deposits and (iv) payments, both in bank windows and ATMs operated by the clients' bank. The rules also specify that ATMs shall show a clear caption on their screens regarding costs of the transaction so the client may decide whether to proceed with the transaction.

IPAB Law

The Banking Deposit Insurance Law (*Ley de Protección al Ahorro Bancario*, or the "**IPAB Law**"), which became effective January 20, 1999, provides for the creation, organization and functions of the IPAB, the Mexican bank savings protection agency. The IPAB is a decentralized public entity that regulates the financial support granted to banks for the protection of bank deposits.

Only in exceptional cases may the IPAB grant financial support to banking institutions. For a detailed description of the financial support that may be granted by the IPAB, see "—Resolution and Payment of Guaranteed Obligations."

According to the IPAB Law, banks must provide the information required by the IPAB for the assessment of their financial situation and notify the IPAB about any event that could affect their financial stability. The IPAB Law expressly excludes the release of such data from bank secrecy provisions contained in the Mexican Banking Law and expressly provides that the IPAB and the CNBV can share information and databases of banks.

The IPAB is authorized to manage and sell the loans, rights, shares and any other assets that it acquires to perform its activity according to the IPAB Law, to maximize their recovery value. The IPAB must ensure that the sale of such assets is made through open and public procedures. The Mexican President is required to present annually a report to the Mexican Congress prepared by the IPAB with a detailed account of the transactions conducted by the IPAB in the prior year.

The IPAB has a Governing Board made up of seven members: (i) the Minister of Finance and Public Credit, (ii) the Governor of *Banco de México*, (iii) the President of the CNBV and (iv) four other members appointed by the President of Mexico, with the approval of two-thirds of the Senate.

The deposit insurance to be provided by the IPAB to a bank's depositors will be paid upon determination of liquidation of a bank. The IPAB will act as liquidator or receiver, or both, in the liquidation of banks, according to the Mexican Banking Law. The IPAB will guarantee obligations of banks to certain depositors and creditors (excluding, among others, financial institutions) only up to the amount of 400,000 UDIs (or approximately U.S.$189,026 as of December 31, 2023) per person per bank. The IPAB will not guarantee (i) deposits and loans constituting negotiable instruments and bearer promissory notes; (ii) liabilities for financial institutions or subsidiaries of the bank, (iii) liabilities not incurred in the ordinary course of business and related party transactions, or (iv) liabilities assumed in bad faith or in connection with money laundering or other illegal activities.

Banks have the obligation to pay the IPAB ordinary and extraordinary contributions as determined from time to time by the IPAB's Governing Board. Under the IPAB Law, banks are required to make monthly ordinary contributions to the IPAB, equal to 1/12 of 0.004% multiplied by the average of the daily outstanding liabilities of the respective bank in a specific month, less (i) holdings of term bonds issued by other commercial banks; (ii) financing granted to other commercial banks; (iii) financing granted by the IPAB; (iv) subordinated debentures that are mandatorily convertible in shares representing the capital stock of the banking institution; and (v) restricted assets and liabilities resulting from the repurchase transactions (*reportos*) and lending of securities with the same counterparty, pursuant to the provisions issued by the IPAB.

The IPAB's Governing Board also has the authority to impose extraordinary contributions in the case that, given the conditions of the Mexican financial system, the IPAB does not have available sufficient funds to comply with its obligations. The determination of the extraordinary contributions is subject to the following limitations: (i) such extraordinary contributions may not exceed, on an annual basis, the amount equivalent to 0.003% multiplied by the total amount of the liabilities outstanding of the banking institutions that are subject to IPAB contributions; and (ii) the aggregate amount of the ordinary and extraordinary contributions may not exceed, in any event, on an annual basis, an amount equivalent to 0.008% multiplied by the total amount of the liabilities outstanding of the applicable banking institution.

The Mexican Congress allocates funds to the IPAB on a yearly basis to manage and service the IPAB's liabilities. In emergency situations, the IPAB is authorized to incur additional financing every three years in an amount not to exceed 6% of the total liabilities of Mexican banks.

Law for the Protection and Defense of Users of Financial Services

A Law for the Protection and Defense of Users of Financial Services (*Ley de Protección y Defensa al Usuario de Servicios Financieros*) is in effect in Mexico. The purpose of this law is to protect and defend the rights and interests of users of financial services. To this end, the law provides for the creation of the CONDUSEF, an autonomous entity that protects the interests of users of financial services and that has very wide authority to protect users of financial services (including imposing fines). The CONDUSEF acts as mediator and arbitrator in disputes submitted to its jurisdiction and seeks to promote better relationships among users of financial institutions and the financial institutions. The Bank and its subsidiaries must submit to the CONDUSEF's jurisdiction in all conciliation proceedings (initial stages of a dispute) and may choose to submit to the CONDUSEF's jurisdiction in all arbitration proceedings that may be brought before it. The law requires banks to maintain an internal unit designated to resolve any and all controversies submitted by clients.

The CONDUSEF maintains a Registry of Financial Service Providers (*Registro de Prestadores de Servicios Financieros*, also known as SIPRES), in which all financial services providers must be registered, making public their corporate and general information, assisting CONDUSEF in the performance of its activities. The CONDUSEF is required to publicly disclose the products and services offered by financial service providers, including interest rates. To satisfy this duty, the CONDUSEF has wide authority to request all necessary information from financial institutions. Furthermore, the CONDUSEF may scrutinize banking services by approving and supervising the use of standard accession agreements.

With respect to its functions and authorities, CONDUSEF (i) is entitled to initiate class actions against Mexican financial institutions, in connection with events affecting groups of users of financial services, (ii) shall maintain a Bureau of Financial Entities (*Buró de Entidades Financieras*), which is to set forth any and all information deemed material for users of financial services, (iii) is empowered to order amendments to any of the standard form commercial banking documentation (such as account and loan agreements) used by financial institutions, if it considers the provisions thereof as detrimental to users, (iv) is permitted to issue resolutions as part of arbitration proceedings for the benefit of issuers that would permit users to attach assets of a financial institution prior to the completion of arbitration proceedings and (v) is given broad authority to fine financial institutions, if any financial institution does not comply with an order issued by the CONDUSEF.

Law for the Transparency and Regulation of Financial Services

The law for the Transparency and Regulation of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*), published in the Federal Official Gazette in June 2007 and amended on January 10, 2014, aims to regulate (i) the fees charged to customers of financial institutions for the use and/or acceptance of means of payment, as with debit cards, credit cards, checks and orders for the transfer of funds; (ii) the fees that financial institutions charge to each other for the use of any payment system; (iii) interest rates that may be charged to customers, and (iv) other aspects related to financial services, in an effort to make financial services more transparent and protect the interests of the users of such services. This law grants *Banco de México* the authority to regulate interest rates and fees and establish general guidelines and requirements relating to payment devices and credit card account statements. *Banco de México* has the authority to specify the basis upon which each bank must calculate its aggregate annual cost (*costo anual total*), which comprises interest rates and fees, on an aggregate basis, charged in respect of loans and other services. The aggregate annual cost must be publicly disclosed by each bank. The law also regulates the terms that banks must include in standard accession agreements and the terms of any publicity and of information provided in account statements. We must inform *Banco de México* of any changes in fees at least 30 calendar days before they become effective.

Law on Transparency and Development of Competition for Secured Credit

On December 30, 2002, the Mexican Congress enacted the Law on Transparency and Development of Competition for Secured Credit (*Ley de Transparencia y de Fomento a la Competencia en el Crédito Garantizado*, or the "**Secured Credit Law**"), as amended on January 10, 2014. The Secured Credit Law provides a legal framework for financial activities and certain other services performed by private credit institutions (as opposed to governmental entities) in connection with secured loans relating to real property in general and housing in particular (i.e., purchase, construction, restoration or refinancing). In particular, the Secured Credit Law established specific rules requiring the

following: (i) the disclosure of certain information by credit institutions to their clients prior to the execution of the relevant loan agreement, including the disclosure of certain terms relating to interest rates, aggregate costs and expenses payable; (ii) the compliance by credit institutions and borrowers with certain requirements in the application process; (iii) that offers made by credit institutions granting secured loans shall have binding legal effect; (iv) the inclusion of mandatory provisions in loan agreements; and (v) the assumption of certain obligations by public officers (or notaries) before whom secured loans are granted.

In addition, the Secured Credit Law seeks to foster competition among credit institutions by permitting security interests underlying a secured loan to survive any refinancing thereof, even if such loans were granted by different credit institutions. This provision of the Secured Credit Law is designed to reduce expenditures made by borrowers in connection with any refinancing.

Law on the Regulation of Financial Technology Institutions

On March 9, 2018, the Law on the Regulation of Financial Technology Institutions (the "**Fintech Law**") was published in the Federal Official Gazette. Its main purpose is to regulate financial services provided by collective financing (crowdfunding) institutions and electronic payment institutions, two types of entities which were created by the Fintech Law. The CNBV is the authority responsible for granting authorizations and supervising the organization and operation of both entities.

Collective financing (crowdfunding) institutions are intended to put members of the public in contact with one another so that any member of the public can provide financing to any other member of the public. Electronic payment institutions are intended to provide the public with applications, digital interfaces, internet pages and other means of electronic or digital communications that they can use to make electronic payments on a daily basis.

In addition, the Fintech Law regulates transactions carried out with digital assets. A digital asset is an asset that represents value and is registered electronically, and can be used by the public as a means of payment for any kind of legal activity. The transfer of digital assets can only be carried out through electronic media. The Fintech Law limits digital assets, noting that the financial technology institutions can only operate with digital assets approved by *Banco de México*. It also provides for the creation of the Inter-institutional Committee, which is responsible for making decisions, such as the granting of authorizations and impositions of penalties, among others, in connection with activities carried out pursuant to the Fintech Law. The Inter-institutional Committee serves as the examining body of the CNBV and is composed of public officials of the SHCP, *Banco de México* and the CNBV.

Financial Groups Statutory Responsibility

The Financial Groups Law requires that each financial group holding company enters into a responsibilities agreement with each of its financial services subsidiaries, which includes us, pursuant to Article 119 of the Law to Regulate Financial Groups. Pursuant to such agreement, the financial group holding company is responsible secondarily and without limitation for the satisfaction of the obligations undertaken by its financial entities as a result of the activities that each such subsidiary is authorized to conduct under the applicable laws and regulations, and is fully responsible for the losses of its subsidiaries, up to the total amount of the holding company's assets. For such purposes, a subsidiary is deemed to have losses when its assets are insufficient to meet its payment obligations.

In the event of a financial group holding company's statutory responsibility with respect to a bank, the IPAB must determine the amount of the preliminary losses of such bank. The financial group holding company is required to create a capital reserve for the amount of such losses. The financial group holding company is also required to collateralize the payment of the bank's losses that are paid by the IPAB pursuant to the Mexican Banking Law. Such collateral may be created over the financial group holding company's assets or over such company's shares or those of its subsidiaries.

A financial group holding company is not allowed to pay any dividends or transfer any monetary benefit to its shareholders as of the date on which the IPAB determines the bank's losses, up to the date on which the financial group holding company has paid for the bank's losses.

No subsidiary is responsible for the losses of the financial group holding company or of the financial group holding company's subsidiaries. GFBM has entered into such an agreement with us and its other financial services subsidiaries.

Ownership Restrictions; Foreign Financial Affiliates

Ownership of a financial group holding company's capital stock is no longer limited to specified persons and entities under the Financial Groups Law and the group's corporate charter. Series F shares may be purchased, directly or indirectly, by foreign financial institutions who are residents of a country that has entered into a free trade agreement with Mexico and must represent at all times at least 51% of the paid-in capital.

Notwithstanding the above, under the Financial Groups Law, foreign governments cannot purchase a financial services holding company's capital stock, directly or indirectly, except (i) pursuant to preventive temporary measures, such as financial support or rescue programs, (ii) when control over such institution is held through official entities (such as funds or support governmental entities) and there is evidence that such entities do not exercise any authority functions and their decision making bodies operate separately from the relevant foreign government, and (iii) when the participation is indirect and does not imply the control by the relevant foreign government over the financial services holding company. Mexican financial entities, including those that form part of a financial group, cannot purchase a financial services holding company's capital stock, unless such entities are qualified investors as defined in the Financial Groups Law.

In accordance with applicable law (1) the capital of banks may be composed of voting Series O shares, which may be owned both by Mexican and non-Mexican investors, by Series F shares, which may be owned only by foreign financial institutions or Series B shares, which represent a minority interest in a bank controlled by a foreign financial institution and may be owned by Mexican or foreign investors and, (2) any transfer of shares representing more than 2% of the outstanding capital stock of a Mexican bank is required to be reported to the CNBV, (3) the CNBV has been granted broader discretion to authorize the acquisition of more than 5% of the outstanding shares of a Mexican bank and (4) the composition of the boards of directors of Mexican banks has been limited to a total of 15 members and their alternates (as opposed to the former rule of 11 members or multiples thereof), 25% or more of whom must qualify as independent. Minority shareholders own our Series B shares.

The change in foreign ownership rules continued the liberalization of the Mexican banking system commenced under NAFTA. Pursuant to the USMCA, the Free Trade Agreement between Mexico and the European Union, the Free Trade Agreement between Mexico and Japan, the Free Trade Agreement between Mexico and European Free Trade Zone and applicable Mexican laws and regulations, foreign financial entities incorporated in the United States, Canada, member states of the European Union, Japan and other countries with which Mexico has executed relevant international trade agreements, or holding companies of financial institutions formed in Mexico by such foreign financial entities, will be treated identically to Mexican investors when investing in affiliate banks and other financial entities.

A holder that acquires shares in violation of the foregoing restrictions, or in violation of the percentage ownership restrictions, will have their corporate and economic rights under such shares suspended, and may not be enforced until the necessary authorizations have been obtained or the necessary requirements have been met, as required under the Financial Groups Law.

Related Party Transactions

The Mexican Banking Law requires that the board of directors of a bank approves any transaction in which a related party becomes a debtor of a bank. Such transactions include deposits, loans, credits, discounts, the net position of derivatives transactions and other types of financings. The total amount of related party transactions may not exceed 35% of Tier 1 capital. Related parties are (i) persons who directly or indirectly own 2% or more of the shares of the Bank, of the holding company or of the members of the financial group, (ii) directors and officers of the Bank or of any entity that is part of the financial group to which the Bank belongs, as well as certain affiliates, (iii) certain representatives who are not officials or employees, (iv) legal entities, as well as their directors and officers, in which the financial entity or the holding company of the financial group to which the financial entity belongs has direct or indirect control of 10% or more of its shares, (v) legal entities of which the officers of the financial entities are directors or administrators, or occupy any of the first three hierarchical levels in such financial entities, and (vi) legal entities in which any of the persons indicated in the previous sections, as well as commission agents, commissioners and auditors, have direct or indirect control of 10% or more of the shares of the capital of the financial entities or those who exercise command authority over them.

The related party transactions must be approved by our Board of Directors or, where applicable, by the Related Party Transactions Committee.

Other Regulation Applicable to Our Business

The Mexican Securities Market Law

The Mexican Securities Market Law, applicable to the Bank regarding the issuance of securities, provides standards for authorizing companies to organize and operate as brokerage firms, which authorization is granted by the CNBV with the approval of its governing board. In addition to setting standards for brokerage firms (*casas de bolsa*), the Mexican Securities Market Law authorizes the CNBV, among other things, to regulate the public offering and trading of securities, corporate governance, disclosure and reporting standards and to impose sanctions for the illegal use of insider information and other violations of the Mexican Securities Market Law.

Law on Financial Discipline for States and Municipalities

The Law of Financial Discipline of the Federative Entities and Municipalities (*Ley de Disciplina Financiera de las Entidades Federativas y los Municipios*) was promulgated on April 27, 2016, and published in the Federal Official Gazette, with the purpose of supporting government entities by helping them obtain improved financing terms and conditions to foster growth and development without damaging public finances and continue endorsing state sovereignty and independence, through a transparent system, accountability, and efficient public spending leading to financial discipline for states and municipalities. We are subject to the law when granting loans to federative entities and municipalities of Mexico.

Anti-Money Laundering (AML) Regulations

The primary AML regulations applicable to credit institutions are issued by the SHCP and are set forth in the General Provisions Referred to in Article 115 of the Mexican Banking Law (as amended, the "**General Provisions**"). These provisions impose obligations on financial institutions, including customer due diligence, transaction monitoring, suspicious activity reporting, and risk-based compliance programs. The CNBV and SHCP enforce AML regulations and impose severe penalties for non-compliance.

Recent Amendments to the Mexican Judiciary System and the Constitutionally Autonomous Bodies

On September 15, 2024, a constitutional reform regarding the Judiciary System was published in Mexico's Federal Official Gazette. The reform primarily establishes the popular election of federal judges, including the Supreme Court of Justice (SCJN). Furthermore, reduces the number of SCJN justices from 11 to 9. The reform took effect the day after its publication, with the first extraordinary elections held in June 2025.

On December 20, 2024, another constitutional reform was published in Mexico's Federal Official Gazette to eliminate several Constitutionally Autonomous Bodies (OCAs), transferring their functions to other entities of the federal government. Among others, the National Institute of Transparency (INAI) will have its responsibilities redistributed to government agencies and the *Comisión Federal de Competencia Económica* (COFECE) was replaced by the CNA, a decentralized body forming a part of the Federal Executive.

DESCRIPTION OF THE NOTES

*The following summary of certain provisions of the Notes does not purport to be complete and is subject to all of the provisions of the relevant indenture and the Notes. The terms and conditions stated below will apply to each Series of Notes, as applicable, unless otherwise specified in the applicable indenture and Pricing Supplement. The terms of the Notes described in this Offering Memorandum, including the maturities and interest rates, may differ from one Series of Notes to another. The terms of a Tranche of Notes, as defined below, will be specified in a Pricing Supplement, the form of which is included under "Annex C—Form of Pricing Supplement." The Pricing Supplement, and any other supplement to this Offering Memorandum, may also add to, update or change information contained in this summary. IN CASE OF ANY CONFLICT REGARDING THE RIGHTS AND OBLIGATIONS OF THE HOLDERS OF THE NOTES UNDER THE RELEVANT INDENTURE, THE NOTES AND THIS OFFERING MEMORANDUM, THE TERMS OF THE RELEVANT INDENTURE AND THE NOTES WILL PREVAIL. In case of any conflict regarding the translation of the provisions of the applicable Mexican law, the official text in Spanish of the Mexican law will prevail. You may obtain a copy of the relevant indenture and the forms of the Notes by contacting the Trustee at the address indicated in this Offering Memorandum or the applicable Pricing Supplement. References in this "Description of the Notes" to the "**Bank**," "**we**," "**us**" and "**our**" are to BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and not to any of our subsidiaries or affiliates. It is important for you to consider the information contained in this Offering Memorandum and the applicable Pricing Supplement in making your investment decision.*

General

We, acting through our Texas Agency (unless otherwise specified in the applicable Pricing Supplement), may issue up to an aggregate principal amount of U.S.$10,000,000,000 (or, at our option if so specified in the applicable Pricing Supplement, the equivalent of this amount in any other currency or composite currency) of our Medium-Term Notes (the "**Notes**") outstanding from time to time under the Program. The Bank may at any time increase the maximum aggregate principal amount of Notes that may be issued or outstanding under the Program at any one time without the consent of the holders of Notes. The Notes will be issued in such denominations as may be agreed between the Bank and the relevant Dealer(s). Unless otherwise specified in the applicable pricing supplement (each, a "**Pricing Supplement**"), the Notes will have the terms described below, except that references to interest payments and interest-related information will not apply to certain Original Issue Discount Notes (as defined below). The Notes will be issued pursuant to an authorization by our Board of Directors and shareholders.

THE NOTES WILL BE UNSECURED AND WILL CONSTITUTE EITHER SENIOR OR SUBORDINATED DEBT OBLIGATIONS. THE NOTES WILL NOT BE INSURED OR GUARANTEED BY ANY OF THE BANK'S SUBSIDIARIES OR AFFILIATES, INCLUDING ITS PARENT COMPANY, OR BY *INSTITUTO PARA LA PROTECCIÓN AL AHORRO BANCARIO* OR ANY OTHER MEXICAN GOVERNMENTAL AGENCY, AND THE NOTES WILL NOT BE CONVERTIBLE, BY THEIR TERMS, INTO ANY OF THE BANK'S DEBT SECURITIES, SHARES OR ANY OF THE BANK'S EQUITY CAPITAL OR ANY DEBT SECURITIES, SHARES OR EQUITY CAPITAL OF ANY OF THE BANK'S SUBSIDIARIES OR AFFILIATES.

Senior Notes Indenture and Subordinated Notes Indenture

Any Series of Notes that are senior debt obligations (the "**Senior Notes**") are to be issued under a senior notes indenture dated as of August 6, 2019, between the Issuer and The Bank of New York Mellon, as trustee (in such capacity, the "**Trustee**"), registrar, paying agent and transfer agent (as amended and supplemented from time to time, the "**Senior Notes Indenture**"), and will be issued in registered form as provided in the applicable Pricing Supplement. The following description of certain provisions of the Senior Notes Indenture does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all the provisions of the Senior Notes Indenture, including the definitions therein of certain terms. The Senior Notes will rank *pari passu* without preference among themselves and with all the Bank's other Senior Indebtedness, as defined below. See "—Certain Terms and Conditions Applicable to Senior Notes—Ranking" below.

Any Series of Notes that are subordinated debt obligations (the "**Subordinated Notes**") will be issued pursuant to the prior approval of *Banco de México*, as required under Mexican law, under an indenture for such Series between the Issuer and The Bank of New York Mellon, as Trustee, registrar, paying agent and transfer agent and acknowledged by the CNBV (through an authorized officer thereof) (each, as amended and supplemented from time to time, a "**Subordinated Notes Indenture**"), the terms of which are described in this Offering Memorandum, as

supplemented by the applicable Pricing Supplement. The Subordinated Notes will rank (i) subordinated and junior to all of the Bank's present and future Senior Indebtedness (as defined below), (ii) *pari passu* with all other present or future Subordinated Preferred Indebtedness and (iii) senior to Subordinated Non-Preferred Indebtedness (*obligaciones subordinadas no preferentes*) and all classes of the Bank's capital stock, as specified in the relevant Subordinated Notes Indenture, this Offering Memorandum and the applicable Pricing Supplement. The Subordinated Notes will be issued in registered form as provided in the applicable Subordinated Notes Indenture and described in the applicable Pricing Supplement. The following description of certain provisions of the Subordinated Notes Indentures does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all the provisions of the relevant Subordinated Notes Indenture, including the definitions therein of certain terms. See "—Certain Terms and Conditions Applicable to Subordinated Notes—Ranking" below.

The Senior Notes Indenture and each Subordinated Notes Indenture are referred to herein as the "**Indentures**." We may incur additional indebtedness, including senior indebtedness, subordinated preferred indebtedness and subordinated non-preferred indebtedness, from time to time, and the provisions of the Indentures do not prohibit or limit the incurrence of additional indebtedness, including additional senior indebtedness, subordinated preferred indebtedness and subordinated non-preferred indebtedness.

Neither the Indentures nor the Notes contain, or will contain, any provision that would protect the holders of the Notes against a sudden and dramatic decline in our credit quality resulting from a takeover, recapitalization or other restructuring or other event involving us that may adversely affect our credit quality.

Further Issuances

Unless otherwise specified in the applicable Pricing Supplement under "Additional Notes," the Bank may, from time to time, without giving notice to or seeking the consent of the holders of the Notes of any Series of Senior Notes, re-open one or more Series and issue additional Senior Notes with the same terms (including maturity and interest payment terms but excluding the Original Issue Date (as defined below) and, in some cases, the public offering price and the first Interest Payment Date (as defined below)) as, and ranking equally and ratably with, the Notes of a Series issued on an earlier date (the "**Additional Notes**"); *provided* that if the Additional Notes are not fungible with the earlier Notes for U.S. federal income tax purposes, the Additional Notes will have separate CUSIP numbers, ISINs and Common Codes, as applicable. After such Additional Notes are issued, they will be fungible with the previously issued Notes to the extent specified in the applicable Pricing Supplement. Each such Series may contain one or more tranches of Notes (each, a "**Tranche**") having identical terms, including the Original Issue Date and the public offering price. Unless otherwise specified in the applicable Pricing Supplement under "Additional Notes," the Bank may not issue Additional Notes as part of an existing Series of Subordinated Notes.

Additional Information in the Applicable Pricing Supplement

The specific financial, legal and other terms particular to a Series of Notes will be contained in the relevant Indenture and the Notes for such Series and will be described in the applicable Pricing Supplement relating to the Series. The Pricing Supplement relating to a Tranche of Notes will describe the following terms:

- the title of the Tranche;
- whether such Notes are senior or subordinated and, if subordinated, the terms of the subordination;
- the date on which such Notes will mature (the "**Maturity Date**");
- the currency or composite currency in which the Notes of such Series will be denominated (each such currency or composite currency, a "**Specified Currency**") and, if other than the Specified Currency, the currency or composite currency in which payments on the Notes of such Series will be made (and, if the Specified Currency or currency or composite currency of payment is other than U.S. dollars, certain other terms relating to such Notes (the "**Foreign Currency Notes**") and such Specified Currency or such currency or composite currency of payment);
- whether such Notes are Fixed Rate Notes or Floating Rate Notes (including whether such Notes are Regular Floating Rate Notes, Fixed/Floating Rate Notes, Floating/Fixed Rate Notes or Inverse Floating Rate Notes, each as defined below);
- the price at which such Notes will be issued;
- the date on which such Notes will be issued (the "**Original Issue Date**");

- if such Notes are Fixed Rate Notes, the rate per annum at which such Notes will bear interest, if any, and the dates on which such interest shall be payable on such Fixed Rate Notes (each, an "**Interest Payment Date**");
- if such Notes are Fixed Reset Notes, the Initial Fixed Reset Interest Rate, the Fixed Reset Date, the Subsequent Reset Date (if any), the Reset Reference Rate, the Reset Margin (each as defined below), the Interest Payment Dates, the calculation agent therefor and any other terms relating to the particular method of calculating the interest rate for such Fixed Reset Notes;
- if such Notes are Floating Rate Notes, the base rate, the initial interest rate (the "**Initial Interest Rate**"), the minimum interest rate and/or the maximum interest rate (if any), the Interest Payment Dates, the period to maturity of the instrument, obligation or index with respect to which the calculation agent will calculate the interest rate basis or bases (the "**Index Maturity**"), the Spread and/or Spread Multiplier, if any (each as defined below), the calculation agent therefor and any other terms relating to the particular method of calculating the interest rate for such Floating Rate Notes;
- if such Notes are Indexed Notes, Extendible Notes or Dual Currency Notes (each as defined below), the terms relating to the particular Notes;
- if such Notes are Amortizing Notes (as defined below), the amortization schedule and any other terms relating to the particular Notes;
- whether such Notes may be redeemed at the option of the Bank, or repaid at the option of the holder, prior to its stated maturity as described under "—Other Terms and Conditions Applicable to the Senior and Subordinated Notes—Redemption; Repurchases at the Bank's Option; Repurchases at the Holder's Option—Optional Redemption with a Make-Whole Premium" and "—Other Terms and Conditions Applicable to the Senior and Subordinated Notes—Repayments at the Option of the Holders" below and, if so, the provisions relating to such redemption or repayment, including, in the case of any Original Issue Discount Notes, the information necessary to determine the amount due upon redemption or repayment;
- any relevant tax consequences associated with the terms of the Notes, which have not been described under "Taxation—United States Taxation";
- if such Notes are Additional Notes, a description of the Original Issue Date and aggregate principal amount of the prior Tranche of Notes having terms (other than the Original Issue Date and the public offering price) identical to such Additional Notes;
- whether the purpose of the issuance is for green, social or sustainability purposes as described under "Use of Proceeds";
- the denomination or denominations in which the Notes shall be issuable;
- any deletions from, modifications of or additions to the Events of Default (as defined below) or covenants, financial or otherwise, of us with respect to such Notes;
- any trustees and any agents with respect to such Notes if different from those identified in this section and the identity of any calculation agent or other applicable agent;
- the form of such Notes, if such Notes shall be Global notes, and the depository for such Notes; and
- any other terms and conditions of such Notes.

In addition, each Pricing Supplement with respect to a Tranche of Notes will identify the Dealer(s) participating in the distribution of such Notes. Each Pricing Supplement relating to Notes will be in, or substantially in, the relevant forms included under "Annex C—Form of Pricing Supplement."

If any Notes are to be issued as Foreign Currency Notes, the applicable Pricing Supplement will specify (i) the currency or currencies, which may be composite currencies, in which the purchase price of such Notes is to be paid by the purchaser, and (ii) the currency or currencies, which may be composite currencies, in which the principal at maturity or earlier redemption, premium, if any, and interest, if any, with respect to such Notes may be paid, if applicable, along with any other terms relating to the non-U.S. dollar denomination. For further information for Notes

denominated in currencies other than U.S. dollars, see the applicable Pricing Supplement related to any such Notes, which shall include the provisions related to Foreign Currency Notes.

Unless otherwise specified in the applicable Pricing Supplement, the principal financial center of any country for the purpose of the foregoing definition is as provided in the 2006 ISDA Definitions, and as amended, supplemented and updated from time to time, published by the International Swaps and Derivatives Association, Inc.

Principal and Interest

Interest

Subject to, in the case of each Series of Subordinated Notes, deferral during any Suspension Period (as defined below) and to one or more Write-Downs, and in the case of each Series of Senior and Subordinated Notes, an earlier redemption date, unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest from (and including) its Original Issue Date or such other date specified in the applicable Pricing Supplement (the "**Interest Commencement Date**") or from the most recent Interest Payment Date (or, if such Note is a Floating Rate Note and the Interest Reset Period is daily or weekly, from the day following the most recent Regular Record Date) (as each such term is defined below) to (but excluding) the next Interest Payment Date; *provided*, *however*, that the first payment of interest on any Note originally issued between a Regular Record Date and the Interest Payment Date immediately following such Regular Record Date will be made on the second Interest Payment Date following such Original Issue Date. Such interest will be payable by the Issuer to the registered owner on such next Regular Record Date. Interest will accrue on a Note until the principal thereof is paid or made available for payment.

Subject to, in the case of each Series of Subordinated Notes, deferral during any Suspension Period and to one or more Write-Downs, and, in the case of each Series of Senior and Subordinated Notes, an earlier redemption date, interest will be payable on a Note on each Interest Payment Date to the person in whose name such Note is registered as of the applicable Regular Record Date; *provided*, *however*, that any interest not punctually paid or duly provided for, or defaulted interest, will cease to be payable to the holder of a Note at the close of business on the applicable Regular Record Date. The defaulted interest will instead be payable to the person in whose name the Note is registered at the close of business on a special record date for the payment of the defaulted interest, fixed by the applicable Trustee at the written direction of the Issuer. The Trustee will give notice of the payment of the defaulted interest to the holder of the Note in the manner specified under "—Notices" below not less than 15 days prior to the special record date.

Payment upon Maturity

Subject to, in the case of each Series of Subordinated Notes, deferral during any Suspension Period and the occurrence of one or more Write-Downs, unless the applicable Series of Notes has been redeemed prior thereto or, in the case of Subordinated Notes, a Suspension Period is in effect on the Maturity Date, the then-outstanding principal amount of the applicable Series of Notes will be repaid on the Maturity Date, together with any accrued and unpaid interest thereon to (but excluding) the Maturity Date and any other amounts, including Additional Amounts, due thereunder, in each case as provided in this Offering Memorandum.

For deferral of interest and principal payments during a Suspension Period, see below in "—Certain Terms and Conditions Applicable to Subordinated Notes—Treatment of Interest and Principal During a Suspension Period—Deferral of Interest and Principal Payments."

For possible reduction or suspension of interest and principal payments due to a Write-Down, see below in "—Certain Terms and Conditions Applicable to Subordinated Notes—Trigger Event and Write-Down." Upon the occurrence of a Write-Down, any holder of Subordinated Notes will be deemed to have irrevocably waived its right to claim or receive the Written-Down Principal (as defined below) of the Notes or any interest with respect thereto (or Additional Amounts), including any and all accrued and unpaid interest.

Interest Rates

Unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest at either:

(a) a fixed rate; and/or

(b) a floating rate determined by reference to an interest rate basis, which may be adjusted by a Spread and/or Spread Multiplier (each as defined below). Any Floating Rate Note may also have either or both of the following:

(i) a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period (the "**Maximum Interest Rate**"); and

(ii) a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period (the "**Minimum Interest Rate**"); *provided* that if no Minimum Interest Rate is specified or if the Pricing Supplement indicates that the Minimum Interest Rate is "not applicable," then the Minimum Interest Rate shall be zero.

The applicable Pricing Supplement may specify that the interest rate on the Notes will convert from a fixed rate to a floating rate (a "**Fixed/Floating Rate Note**"), or from a floating rate to a fixed rate (a "**Floating/Fixed Rate Note**"). See "—Floating Rate Notes—Regular Floating Rate Note; Fixed/ Floating Rate Note; Floating/Fixed Rate Note; Inverse Floating Rate Note—Fixed/Floating Rate Note" and "—Floating Rate Notes——Regular Floating Rate Note; Fixed/ Floating Rate Note; Floating/Fixed Rate Note; Inverse Floating Rate Note—Floating/Fixed Rate Note" below. The "**Spread**" is the number of basis points, expressed as a percentage (one basis point equals one-hundredth of a percentage point), specified in the applicable Pricing Supplement that the calculation agent will add or subtract from the related interest rate basis or bases applicable to a Floating Rate Note. The "**Spread Multiplier**" is the percentage, specified in the applicable Pricing Supplement, by which the calculation agent will multiply the interest rate basis or bases for a Floating Rate Note to determine the applicable interest rate on such Floating Rate Note.

The applicable Pricing Supplement will designate:

(a) a fixed rate per annum, in which case such Notes will be "**Fixed Rate Notes**";

(b) a fixed rate per annum, which resets on the Fixed Reset Date (as defined in "—Fixed Reset Notes—General"), in which case such Notes will be "**Fixed Reset Notes**"; or

(c) one or more of the following interest rate bases as applicable to such Notes, in which case such Notes will be "**Floating Rate Notes**":

(i) the CD Rate, in which case such Notes will be "**CD Rate Notes**";

(ii) the Commercial Paper Rate, in which case such Notes will be "**Commercial Paper Rate Notes**";

(iii) the CMT Rate, in which case such Notes will be "**CMT Rate Notes**";

(iv) the Federal Funds Rate, in which case such Notes will be "**Federal Funds Rate Notes**";

(v) EURIBOR, in which case such Notes will be "**EURIBOR Notes**";

(vi) the Treasury Rate, in which case such Notes will be "**Treasury Rate Notes**";

(vii) the Prime Rate, in which case such Notes will be "**Prime Rate Notes**"; or

(viii) such other interest rate basis or formula as is set forth in such Pricing Supplement.

The Notes may be issued as Original Issue Discount Notes. "**Original Issue Discount Notes**" are Notes issued at a discount from the principal amount payable at maturity that is equal to or more than the *de minimis* threshold (as determined for U.S. federal income tax purposes). Certain additional considerations relating to Original Issue Discount Notes may be described in the applicable Pricing Supplement relating thereto.

Unless otherwise indicated in the applicable Pricing Supplement, interest will be payable on a Note on each Interest Payment Date to the person in whose name such Note is registered as of the close of business on:

(a) for Fixed Rate Notes or Fixed Reset Notes, the date fifteen calendar days prior to such Interest Payment Date (whether or not a Business Day (as defined below)); and

(b) for Floating Rate Notes, the calendar day immediately preceding such Interest Payment Date (whether or not a Business Day)

(each, a "**Regular Record Date**").

"**Business Day**" means, unless otherwise specified in the applicable Pricing Supplement, any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close or a day on which banking institutions in The City of New York, New York or Mexico City, Mexico are authorized or required by law or executive order to remain closed.

Fixed Rate Notes

General

Each Fixed Rate Note will bear interest at the annual rate specified in the Note and in the applicable Pricing Supplement (the "**Fixed Rate of Interest**"). Interest on the Fixed Rate Notes will be paid on the Interest Payment Dates specified in the applicable Pricing Supplement. If any Interest Payment Date or Maturity Date for any Fixed Rate Note (including, in the case of a Fixed/Floating Rate Note or a Floating/Fixed Rate Note, an Interest Payment Date during the fixed rate period, but excluding an Interest Payment Date during the floating rate period) is not a Business Day, interest on such Fixed Rate Note will be paid on the next succeeding Business Day without additional interest. If interest is required to be calculated for a period other than a Fixed Interest Period (as defined below), such interest shall be calculated by applying the Fixed Rate of Interest to each specified denomination of the Notes of such Series, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards, or otherwise in accordance with applicable market convention.

Day Count Fraction

Unless otherwise indicated in the applicable Pricing Supplement, "**Fixed Day Count Fraction**" means:

(a) in the case of Notes denominated in a currency other than U.S. dollars, "Actual/Actual (ICMA)" meaning:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date specified in the applicable Pricing Supplement) to (but excluding) the relevant payment date (the "**Calculation Period**") is equal to or shorter than the Determination Period (as defined below) during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (each, a "**Day Count Determination Date**") (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Day Count Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Day Count Determination Dates that would occur in one calendar year; and

(b) in the case of Notes denominated in U.S. dollars, "30/360," meaning the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Pricing Supplement)) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

Where:

"**Determination Period**" means the period from (and including) a Day Count Determination Date to (but excluding) the next Day Count Determination Date (including where either the Interest Commencement Date (as specified in the applicable Pricing Supplement) or the final Interest Payment Date is not a Day Count Determination Date, the period commencing on the first Day Count Determination Date prior to, and ending on the first Day Count Determination Date falling after, such date).

"**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Pricing Supplement)) to (but excluding) the next (or first) Interest Payment Date.

"**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

Fixed Reset Notes

General

Unless otherwise indicated in the applicable Pricing Supplement, each Fixed Reset Note will bear interest from (and including):

(a) the Interest Commencement Date to (but excluding) the fixed reset date specified in the applicable Pricing Supplement (the "**Fixed Reset Date**") at the rate per annum equal to the initial interest rate, each as specified in the applicable Pricing Supplement (such rate is hereinafter referred to as the "**Initial Fixed Reset Interest Rate**" and such period is hereinafter referred to as the "**Initial Fixed Reset Interest Period**"), and

(b) the Fixed Reset Date to (but excluding) either (1) the Maturity Date or (2) if applicable, the first subsequent reset date specified in the applicable Pricing Supplement (the "**Subsequent Reset Date**") and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each period in (1) and (2), a "**Subsequent Fixed Reset Interest Period"**), in each case at the rate per annum equal to the relevant Subsequent Reset Rate, as defined below,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) payable, in each case, in arrears on the applicable Interest Payment Date(s) in each year up to and including the Maturity Date.

Once the Subsequent Reset Rate is determined for a Subsequent Fixed Reset Interest Period, the provisions applicable to Fixed Rate Notes shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

Rate of Interest

Each Fixed Reset Note will bear interest during the Initial Fixed Reset Interest Period at the Initial Fixed Reset Interest Rate. Each Fixed Reset Note will bear interest during the Subsequent Fixed Reset Interest Period at the rate that is equal to the sum of the reset reference rate specified in the applicable Pricing Supplement (the "**Reset Reference Rate**") and the reset margin specified in the applicable Pricing Supplement (the "**Reset Margin**," and the sum of the Reset Reference Rate and the Reset Margin, the "**Subsequent Reset Rate**"). Unless otherwise specified in the applicable Pricing Supplement, the Subsequent Reset Rate will be determined on the second Business Day immediately preceding the Fixed Reset Date and each Subsequent Reset Date (if any) (the "**Reset Determination Date**").

For the purposes of each Series of Fixed Reset Notes, if "Treasury Yield" is specified in the applicable Pricing Supplement as the "Reset Reference Rate," the following definitions apply:

"**Treasury Yield**" will be defined in the applicable Indenture to mean, as of any date of determination, an interest rate (expressed as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Maturity Date for the relevant Notes, and trading in the public securities markets either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Maturity Date for such Notes, and (B) the other maturity

as close as possible to, but later than the Maturity Date for such Notes, in each case as published in the most recent H.15 or, if a weekly average yield to maturity for United States Treasury securities maturing on the Maturity Date for such Notes is published in the most recent H.15, such weekly average yield to maturity as published in such H.15; and

"**H.15**" will be defined in the applicable Indenture to mean the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System and most recent H.15 means the H.15 published prior to the applicable Reset Determination Date.

Unless we have validly called all outstanding Fixed Reset Notes of the applicable Series for redemption on or prior to the applicable Fixed Reset Date, we will appoint a calculation agent with respect to such Series of Notes prior to the Reset Determination Date preceding the Fixed Reset Date. The applicable Subsequent Reset Rate for each Subsequent Fixed Reset Interest Period will be determined by the calculation agent, as of the applicable Reset Determination Date. Promptly upon such determination, the calculation agent will notify us of the Subsequent Reset Rate for such Subsequent Fixed Reset Interest Period. The calculation agent's determination of any Subsequent Reset Rate beginning on or after the Fixed Reset Date will be on file at our principal offices, will be made available to any holder of Notes of such Series upon request and will be final and binding in the absence of manifest error.

Floating Rate Notes

General

Floating Rate Notes generally will be issued as described below. Each applicable Pricing Supplement will specify certain terms with respect to which such Floating Rate Note is being delivered, including:

(a) whether such Floating Rate Note is a Regular Floating Rate Note, a Fixed/Floating Rate Note, a Floating/Fixed Rate Note or an Inverse Floating Rate Note, each as defined below;

(b) the interest rate basis or bases, Initial Interest Rate, Interest Reset Dates, Interest Reset Period, redemption date and terms (if any); Regular Record Dates (if any) and Interest Payment Dates;

(c) the Index Maturity;

(d) the Spread and/or Spread Multiplier, if any; and

(e) the Maximum Interest Rate and Minimum Interest Rate, if any; *provided* that if no Minimum Interest Rate is specified or if the Pricing Supplement indicates that the Minimum Interest Rate is "not applicable," then the Minimum Interest Rate shall be zero.

The Bank may change the Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes from time to time. However, no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Bank.

The interest rate in effect on each day shall be:

(a) if such day is an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding such Interest Reset Date; or

(b) if such day is not an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding the next preceding Interest Reset Date.

The "**Interest Determination Date**" is the date that the calculation agent will refer to when determining the new interest rate at which a floating rate applicable to a Floating Rate Notes will reset. Unless otherwise specified in the applicable Pricing Supplement, the Interest Determination Date for any Interest Reset Date will be:

(a) for CD Rate Notes, Commercial Paper Rate Notes, CMT Rate Notes and Prime Rate Notes, the second Business Day before the Interest Reset Date;

(b) for Federal Funds Rate Notes, the Business Day immediately preceding the related Interest Reset Date;

(c) for EURIBOR Notes, the second Target Business Day before the Interest Reset Date. "**Target Business Day**" means any day on which TARGET2 (Trans-European Automated Real-Time Gross Settlement Express Transfer payment system) is open for the settlement of payments in Euro; and

(d) for Treasury Rate Notes, the day of the week in which the Interest Reset Date falls and on which Treasury bills would normally be auctioned.

Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, but the auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the Interest Determination Date for the Interest Reset Date for Treasury Rate Notes occurring in the next week. If an auction falls on a day that is an Interest Reset Date for a Treasury Rate Note, the Interest Reset Date will be the Business Day immediately following the auction date.

The Interest Determination Date for a Floating Rate Note for which the interest rate is determined by two or more interest rate bases, will be the latest Business Day that is at least two Business Days prior to the Interest Reset Date for the Floating Rate Note on which each interest rate basis can be determined.

Regular Floating Rate Note; Fixed/Floating Rate Note; Floating/Fixed Rate Note; Inverse Floating Rate Note

The interest rate basis applicable to each Regular Floating Rate Note, Fixed/Floating Rate Note, Floating/Fixed Rate Note and Inverse Floating Rate Note may be subject to a Spread and/or Spread Multiplier; *provided* that the interest rate on any such note will not be less than zero. If a Floating Rate Note is designated as having an "Addendum" attached as specified on the face thereof, the Floating Rate Note shall bear interest in accordance with the terms described in such Addendum and the applicable Pricing Supplement. See "—Other Provisions" below.

Regular Floating Rate Note. A "**Regular Floating Rate Note**" will bear interest at the rate determined by reference to the applicable interest rate basis or interest rate bases (a) plus or minus the applicable Spread (if any) and/or (b) multiplied by the applicable Spread Multiplier (if any). The rate at which interest shall be payable on such Regular Floating Rate Note shall be reset as of each Interest Reset Date commencing on the initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the 10 calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Pricing Supplement.

Fixed/Floating Rate Note. A "**Fixed/Floating Rate Note**" will initially, and during the "Fixed Rate Period" specified in the applicable Pricing Supplement, bear interest at a fixed rate. During the "Floating Rate Period" specified in the applicable Pricing Supplement, such Note will bear interest at the rate determined by reference to the applicable interest rate basis or bases (a) plus or minus the applicable Spread (if any), and/or (b) multiplied by the applicable Spread Multiplier (if any). The rate at which interest shall be payable on such Fixed/Floating Rate Note during the "Floating Rate Period" shall be reset as of each Interest Reset Date commencing with the date the floating rate commences.

Floating/Fixed Rate Note. A "**Floating/Fixed Rate Note**" will initially, and during the "Floating Rate Period" specified in the applicable Pricing Supplement, bear interest at the rate determined by reference to the applicable interest rate basis (a) plus or minus the applicable Spread (if any) and/or (b) multiplied by the applicable Spread Multiplier (if any). During the "Fixed Rate Period" specified in the applicable Pricing Supplement, such Floating/Fixed Rate Note will bear interest at a fixed rate. The rate at which interest shall be payable on such Floating/Fixed Rate Note shall be reset as of each Interest Reset Date commencing on the initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the initial Interest Reset Date will be the Initial Interest Rate;

(b) the interest rate in effect for the 10 calendar days immediately prior to the fixed rate commencement date shall be that in effect on the tenth calendar day preceding the fixed rate commencement date, unless otherwise specified in the applicable Pricing Supplement; and

(c) the interest rate in effect commencing on, and including, the fixed rate commencement date to the Maturity Date shall be the fixed interest rate, if such rate is specified in the applicable Pricing Supplement, or if no such fixed interest rate is so specified and the Floating/Fixed Rate Note is still

outstanding on such day, the interest rate in effect thereon on the day immediately preceding the fixed rate commencement date.

Inverse Floating Rate Note. An "**Inverse Floating Rate Note**" will bear interest equal to the fixed interest rate specified in the applicable Pricing Supplement minus the rate determined by reference to the interest rate basis (a) plus or minus the applicable Spread (if any) and/or (b) multiplied by the applicable Spread Multiplier (if any). The rate at which interest is payable shall be reset as of each Interest Reset Date commencing on the initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the 10 calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Pricing Supplement.

Interest Rate Bases

Each Floating Rate Note will have one or more interest rate bases. The formula may be based on:

(a) the CD Rate;

(b) the Commercial Paper Rate;

(c) the CMT Rate;

(d) the Federal Funds Rate;

(e) EURIBOR;

(f) the Treasury Rate;

(g) the Prime Rate;

(h) the lowest of two or more interest rate bases; or

(i) such other rate specified in the applicable Pricing Supplement.

Date of Interest Rate Change

The interest rate on each Floating Rate Note may be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable Pricing Supplement (such period, the "**Interest Reset Period**" and the first day of each Interest Reset Period, the "**Interest Reset Date**").

If an Interest Reset Date for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

How Interest Is Calculated

General

The Bank will appoint a calculation agent to calculate interest rates on the Floating Rate Notes, which will be specified in the applicable Pricing Supplement. Floating Rate Notes will accrue interest from and including the Original Issue Date or the last date to which the Bank has paid or provided for interest, to (but excluding) the applicable Interest Payment Date, as described below, or the Maturity Date, as the case may be. However, unless otherwise specified in the applicable Pricing Supplement, for Floating Rate Notes for which the interest rate is reset daily or weekly, each interest payment will include interest accrued from (and including) the date of issue or from (but excluding) the last Regular Record Date to which interest has been paid, through and including the Regular Record Date next preceding the applicable Interest Payment Date. Interest payments on Floating Rate Notes made on the Maturity Date will include interest accrued to (but excluding) such Maturity Date.

So long as any Floating Rate Notes are listed on or by any exchange, competent authority and/or market, and the rules of such exchange(s), competent authority(ies) and/or market(s) so require, the Bank will maintain a calculation agent for the Floating Rate Notes, and the Bank will notify the holders of its Floating Rate Notes in the

manner specified under "—Notices" below if the Bank appoints a calculation agent with respect to such Floating Rate Notes other than the calculation agent designated as such in the applicable Pricing Supplement.

Day Count Fraction

The amount of interest (the "**Interest Amount**") payable on any Series of Floating Rate Notes shall be calculated with respect to each specified denomination of such Floating Rate Notes of such Series for the relevant Interest Reset Period. Each Interest Amount shall be calculated by applying the relevant interest rate basis and Spread and/or Spread Multiplier, if any, to each specified denomination and multiplying such sum by the applicable Floating Day Count Fraction.

"**Floating Day Count Fraction**" means, in respect of the calculation of the Interest Amount for any Interest Reset Period:

(a) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 365 (or, if any portion of that Interest Reset Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Reset Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Reset Period falling in a non-leap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 365;

(c) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Reset Period divided by 360;

(d) if "30/360," "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(e) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31, in which case D2 will be 30; and

(f) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

Unless otherwise specified in the applicable Pricing Supplement, the Floating Day Count Fraction in respect of the calculation of the Interest Amount on any Floating Rate Note will (a) in the case of a Note denominated in U.S. dollars, be Actual/360 or (b) in the case of a Note denominated in any other Specified Currency, be Actual/Actual. Notes for which the interest rate may be calculated with reference to two or more interest rate bases will be calculated in each period by selecting one such interest rate basis for such period. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.

The calculation agent will round all percentages resulting from any calculation of the rate of interest on a Floating Rate Note to the nearest 1/100,000 of 1% (0.0000001), with five one-millionths of a percentage point rounded upward (*e.g.*, 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)) and the calculation agent will round all currency amounts used in or resulting from any calculation to the nearest one-hundredth of a unit (with 0.005 of a unit being rounded upward).

The calculation agent will promptly, and no later than the fourth Business Day of the relevant Interest Reset Period, notify the applicable Trustee and the Bank of each determination of the interest rate. The calculation agent will also notify the applicable Trustee, the Bank and the relevant paying agents of the interest rate, the Interest Amount, the interest period and the Interest Payment Date related to each Interest Reset Date as soon as such information is available, and no later than the first Business Day of the relevant Interest Reset Period. The relevant paying agents will make such information available to the holders of Notes. The applicable Trustee will, upon the request of the holder of any Floating Rate Note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date relating to such Note.

When Interest Is Paid

The Bank will pay interest on Floating Rate Notes on the Interest Payment Dates specified in the applicable Pricing Supplement. The Bank will also pay interest on the relevant Floating Rate Notes at the Maturity Date.

If any Interest Payment Date (other than the Maturity Date) for Floating Rate Notes (including, in the case of a Fixed/Floating Rate Note or a Floating/Fixed Rate Note, an Interest Payment Date during the floating rate period, but excluding an Interest Payment Date during the "Fixed Rate Period" specified in the applicable Pricing Supplement) falls on a day that is not a Business Day, the Bank will postpone payment of interest to the following Business Day at which time the Issuer will pay additional interest that has accrued up to (but excluding) such following Business Day, except that if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity Date for a Floating Rate Note falls on a day that is not a Business Day, the Bank will make the payment on the next Business Day, without additional interest.

Date of Interest Rate Determination

The interest rate for each Interest Reset Period commencing on the Interest Reset Date will be the rate determined on the relevant Interest Determination Date for such Interest Reset Date for the relevant type of Floating Rate Note, as set forth in the applicable Pricing Supplement.

Types of Floating Rate Notes

CD Rate Notes

Each CD Rate Note will bear interest at a specified rate that will be reset periodically based on the CD Rate and the Spread and/or Spread Multiplier, if any, specified in the CD Rate Note and in the applicable Pricing Supplement. CD Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**CD Rate**" means, with respect to any Interest Determination Date, the rate on that Interest Determination Date for negotiable U.S. dollar certificates of deposit having the specified Index Maturity as published in H.15 under the heading "CDs (Secondary Market)."

The following procedures will apply if the CD Rate cannot be determined as described above:

(a) If the rate described above is not published in H.15 prior to 3:00 p.m. (New York City time) on the relevant Interest Determination Date, then the CD Rate will be the rate on that Interest Determination Date for negotiable U.S. dollar certificates of deposit having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "CDs (Secondary Market)."

(b) If the rate is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m. (New York City time) on the Interest Determination Date, the CD Rate will be the average of the secondary market offered rates as of 10:00 a.m. (New York City time) on that Interest Determination Date of three leading non-bank dealers of negotiable U.S. dollar certificates of deposit in The City of New York (which may include one or more of the Dealers or their affiliates) selected by the Bank and identified to the calculation agent, for negotiable U.S. dollar certificates of deposit of major U.S. money market banks for negotiable certificates of deposit with a remaining maturity closest to the specified Index Maturity in an amount that is representative for a single transaction in that market at that time.

(c) If fewer than three dealers are providing quotes, the rate will be (i) except as provided in clause (ii), the CD Rate in effect for the immediately preceding Interest Reset Period, or (ii) for a Fixed/Floating Rate Note, if there was no preceding Interest Reset Period, then the rate of interest payable will be the rate for negotiable U.S. dollar certificates of deposit having the specified Index Maturity that was last published in H.15 under the heading "CDs (Secondary Market)" as determined by the calculation agent.

"**H.15**" means the publication entitled "Statistical Release H.15, Selected Interest Rates," or any successor publication published by the Federal Reserve.

"**H.15 Daily Update**" means the daily update of H.15, available through the website of the Federal Reserve at https://www.federalreserve.gov/releases/h15/ or any successor service.

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any, specified in the Commercial Paper Rate Note and in the applicable Pricing Supplement. Commercial Paper Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**Commercial Paper Rate**" means, with respect to any Interest Determination Date, the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in H.15 under the heading "Commercial Paper Nonfinancial."

Unless otherwise specified in the applicable Pricing Supplement, the following procedures will apply if the rate cannot be set as described above:

(a) If the rate described above is not published in H.15 prior to 3:00 p.m. (New York City time) on the relevant Interest Determination Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Commercial Paper Nonfinancial."

(b) If the rate is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m. (New York City time) on the Interest Determination Date, then the calculation agent will determine the Commercial Paper Rate to be the Money Market Yield of the average for the offered rates as of 11:00 a.m. (New York City time) on that Interest Determination Date, of three leading dealers (which may include one or more of the Dealers or their affiliates) of commercial paper in The City of New York, selected by the Bank and identified to the calculation agent, for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, by a nationally recognized statistical rating agency.

(c) If fewer than three dealers are providing quotes, the rate will be (i) except as provided in clause (ii), the Commercial Paper Rate in effect for the immediately preceding Interest Reset Period, or (ii) for a Fixed/Floating Rate Note, if there was no preceding Interest Reset Period, then the rate of interest payable will be the rate for commercial paper having the specified Index Maturity that was last published in H.15 under the heading "Commercial Paper Nonfinancial" as determined by the calculation agent.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360 \times 100}{360 - (D \times M)}$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the period for which interest is being calculated.

Constant Maturity Treasury (CMT) Rate Notes

Each CMT Rate Note will bear interest at a specified rate that will be reset periodically based on the CMT Rate and the Spread and/or Spread Multiplier, if any, specified in the CMT Rate Notes and in the applicable Pricing Supplement. CMT Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**CMT Rate**" means, with respect to any Interest Determination Date relating to a CMT Rate Note:

(a) If "Reuters Page FRBCMT" is the specified CMT Reuters Page in the applicable Pricing Supplement, the CMT Rate on the Interest Determination Date shall be a percentage equal to the yield for U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement as set forth in H.15 (as defined below) under the caption "Treasury Constant Maturities," as such yield is displayed on Reuters (or any successor service) on page

FRBCMT (or any other page as may replace such page on such service) ("**Reuters Page FRBCMT**") for such Interest Determination Date. Unless otherwise specified in the applicable Pricing Supplement, the following procedures will apply if the rate cannot be set as described above:

(i) If such rate does not appear on Reuters Page FRBCMT, the CMT Rate on such Interest Determination Date shall be a percentage equal to the yield for U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement and for such Interest Determination Date as set forth in H.15 under the caption "Treasury Constant Maturities."

(ii) If such rate does not appear in H.15, the CMT Rate on such Interest Determination Date shall be the rate for the period of the index maturity specified in the applicable Pricing Supplement as may then be published by either the Federal Reserve or the U.S. Department of the Treasury that the calculation agent determines to be comparable to the rate that would otherwise have been published in H.15.

(iii) If the Federal Reserve or the U.S. Department of the Treasury does not publish a yield on U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement for such Interest Determination Date, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m. (New York City time) on such Interest Determination Date of three leading primary U.S. government securities dealers in New York City (which may include one or more of the Dealers or their affiliates) (each, a "**reference dealer**") selected by the Bank and identified to the calculation agent (from five such reference dealers selected by the Bank and identified to the calculation agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for U.S. Treasury Federal Funds Rate Notes securities with an original maturity equal to the specified Index Maturity, a remaining term to maturity no more than one year shorter than such Index Maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time.

(iv) If fewer than five but more than two such prices are provided as requested, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m. (New York City time) on such Interest Determination Date of three reference dealers selected by the Bank and identified to the calculation agent (from five such reference dealers selected by the Bank and identified to the calculation agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for U.S. Treasury securities with an original maturity greater than the index maturity specified in the applicable Pricing Supplement, a remaining term to maturity closest to such index maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time.

(v) If fewer than five but more than two such prices are provided as requested, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided*, *however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such Interest Determination Date shall be the CMT Rate in effect on such Interest Determination Date. If two such U.S. Treasury securities with an original maturity greater than the index

maturity specified in the applicable Pricing Supplement have remaining terms to maturity equally close to such index maturity, the quotes for the U.S. Treasury security with the shorter original term to maturity will be used.

(b) If "Reuters Page FEDCMT" is the specified CMT Reuters Page in the applicable Pricing Supplement, the CMT Rate on the Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement as set forth in H.15 opposite the caption "Treasury Constant Maturities," as such yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) ("Reuters Page FEDCMT") for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such Interest Determination Date falls. If such rate does not appear on Reuters Page FEDCMT, the CMT Rate on such Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement for the week or month, as applicable, preceding such Interest Determination Date as set forth in H.15 opposite the caption "Treasury Constant Maturities." Unless otherwise specified in the applicable Pricing Supplement, the following procedures will apply if the rate cannot be set as described above:

(i) If such rate does not appear in H.15, the CMT Rate on such Interest Determination Date shall be the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such Interest Determination Date falls.

(ii) If the Federal Reserve Bank of New York does not publish a one-week or one-month, as specified in the applicable Pricing Supplement, average yield on U.S. Treasury securities at "constant maturity" having the index maturity specified in the applicable Pricing Supplement for the applicable week or month, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m. (New York City time) on such Interest Determination Date of three reference dealers selected by the Bank and identified to the calculation agent (from five such reference dealers selected by the Bank and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for U.S. Treasury securities with an original maturity equal to the index maturity specified in the applicable Pricing Supplement, a remaining term to maturity of no more than one year shorter than such index maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time.

(iii) If fewer than five but more than two such prices are provided as requested, the CMT Rate on such Interest Determination Date shall be the rate on the Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotation shall be eliminated.

(iv) If fewer than three prices are provided as requested, the CMT Rate on such Interest Determination Date shall be calculated by the calculation agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m. (New York City time) on such Interest Determination Date of three reference dealers selected by the Bank and identified to the calculation agent (from five such reference dealers selected by the Bank and identified to the calculation agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for U.S. Treasury securities with an original maturity longer than the index maturity specified in the

applicable Pricing Supplement, a remaining term to maturity closest to such index maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time.

(v) If fewer than five but more than two such prices are provided as requested, the CMT Rate on such Interest Determination Date shall be the rate on the Interest Determination Date calculated by the calculation agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated; *provided*, *however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate determination date shall be the CMT Rate in effect on such Interest Determination Date. If two U.S. Treasury securities with an original maturity greater than the index maturity specified in the applicable Pricing Supplement have remaining terms to maturity equally close to such index maturity, the quotes for the U.S. Treasury security with the shorter original term to maturity will be used.

Federal Funds Rate Notes

Each Federal Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and the Spread and/or Spread Multiplier, if any, specified in the Federal Funds Rate Note and in the applicable Pricing Supplement. Federal Funds Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**Federal Funds Rate**" means, with respect to any Interest Determination Date, the rate on specified dates for federal funds published in H.15 prior to 3:00 p.m. (New York City time) under the heading "Federal Funds Effective," as such rate is displayed on Reuters Screen FEDFUNDS1 Page (or any such other page as specified in the applicable Pricing Supplement).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate described above does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15 prior to 3:00 p.m. (New York City time) on the Interest Determination Date, then the Federal Funds Rate will be the rate on such Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Federal Funds (Effective)."

(b) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m. (New York City time) on the Interest Determination Date, the Federal Funds Rate will be calculated by the calculation agent and will be the average of the rates on that Interest Determination Date for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in The City of New York (which may include one or more of the Dealers or their affiliates) selected by the Bank and identified to the calculation agent, prior to 9:00 a.m. (New York City time) on the Business Day following such Interest Determination Date.

(c) If fewer than three brokers are providing quotes, the Federal Funds Rate will be (i) except as provided in clause (ii), the Federal Funds Rate in effect on such Interest Determination Date, and (ii) for a Fixed/Floating Rate Note, if there was no preceding Interest Reset Date, the rate for U.S. dollar federal funds as published in H.15 opposite the caption "Federal Funds (Effective)," as such rate was last displayed on Reuters Screen FEDFUNDS1 Page as determined by the calculation agent.

EURIBOR Notes

Each EURIBOR Note will bear interest at a specified rate that will be reset periodically based on EURIBOR and the Spread and/or Spread Multiplier, if any, specified on the face of the EURIBOR Note and in the applicable Pricing Supplement. EURIBOR Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**EURIBOR**" means the European Interbank Offered Rate and, with respect to each Interest Determination Date relating to a EURIBOR Note will be the rate for deposits in Euro having the Index Maturity, beginning on the second TARGET Business Day after the relevant Interest Determination Date, as that rate appears on the Designated EURIBOR Page as of 11:00 a.m. (Brussels time) on that Interest Determination Date.

The following procedures will apply if the rate cannot be set as described above:

(a) If such rate does not appear on the Designated EURIBOR Page as of 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, then EURIBOR will be determined on the basis of the rates, at approximately 11:00 a.m. (Brussels time) on that Interest Determination Date, at which deposits in Euro having the specified Index Maturity, beginning on the relevant Interest Reset Date and in a representative amount are offered to prime banks in the Euro-zone interbank market by the principal Euro-zone offices of four major banks (one of which may be an affiliate of the calculation agent) in the Euro-zone selected by the Bank. If at least two quotations are provided, EURIBOR for that Interest Determination Date will be the average (rounded upwards, if necessary) of the quotations.

(b) If fewer than two quotations are provided, EURIBOR for the relevant Interest Determination Date will be the average (rounded upwards, if necessary) of the rates quoted by three major banks (which may include an affiliate of the calculation agent) in the Euro-zone, selected by the calculation agent, at approximately 11:00 a.m. (Brussels time) on that Interest Determination Date for loans in Euro to leading European banks for a period of time corresponding to the Index Maturity beginning on the relevant Interest Reset Date and in a representative amount.

(c) If fewer than three banks are quoting such rates as described above, EURIBOR for such Interest Determination Date will be (i) except as provided in clause (ii), EURIBOR in effect on such Interest Determination Date, and (ii) for a Fixed/Floating Rate Note, if there was no preceding Interest Reset Date, EURIBOR will be equal to EURIBOR for deposits in Euro having the specified Index Maturity that was last available on the Designated EURIBOR Page as determined by the calculation agent.

"**Designated EURIBOR Page**" means Reuters Page EURIBOR01, or any other page as may replace such page on such service.

Treasury Rate Notes

Each Treasury Rate Note will bear interest at a specified rate that will be revised periodically based on the Treasury Rate and the Spread and/or Spread Multiplier, if any, specified on the face of the Treasury Rate Note and in the applicable Pricing Supplement. Treasury Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**Treasury Rate**" means, with respect to any Interest Determination Date, the rate for the most recent auction of direct obligations of the United States ("**Treasury bills**") having the specified Index Maturity as it appears under the caption "INVEST RATE" on either Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 Page (or any other pages as may replace such pages on such service).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not so published by 3:00 p.m. (New York City time) on the Interest Determination Date, the rate will be the auction average rate for such Treasury bills (expressed as a bond equivalent, on the basis of a year of 365 or 366 days as applicable, and applied on a daily basis) for such auction as otherwise announced by the U.S. Department of the Treasury.

(b) If the results of the auction of Treasury bills are not so published by 3:00 p.m. (New York City time) on the Interest Determination Date, or if no such auction is held, the Treasury Rate will be the rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Interest Determination Date of such Treasury bills having the specified Index Maturity as published in H.15 under the caption "U.S. Government Securities/Treasury Bills/Secondary Market."

(c) If such rate is not so published in H.15 by 3:00 p.m. (New York City time) on the related Interest Determination Date, the rate on such Interest Determination Date of such Treasury bills will be as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. Government Securities/Treasury Bills/ Secondary Market."

(d) If such rate is not yet published in H.15, H.15 Daily Update or another recognized electronic source, then the Treasury Rate will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the average of the secondary market bid rates as of approximately 3:30 p.m. (New York City time) on the Interest Determination Date, of three leading primary U.S. government securities dealers in The City of New York selected by the Bank and identified to the calculation agent for the issue of Treasury bills with a remaining maturity closest to the specified Index Maturity.

(e) If fewer than three dealers are providing quotes, the Treasury Rate will be (i) except as provided in clause (ii), the Treasury Rate in effect on such Interest Determination Date, and (ii) for a Fixed/Floating Rate Note, if there was no preceding Interest Reset Date, the rate from the latest auction of Treasury bills having the specified Index Maturity, as such rate was last displayed under the caption "INVEST RATE" on either Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 Page (or any other pages as may replace such pages on such service).

Prime Rate Notes

Each Prime Rate Note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and the Spread and/or Spread Multiplier, if any, specified on the face of the Prime Rate Note and in the applicable Pricing Supplement. Prime Rate Notes will be subject to the Minimum Interest Rate and the Maximum Interest Rate, if any.

Unless otherwise specified in the applicable Pricing Supplement, "**Prime Rate**" means, with respect to any Interest Determination Date, the rate set forth on that Interest Determination Date in H.15 under the heading "Bank Prime Loan."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate described above is not published in H.15 by 3:00 p.m. (New York City time) on the relevant Interest Determination Date, then the Prime Rate for that Interest Determination Date will be the rate as published on such Interest Determination Date in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Bank Prime Loan."

(b) If the rate is not published in H.15, H.15 Daily Update or another recognized electronic source by 3:00 p.m. (New York City time) on the Interest Determination Date, then the Prime Rate will be the average (rounded upwards, if necessary, to the next higher one-hundred thousandth of a percentage point) calculated by the calculation agent of the rates publicly announced by each bank on the Reuters Screen USPRIME1 Page as its prime rate or base lending rate for that Interest Determination Date.

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average of the prime rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by four major money center banks (which may include one or more of the Dealers or their affiliates) in The City of New York selected by the Bank and identified to the calculation agent.

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any state thereof, having total equity capital of at least U.S.$500 million and being subject to supervision or examination by a federal or state authority, as selected by the Bank and identified to the calculation agent.

(e) If no banks are providing quotes, the Prime Rate will be (i) except as provided in clause (ii), the Prime Rate in effect on such Interest Determination Date, and (ii) for a Fixed/Floating Rate Note, if

there was no preceding Interest Reset Date, the rate that was last published in H.15 under the caption "Bank Prime Loan" as determined by the calculation agent.

Other Types of Notes

Indexed Notes

Notes also may be issued with the principal amount payable on the Maturity Date or interest to be paid thereon, or both, to be determined with reference to the price or prices of specified commodities or securities, baskets of securities, indices of securities, stocks, the exchange rate of one or more specified currencies relative to an indexed currency or other formulae, assets or bases of reference, as may be specified in such Note and the applicable Pricing Supplement ("**Indexed Notes**").

Holders of such Indexed Notes may receive a principal amount on the Maturity Date that is greater than or less than the face amount of the Indexed Notes, or an interest rate that is greater than or less than the stated interest rate on the Indexed Notes, or both, depending upon the structure of the Indexed Note and the relative value on the Maturity Date or at the relevant Interest Payment Date, as the case may be, of the specified index or indexed item. Information as to the method for determining the principal amount payable on the Maturity Date, the currency base rate, the manner of determining the interest rate, the determination agent, certain historical information with respect to the specified indexed item and tax considerations associated with an investment in Indexed Notes will be set forth in the applicable Pricing Supplement.

A separate prospectus comprising the relevant Note and a summary document (as the case may be) will be used for the documentation of an issuance of Indexed Notes, including, but not limited to a discussion of market and settlement disruptions and adjustments.

An investment in Indexed Notes entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. For further information regarding certain risks inherent in Indexed Notes, see "Risk Factors—Risks Relating to the Notes—Indexed notes."

Extendible Notes

Notes may be issued with an initial Maturity Date (the "**Initial Maturity Date**") which may be extended from time to time upon the election of the holders on specified dates (each, an "**Election Date**") up to a final Maturity Date (the "**Final Maturity Date**") as set forth in the applicable Pricing Supplement ("**Extendible Notes**"). The Pricing Supplement relating to each issue of Extendible Notes will set forth the terms of such Notes, including the Initial Maturity Date, the Final Maturity Date and the Election Dates, and will also describe certain tax considerations associated with an investment in Extendible Notes, the manner in which holders may elect to extend the Notes and such other terms and conditions as may apply to such issue.

Dual Currency Notes

"**Dual Currency Notes**" are Notes for which the Issuer is permitted under certain specified circumstances to pay principal, premium (if any) and/or interest in more than one currency or composite currency. In general, the Issuer will have the option of making each scheduled payment of principal and interest due on the Notes in either (i) the currency in which the face amount of the Note is specified in the applicable Pricing Supplement ("**Face Amount Currency**") or (ii) another currency specified in the applicable Pricing Supplement ("**Optional Payment Currency**"). If the Issuer chooses to make a payment in the Optional Payment Currency, the amount payable in the Optional Payment Currency will be determined by the person specified in the applicable Pricing Supplement using the exchange rate specified in such Pricing Supplement (the "**Designated Exchange Rate**"). The terms of any Dual Currency Notes will be as set forth in the applicable Pricing Supplement related to any such Notes, including the Face Amount Currency, the option value calculation agent, the Optional Payment Currency, the option election date(s) and the Designated Exchange Rate.

For further information regarding certain risks inherent in Notes denominated in currencies other than U.S. dollars, see "Risk Factors—Risks Relating to the Notes—There is exchange rate risk and risk of exchange controls associated with an investment in the Notes."

Amortizing Notes

"**Amortizing Notes**" are Fixed Rate Notes for which payments combining principal and interest are made in installments over the life of the Note. Unless otherwise specified in the applicable Pricing Supplement, interest on

each Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning additional terms and conditions of any issue of Amortizing Notes, including the amortization schedule, will be provided in the applicable Pricing Supplement. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable Pricing Supplement and set forth on such Notes.

Original Issue Discount Notes

A Series of Notes may be issued as Original Issue Discount Notes. Certain additional considerations relating to a Series of Original Issue Discount Notes may be described in the applicable Pricing Supplement relating thereto.

Other Provisions

Any provisions with respect to Notes, including the determination of an interest rate basis, the specification of an interest rate basis, the calculation of the interest rate applicable to a Floating Rate Note, the Interest Payment Dates or any other matter relating thereto, may be modified by the terms specified in the applicable Pricing Supplement (and, in the case of Subordinated Notes, the relevant Subordinated Notes Indenture).

Certain Terms and Conditions Applicable to Senior Notes

Unless otherwise stated in the applicable Pricing Supplement, the following terms will apply to each Series of Senior Notes.

Ranking

The Senior Notes will rank *pari passu* without preference among themselves and with all the Bank's other Senior Indebtedness, as defined below. The Senior Notes will be effectively subordinated to (i) all of the Bank's secured indebtedness with respect to the value of its assets securing that indebtedness, (ii) certain direct, unconditional and unsecured general obligations that in case of the Bank's liquidation are granted preferential treatment pursuant to Mexican law and (iii) all of the existing and future liabilities of the Bank's subsidiaries, including trade payables.

For purposes of the Senior Notes:

(a) The term "**Senior Indebtedness**" is defined in the Senior Notes Indenture to mean all Indebtedness for Money Borrowed, whether outstanding on the date of issuance of such Senior Notes or thereafter created, assumed or incurred, unless the terms thereof specifically provide that it is not superior in right of payment and in liquidation to the Subordinated Preferred Indebtedness or Subordinated Non-Preferred Indebtedness, and any deferrals, renewals or extensions of such Senior Indebtedness; and

(b) The term "**Indebtedness for Money Borrowed**" is defined in the Senior Notes Indenture to mean any obligation of, or any obligation guaranteed by, the Bank (to the extent permitted under applicable law) for the repayment of borrowed money, whether or not evidenced by notes, debentures or other written instruments, but shall not include (i) any trade accounts payable in the ordinary course of business, (ii) any such indebtedness that by its terms ranks junior in right of payment and in liquidation to Senior Indebtedness, (iii) indebtedness to any of the Bank's employees, (iv) the Bank's indebtedness which, when incurred, was without recourse to the Bank, and (v) any other indebtedness that would otherwise qualify as Indebtedness for Money Borrowed to the extent that such indebtedness, by its terms, ranks *pari passu* with or junior in right of payment and in liquidation to any of the indebtedness described in clause (i) or (ii) above.

Events of Default, Notice and Waiver

Unless otherwise specified in the applicable Pricing Supplement under "Additional Events of Default," an event of default with respect to a Series of Senior Notes (a "**Senior Notes Event of Default**") is defined in the Senior Notes Indenture as:

(a) a default in the timely payment of the principal due and payable of the Senior Notes of such Series under the Senior Notes Indenture; or

(b) a default for thirty (30) calendar days in the payment of interest or Additional Amounts due and payable on the Senior Notes of such Series under the Senior Notes Indenture; or

(c) a default in the performance or observance of any other term, covenant, warranty, or obligation in respect of the Senior Notes of such Series under the Senior Notes Indenture, not otherwise expressly defined as an Senior Notes Event of Default in (a) or (b) above, and the continuance of such default for more than sixty days after written notice of such default has been given to the Issuer by the Trustee or to the Bank and the Trustee by the holders of at least 25% in aggregate principal amount of Senior Notes of such Series outstanding specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default"; or

(d) certain events involving the Bank's insolvency, liquidation (*liquidación*) or dissolution; or

(e) if any of the Bank's Indebtedness (as defined below) or that of its subsidiaries becomes due and repayable prematurely by reason of an event of default under such Indebtedness or the Bank or any of its subsidiaries fails to make any payment in respect of any Indebtedness on the due date for such payment or within any originally applicable grace period or any security given by the Bank or any of its subsidiaries for any Indebtedness becomes enforceable and steps are taken to enforce the same or if the Bank or any of its subsidiaries default in making any payment when due (or within any originally applicable grace period in respect thereof) under any guarantee and/or indemnity given by the Bank or such subsidiary (as the case may be) in relation to any Indebtedness of any other person; *provided* that no such event as aforesaid shall constitute a Senior Notes Event of Default unless such Indebtedness either alone or when aggregated with other Indebtedness in respect of which one or more of the events mentioned in this paragraph (e) has occurred shall amount to at least U.S.$50,000,000 (or its equivalent in any other currency on the basis of the middle spot rate for any relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates).

"Indebtedness" is defined in the Senior Notes Indenture to mean (a) money borrowed and premiums (if any) and accrued interest in respect thereof, (b) liabilities under or in respect of any acceptance or credit and (c) the principal and premium (if any) and accrued interest in respect of any bonds, notes, debentures, or other similar instrument.

For the avoidance of doubt, in the case of SDG Notes, if the net proceeds of such SDG Notes are not used, any report, assessment, opinion or certification is not obtained or published, or any other step or action not taken, in each case as set out and described in the "Use of Proceeds" section of this Offering Memorandum, as so supplemented, in connection with the offering of such SDG Notes, such occurrence shall not constitute a Senior Notes Event of Default.

The Senior Notes Indenture provides that (i) if a Senior Notes Event of Default (other than a Senior Notes Event of Default described in clause (d) above) shall have occurred and be continuing with respect to a Series of Senior Notes, either the Trustee or the holders of not less than 25% of the total principal amount of Senior Notes of such Series then outstanding may declare the principal of all outstanding Senior Notes of such Series and the interest accrued thereon, if any, to be due and payable immediately and (ii) if a Senior Notes Event of Default described in clause (d) above shall have occurred, the principal of all outstanding Senior Notes of such Series and the interest accrued thereon, if any, shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of such Senior Notes of such Series. The Senior Notes Indenture provides that the Senior Notes of such Series owned by the Bank or any of the Bank's affiliates shall be deemed not to be outstanding for, among other purposes, declaring the acceleration of the maturity of the Senior Notes of such Series. Upon the satisfaction by the Bank of certain conditions, the declaration described in clause (i) of this paragraph may be annulled by the holders of a majority of the total principal amount of Senior Notes of such Series then outstanding. Past defaults with respect to any Series of Notes, other than non-payment of principal, interest and compliance with certain covenants, may be waived by the holders of a majority of the total principal amount of Senior Notes of such Series outstanding.

Holders may not enforce the Senior Notes Indenture or the Senior Notes of such Series except as provided in the Senior Notes Indenture. The holder of any Senior Note, however, will have the right to receive payment of the principal of and interest on that Senior Note on or after the due dates, the redemption dates or the Maturity Date expressed in the Senior Notes Indenture or such Senior Note and, subject to certain limitations and conditions, to institute a lawsuit for the enforcement of any such payment on or after such respective dates.

The Trustee may refuse to enforce the Senior Notes Indenture or the Senior Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, holders of a majority in principal amount of the outstanding

Senior Notes of a Series may direct the Trustee under the Senior Notes Indenture in its exercise of any trust or power in respect thereof. The Trustee may withhold from holders notice of any continuing Senior Notes Event of Default (except a default in payment of principal or interest) if the Trustee in good faith determines that withholding notice is in their interest.

Under the Senior Notes Indenture, the Bank must furnish the Trustee annually with a statement regarding any default in the performance of its obligations thereunder.

Modification of the Senior Notes Indenture; Waiver of Covenants

The Bank and the Trustee may, without the consent of any holder of Senior Notes of a Series, amend, waive or supplement the Senior Notes Indenture or the Senior Notes of such Series in certain circumstances, including, among other things, to cure any ambiguity, omission, defect or inconsistency, to conform the text of the Senior Notes Indenture or the Senior Notes of such Series to any provision in this "Description of the Notes" or the applicable Pricing Supplement distributed to holders of a Series and to make any change that does not adversely affect the rights of any relevant holder in any material respect. In addition, the Bank and the Trustee may amend, waive or supplement the Senior Notes Indenture or the Senior Notes of such Series with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Senior Notes of such Series. However, without the consent of the holder of each Senior Note of a Series affected thereby, the Bank may not, among other things:

- reduce the percentage in principal amount of outstanding Senior Notes of such Series that is required for the consent of the holders in order to modify or amend the Senior Notes Indenture or to waive compliance with some provisions of the Senior Notes Indenture or to waive some defaults.
- reduce the rate of or change or have the effect of changing the time for payment of interest, including applicable Amount in Arrears (as defined in the Senior Notes Indenture), on any Notes of such Series or change in any adverse respect the obligation of the Bank to pay Additional Amounts in respect of such Series of Notes;
- reduce the principal of or change or have the effect of changing the maturity date of any Senior Notes of such Series, or change the date on which any Senior Notes of such Series may be subject to redemption, or reduce the redemption price therefor;
- change the currency of payment of principal or interest on any Senior Note of such Series;
- modify any other payment provision of any Senior Note of such Series; or
- make any change in the provisions of the Senior Notes Indenture entitling each holder of such Series of Notes to receive payment of principal of and interest on such Notes of such Series on or after the due date thereof or to bring suit to enforce such payment, or permitting holders of a majority in principal amount of outstanding Senior Notes of such Series to waive certain events of default under the Senior Notes Indenture.

The holders of a majority in aggregate principal amount of the outstanding Senior Notes of a Series may waive any past default or Senior Notes Event of Default under the Senior Notes Indenture with respect to such Series, except a default under a provision that cannot be modified without the consent of each holder of a Senior Note of such Series that would be affected.

Certain Terms and Conditions Applicable to Subordinated Notes

Unless otherwise stated in the applicable Pricing Supplement, the following terms will apply to each Series of Subordinated Notes.

Ranking

Unless otherwise stated in the applicable Pricing Supplement, each Subordinated Notes Indenture will provide that any Series of Subordinated Notes will constitute Subordinated Preferred Indebtedness (*obligaciones subordinadas preferentes*) and will rank (i) subordinated and junior to all of the Bank's present and future Senior Indebtedness, (ii) *pari passu* with all other present or future Subordinated Preferred Indebtedness and (iii) senior to Subordinated Non-Preferred Indebtedness (*obligaciones subordinadas no preferentes*) and all classes of the Bank's capital stock. No payment of principal, premium, if any, or interest on the Subordinated Notes may be made at any time when (1) any Senior Indebtedness is not paid when due and any applicable grace period with respect to such

default has ended and such default has not been cured or waived or ceased to exist, or (2) the maturity of any Senior Indebtedness has been accelerated because of a default.

In the event of the acceleration of the maturity of a Series of Subordinated Notes due to the Bank's insolvency or liquidation and upon any distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *liquidación, resolución, concurso mercantil* or similar proceedings in connection with the Bank's insolvency or bankruptcy, (1) all principal, premium, if any, and interest due or to become due on all Senior Indebtedness must be paid in full before the holders of Subordinated Preferred Indebtedness (including the Subordinated Notes) are entitled to receive or retain any payment in respect thereof, and (2) the holders of unsecured Subordinated Preferred Indebtedness (including the Subordinated Notes) will be entitled to receive *pari passu* among themselves any payment in respect thereof. The Subordinated Notes and all other Subordinated Preferred Indebtedness will be senior to the Bank's Subordinated Non-Preferred Indebtedness and all classes of its capital stock.

Unless otherwise stated in the applicable Pricing Supplement, each Subordinated Notes Indenture will provide that:

(a) The term "**Senior Indebtedness**" will mean all Indebtedness for Money Borrowed, whether outstanding on the date of issuance of such Subordinated Notes or thereafter created, assumed or incurred, unless the terms thereof specifically provide that it is not superior in right of payment and in liquidation to the Subordinated Preferred Indebtedness (including the Subordinated Notes) or Subordinated Non-Preferred Indebtedness, and any deferrals, renewals or extensions of such Senior Indebtedness;

(b) The term "**Subordinated Preferred Indebtedness**" (including the relevant Series of Subordinated Notes) will mean all Indebtedness for Money Borrowed, whether outstanding on the date of execution of such Subordinated Notes Indenture or thereafter created, assumed or incurred, which terms specifically provide that it is junior in right of payment and in liquidation to Senior Indebtedness, but is senior in right of payment and in liquidation to Subordinated Non-Preferred Indebtedness and all classes of the Bank's capital stock, and any deferrals, renewals or extensions of such Subordinated Preferred Indebtedness;

(c) The term "**Subordinated Non-Preferred Indebtedness**" will mean all Indebtedness for Money Borrowed, whether outstanding on the date of execution of the relevant Subordinated Notes Indenture or thereafter created, assumed or incurred, which terms specifically provide that it is junior in right of payment and in liquidation to Senior Indebtedness and Subordinated Preferred Indebtedness, but is senior in right of payment and in liquidation to all classes of the Bank's capital stock, and any deferrals, renewals or extensions of such Subordinated Non-Preferred Indebtedness; and

(d) The term "**Indebtedness for Money Borrowed**" will mean any obligation of, or any obligation guaranteed by the Bank (to the extent permitted under applicable law) for the repayment of borrowed money, whether or not evidenced by notes, debentures or other written instruments, but shall not include (i) any trade accounts payable in the ordinary course of business, (ii) any such indebtedness that by its terms ranks junior in right of payment and in liquidation to Subordinated Non-Preferred Indebtedness, (iii) indebtedness to any of the Bank's employees, (iv) the Bank's indebtedness which, when incurred, was without recourse to it, and (v) any other indebtedness that would otherwise qualify as Indebtedness for Money Borrowed to the extent that such indebtedness, by its terms, ranks *pari passu* with or junior in right of payment and in liquidation to any of the indebtedness described in clause (a) or (b) above.

Treatment of Interest and Principal During a Suspension Period

Deferral of Interest and Principal Payments

The Issuer has the right to and will defer, but not cancel (except pursuant to one or more Write-Downs), the payment of interest due on each Series of Subordinated Notes and defer, but not cancel (except pursuant to one or more Write-Downs), the payment of principal thereof for the duration of any Suspension Period (see "—Suspension Periods"). In the event of a deferral of the payment of interest on a Series of Subordinated Notes or deferral of payment of principal thereof, the Issuer will notify the holders of such Series of Subordinated Notes and the Trustee in

accordance with the procedures described in the applicable Subordinated Notes Indenture. Payments of interest due on each Series of Subordinated Notes will be cumulative, so that if payments of interest are deferred during a Suspension Period and subject to the occurrence of one or more Write-Downs, holders of such Series of Subordinated Notes will have the right to receive following the termination of the Suspension Period all interest accrued prior to and during the Suspension Period, but not paid as a result of such Suspension Period, and such interest will be payable (without any interest on such previously accrued interest) on the next succeeding Interest Payment Date on which a Suspension Period is no longer in effect, unless such Interest Payment Date occurs on a date that is less than 12 Business Days after such Suspension Period ends, in which case any and all interest then payable shall be paid on the date that is 12 Business Days after the date on which such Suspension Period ends, except to the extent such interest is cancelled pursuant to one or more Write-Downs. If a Suspension Period is in effect on the Maturity Date or any redemption date or the Maturity Date or such redemption date is on a date that is less than 12 Business Days after a Suspension Period ends, payment of principal will be deferred with interest until the date that is twelve Business Days after the date on which such Suspension Period ends, except to the extent such principal is cancelled pursuant to one or more Write-Downs. When a Suspension Period is no longer in effect, the Issuer will notify the holders of the applicable Series of Subordinated Notes and the Trustee in accordance with the procedures described in the relevant Subordinated Notes Indenture. If a Write-Down occurs, the Written-Down Principal, and any interest accrued with respect thereto during any Suspension Period, will be cancelled. The deferral of interest in accordance with the procedures set forth in this paragraph will not constitute an event of default under the Subordinated Notes Indenture.

Suspension Periods

For purposes hereof, a "**Suspension Period**" will commence and the Issuer will defer, but not cancel (except pursuant to one or more Write-Downs), the payment of interest due on any Subordinated Note and principal due thereon upon the occurrence of one of the following events:

(a) any of the following Capital Ratios applicable to the Bank declines below the minimum percentage required, from time to time, by the Mexican Capitalization Requirements, which, as of the date of this Offering Memorandum, unless otherwise set forth in any supplement hereto, are: (i) 8% in the case of the Total Net Capital (*capital neto*) or (ii) 6% in the case of Tier 1 Capital (*capital básico*), *plus*, in each case, any other applicable Capital Supplement (a "**Capital Ratios Event**"); or

(b) the CNBV institutes any corrective measure against the Bank pursuant to either Article 121 or Article 122 of the Mexican Banking Law or any successor provisions (including the corresponding rules set forth under the General Rules Applicable to Mexican Banks), which requires deferring or canceling payments of interest and principal otherwise due on the Notes if the Bank is classified as Class III or IV (or equivalent classification under successor provisions) under the Mexican Capitalization Requirements (a "**Mexican Regulatory Event**").

"**Capital Conservation Buffer**" means the capital supplement required to be equivalent to 2.5% of a Mexican bank's total risk-weighted assets, pursuant to Section III(a) of Article 2 Bis 5 of the General Rules Applicable to Mexican Banks.

"**Capital Supplement**" refers to the Countercyclical Capital Supplement and the Systemically Important Bank Capital Supplement, together with any other additional capital supplement that may be required to be maintained and comprised of Fundamental Capital pursuant to the Mexican Capitalization Requirements.

"**Countercyclical Capital Supplement**" means an additional capital supplement that the CNBV has the authority to require from any and all Mexican banks, designated to cover adverse economic cycles, if the aggregate financing received by the Mexican private sector grows at a higher level as compared to the level of growth of the Mexican economy.

"**Systemically Important Bank Capital Supplement**" means an additional capital supplement, as determined from time to time, that the CNBV requires of Mexican banks that are determined by the CNBV to be of systemic importance, in light of the impact that their default may cause to the Mexican financial system, the Mexican payment system or the Mexican economy.

See "Supervision and Regulation—Capitalization" for further information regarding the General Rules Applicable to Mexican Banks and how they apply to us.

Conclusion of a Suspension Period

Subject to the occurrence of one or more Write-Downs, a Suspension Period in respect of a Series of Subordinated Notes shall terminate and the payment of interest or principal due on such Series of Subordinated Notes will resume:

(a) if such Suspension Period was triggered by a Capital Ratios Event, when the Capital Ratios Event has terminated; or

(b) if such Suspension Period was triggered by a Mexican Regulatory Event, when the Mexican Regulatory Event has terminated.

Further Provisions for Suspension Periods

Notwithstanding anything in this Offering Memorandum to the contrary, neither the occurrence nor continuation of a Suspension Period shall give rise to any Subordinated Notes Event of Default under the relevant Subordinated Notes Indenture or the Subordinated Notes.

The Issuer must give notice of any Suspension Period affecting a Series of Subordinated Notes to the holders of such Series via the applicable clearing system and to the Trustee in writing at least five Business Days prior to the earlier of (1) the date the interest due on the Subordinated Notes would have been payable except for such Suspension Period and (2) the date the Trustee is required to give notice to any securities exchange or to holders of the Subordinated Notes of the Regular Record Date or the date such interest is payable but in any event not less than five Business Days prior to such Regular Record Date. The Issuer must also give notice of the termination of any Suspension Period to the holders of the Subordinated Notes via the applicable clearing system and to the Trustee in writing not more than three Business Days after the Suspension Period is no longer in effect. In the absence of written notice to the contrary, the Trustee will assume that the Suspension Period in respect of a particular Series of Subordinated Notes is in effect.

Unless all payable accrued interest and any Additional Amounts on the Subordinated Notes have been paid or been cancelled pursuant to one or more Write-Downs, at any time during any Suspension Period, and following termination of such Suspension Period, the Bank shall not:

(a) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Bank's capital stock (which includes common and preferred stock);

(b) make any payment of premium, if any, or interest on or repay, repurchase or redeem any of the Bank's debt securities that rank *pari passu* with or junior in right of payment and in liquidation to the Subordinated Notes;

(c) to the extent any such guaranty is permitted under applicable law, make any guaranty payments with respect to any guaranty by the Bank of the debt securities of any of the Bank's subsidiaries if such guaranty ranks *pari passu* with or junior in right of payment and in liquidation to the Subordinated Notes; or

(d) take any other action in violation of any other order by the CNBV, *Banco de México*, the SHCP or any other relevant Mexican authority;

provided, *however*, that the foregoing shall not apply to the extent that the Bank obtains prior regulatory approval for any action that would otherwise be prohibited.

Trigger Event and Write-Down

Trigger Event

A "**Trigger Event**," with respect to a Series of Subordinated Notes, will be deemed to have occurred if:

(a) the CNBV publishes a determination, in its official publication of capitalization levels for Mexican banks, that the Bank's Fundamental Capital ratio, as calculated pursuant to the applicable Mexican Capitalization Requirements, is equal to or below 4.5%;

(b) (A) both (i) the CNBV has notified the Bank that it has made a determination, pursuant to Articles 28 and 29 Bis of the Mexican Banking Law, that a cause for revocation of its license has occurred

resulting from (x) the Bank's assets being insufficient to satisfy its liabilities, (y) the Bank's non-compliance with corrective measures imposed by the CNBV pursuant to the Mexican Banking Law or (z) the Bank's non-compliance with the capitalization requirements set forth in the Mexican Capitalization Requirements and (ii) the Bank has not cured such cause for revocation by (a) complying with such corrective measures, or (b)(1) submitting a capital restoration plan to, and receiving approval of such plan by, the CNBV, (2) not being classified in Class III, IV or V and (3) transferring at least 75% of the Bank's shares to an irrevocable trust or (B) remedying any capital deficiency, in each case on or before the third or seventh business day in Mexico, as applicable, following the date on which the CNBV notifies the Bank of such determination; or

(c) the BSC (as defined in "Supervision and Regulation—Financial Support—Determination by the Banking Stability Committee") determines pursuant to Article 29 Bis 6 of the Mexican Banking Law that, under Article 148, Section II, paragraphs (a) and (b) of the Mexican Banking Law, financial assistance is required by the Bank to avoid revocation of its license because the Bank's assets are insufficient to satisfy its liabilities, or the Bank's failure to comply with corrective measures, to comply with capitalization requirements, or to satisfy certain liabilities when due, as a means to maintain the solvency of the Mexican financial system or to avoid risks affecting the Mexican payments system and such determination is either made public or notified to the Bank (for the avoidance of doubt, pursuant to Annex 1-S of the General Rules Applicable to Mexican Banks, a Trigger Event shall occur if financial assistance or other loans shall be granted to the Bank pursuant to Article 148, Section II, paragraphs (a) and (b) of the Mexican Banking Law).

Write-Down

If a Trigger Event occurs with respect to any Series of Subordinated Notes, the following write-downs (each, a "**Write-Down**") of such Series of Subordinated Notes shall be deemed to have occurred on the Write-Down Date (as defined below), automatically and without any additional action by the Bank, the Trustee or the holders of such Subordinated Notes:

(a) the then-outstanding principal amount of such Subordinated Notes will automatically be reduced by one or more Write-Downs by each applicable Write-Down Amount (as defined below) and such Write-Down shall not constitute a Subordinated Notes Event of Default; and

(b) any holder of Subordinated Notes will automatically be deemed to have irrevocably waived its right to claim or receive, and will not have any rights against the Bank or the Trustee with respect to, repayment of, the Written-Down Principal of the Subordinated Notes or any interest with respect thereto (or Additional Amounts payable in connection therewith), including any and all accrued and unpaid interest with respect to such Written-Down Principal as of the Write-Down Date, irrespective of whether such amounts have become due and payable prior to the date on which the Trigger Event shall have occurred.

The Issuer shall provide notice to holders via the applicable clearing system as well as written notice to the Trustee (a "**Write-Down Notice**") that a Trigger Event has occurred not later than the next Business Day succeeding such Trigger Event. Any Write-Down Notice to the Trustee must be in writing and accompanied by an officer's certificate of the Issuer stating that a Trigger Event has occurred and setting out the method of calculation of the relevant Write-Down Amount.

"**Write-Down Amount**" means an (i) amount of the then-outstanding principal amount of the relevant Series of Subordinated Notes that would be sufficient, together with any concurrent pro rata Write-Down of any other loss-absorbing instruments issued by the Bank and then outstanding, to return its Fundamental Capital ratio to the levels of then-applicable Fundamental Capital ratio required by the CNBV in accordance with Section IX, b) of Annex 1-S of the General Rules Applicable to Mexican Banks or any successor regulation, which as of the date of this Offering Memorandum is, including the Capital Conservation Buffer, 7% plus the amount required to restore any Countercyclical Capital Supplement and any Systemically Important Bank Capital Supplement to the minimum amounts required under the Mexican Capitalization Requirements on such Write-Down Date; or (ii) if any Write-Down of the then-outstanding principal amount, together with any concurrent pro rata write down of any other loss-absorbing instruments issued by the Bank and then outstanding, would be insufficient to return the Bank's Fundamental Capital ratio to the aforementioned amount described in clause (i) above, then the amount necessary to reduce the then-outstanding principal amount of each outstanding Note to zero.

"**Write-Down Date**" means the date on which a Write-Down will be deemed to take effect, which shall be the next Business Day succeeding the date of the Trigger Event.

"**Written-Down Principal**" means the amount by which the principal of any Subordinated Notes has been written down by any one or more Write-Downs.

As required under the Mexican Capitalization Requirements, a full Write-Down (whereby the principal amount of the Subordinated Notes has been written down to zero) shall be completed before any public funds are contributed or any public assistance is provided to the Bank in the terms of Article 148, Section II, subsections a) and b) of the Mexican Banking Law, including, among others, in the form of (i) subscription of shares, (ii) granting of loans, (iii) payment of the Bank's liabilities, (iv) granting of guaranties and (v) the transfer of assets and liabilities.

Events of Default, Notice and Waiver

Unless otherwise specified in the applicable Pricing Supplement under "Additional Events of Default," an event of default with respect to a Series of Subordinated Notes (each, a "**Subordinated Notes Event of Default**" and, together with each Senior Notes Event of Default, an "**Event of Default**") will be defined in the applicable Subordinated Notes Indenture as:

(a) the Issuer's default in the payment of interest or Additional Amounts due and payable in respect of the applicable Series of Subordinated Notes, unless such payment of interest is deferred as a result of a Suspension Period, and such default continues for a period of 30 calendar days;

(b) the Issuer's default in the timely payment of the principal of the applicable Series of the Subordinated Notes, unless such payment of principal is deferred as a result of a Suspension Period, as applicable under the relevant Subordinated Notes Indenture, when the same shall become due and payable, other than during a Suspension Period;

(c) a payment by the Bank, during a Suspension Period, of dividends or other distributions in respect of its capital stock; or

(d) certain events involving the Bank's liquidation (including *liquidación* or *resolución*) or dissolution.

For the avoidance of doubt, the occurrence of any the following shall not constitute a Subordinated Notes Event of Default: (i) one or more Write-Downs and (ii) in the case of SDG Notes, the net proceeds of such SDG Notes not being used, any report, assessment, opinion or certification not being obtained or published, or any other step or action not being taken, in each case as set out and described in the "Use of Proceeds" section of this Offering Memorandum, as so supplemented, in connection with the offering of such SDG Notes.

The payment of the principal of the Subordinated Notes or interest accrued and unpaid thereon may be accelerated only upon the occurrence of a Subordinated Notes Event of Default described in the paragraph (d) above, referred to as a "**Liquidation Event of Default**." There is no right of acceleration of the payment of principal or accrued and unpaid interest of the Subordinated Notes upon the occurrence of any other Subordinated Notes Event of Default noted above, including a default in the payment of principal or interest. If payment of the principal of the Subordinated Notes of any Series or accrued and unpaid interest is accelerated, the Issuer shall promptly notify holders of its Senior Indebtedness of the acceleration. If a Subordinated Notes Event of Default with respect to a Series of Subordinated Notes occurs under the relevant Subordinated Notes Indenture and is continuing, the Trustee may pursue any available remedy (excluding acceleration, except as provided above) under such Subordinated Notes Indenture to collect the payment of due and unpaid principal of and interest on the applicable Subordinated Notes, or to enforce the performance of any provision of the applicable Subordinated Notes and/or Subordinated Notes Indenture.

If and only if a Liquidation Event of Default occurs and is continuing, the Subordinated Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the Subordinated Notes. The Subordinated Notes will become immediately due and payable at their then-outstanding principal amount together with accrued and unpaid interest up to (but excluding) the date on which the Liquidation Event of Default occurs, without further action by any person. For the avoidance of doubt, no Capital Ratios Event or Mexican Regulatory Event will constitute a Liquidation Event of Default, nor during a Suspension Period in respect of the Subordinated Notes will a deferral in the payment of interest or principal on the Subordinated Notes, as applicable, entitle the holders of the Subordinated Notes to accelerate the payment of principal or accrued and unpaid interest of the Subordinated Notes. In the event of a Liquidation Event of Default, holders of the Subordinated Notes may not be able to collect the full amount payable under the Subordinated Notes and other bankruptcy rules may affect

the timing or amount paid to holders of the Subordinated Notes. In addition, holders of the Subordinated Notes may have no enforcement remedies for a Subordinated Notes Event of Default upon the occurrence of a Trigger Event and resulting Write-Down. See "Risk Factors—Risks Relating to the Notes—If we do not satisfy our obligations under the Subordinated Notes, whether due to a Write-Down or otherwise, your remedies will be limited."

Holders of Subordinated Notes may not enforce the relevant Subordinated Notes Indenture or the Subordinated Notes except as provided in the applicable Subordinated Notes Indenture. The holder of any Subordinated Note, however, will have the right to receive payment of the principal of and interest on that Subordinated Note on or after the due dates, redemption dates or Maturity Date expressed in the relevant Subordinated Notes Indenture or such Subordinated Note and, subject to one or more Write-Downs and the deferral provisions set forth in the Subordinated Note and the relevant Subordinated Notes Indenture and certain other limitations and conditions, to institute a lawsuit for the enforcement of any such payment on or after such respective dates. The Trustee may refuse to enforce any of the provisions of a Subordinated Notes Indenture or the Subordinated Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, holders of a majority in principal amount of the outstanding Subordinated Notes of a Series may direct the Trustee under the relevant Subordinated Notes Indenture in its exercise of any trust or power in respect thereof.

Under the Subordinated Notes Indentures, the Bank must furnish the Trustee annually with a statement regarding any default in the performance of the Bank's obligations thereunder.

Modification of a Subordinated Notes Indenture; Waiver of Covenants

Subject to authorization by *Banco de México*, the Bank and the Trustee may, without the consent of any holder of Subordinated Notes of a Series, amend, waive or supplement the relevant Subordinated Notes Indenture or the Subordinated Notes of such Series in certain circumstances, including, among other things, to cure any ambiguity, omission, defect or inconsistency, to conform the text of the relevant Subordinated Notes Indenture or the Subordinated Notes of such Series to any provision in this "Description of the Notes" or the applicable Pricing Supplement distributed to holders of Notes of such Series and to make any change that does not adversely affect the rights of any relevant holder in any material respect. In addition, subject to authorization by *Banco de México* and the approval by 75% of the members of the Bank's Board of Directors, the Bank and the Trustee may amend, waive or supplement the relevant Subordinated Notes Indenture or the Subordinated Notes of a Series with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Subordinated Notes of such Series. However, without the consent of the holder of each Subordinated Note of a Series affected thereby, the Bank may not, among other things:

(a) reduce the percentage in principal amount of outstanding Subordinated Notes of such Series that is required for the consent of the holders in order to modify or amend the relevant Subordinated Notes Indenture;

(b) reduce the rate of or change or have the effect of changing the time for payment of interest, including amount in arrears, on any Subordinated Notes of the applicable Series or change in any adverse respect the obligation of the Bank to pay Additional Amounts in respect of the Notes of the applicable Series;

(c) reduce the principal (except in the case of one or more Write-Downs), or change or have the effect of changing the Maturity Date, of any Subordinated Notes of such Series, or change the date on which any Subordinated Notes of the applicable Series may be subject to redemption, or reduce the redemption price therefor;

(d) change the currency of payment of principal or interest on any Subordinated Note of such Series;

(e) modify any other payment provision of any Subordinated Note of such Series;

(f) make any change to the provisions of the relevant Subordinated Notes Indenture entitling each holder to receive payment of principal of and interest on a Subordinated Note of such Series on or after the due date thereof or that impairs the right to sue for the enforcement of any payment on or with respect to any Subordinated Note of such Series; or

(g) modify the subordination provisions relating to the Subordinated Notes in any manner adverse to the holders of the Subordinated Notes of such Series.

The holders of a majority in aggregate principal amount of the outstanding Subordinated Notes of a Series may waive any past default or Subordinated Notes Event of Default under the relevant Subordinated Notes Indenture, except that a default under a provision that cannot be modified without the consent of each holder of a Subordinated Note of such Series that would be affected.

Notwithstanding the foregoing, a Subordinated Notes Indenture may not be amended, supplemented or modified without the approval of *Banco de México* and the CNBV.

Restrictions Applicable to Mexican Financial Institutions

Unless otherwise permitted by applicable law, each Subordinated Notes Indenture will provide that the Subordinated Notes (i) may not constitute collateral granted in favor of Mexican credit institutions (*instituciones de crédito*), including the Bank, and (ii) may not be directly or indirectly acquired by the Bank for its own account by any person controlled by the Bank, or by any of the following entities:

(a) Mexican financial entities (*entidades financieras*) of any kind that acquire the Subordinated Notes for their own accounts except for (1) investment funds authorized to invest in subordinated instruments, (2) securities brokers (*casas de bolsa)* that acquire the Subordinated Notes for placement with investors, and (3) insurance companies (*instituciones y sociedades mutualistas de seguros*) and bonding companies (*instituciones de fianzas*) to the extent they acquire the Subordinated Notes to invest their technical reserves and for securities fluctuation, (4) the holding company of the financial group to which the Bank belongs, in terms of the Mexican Financial Groups Law, and (5) the Bank, in the event set forth in Section II of the first paragraph of Article 28 of the Bulletin 3/2012; *provided*, *however*, that the exceptions referred to in (1), (2) and (3) of this paragraph shall not apply to (x) investment companies in which the Bank or any other entity that forms part of its financial group (*grupo financiero*) holds, directly or indirectly, the majority of its fixed capital and (y) financial entities that form part of the Bank's financial group (*grupo financiero*);

(b) Mexican or non-Mexican entities with respect to which the Bank (1) owns voting stock representing at least 51% of their outstanding paid-in capital, (2) has control of the shareholders' meetings of such entity, as such term is defined in the Mexican Securities Market Law or (3) is in a position to appoint the majority of the members of such entity's board of directors;

(c) Mexican pension or retirement funds managed by the Bank or another entity that forms part of the Bank's financial group (*grupo financiero*);

(d) the Bank or another entity that forms part of its financial group (*grupo financiero*) acting in its capacity as trustee, representative, agent or attorney-in-fact if, by acting in such capacity, it has discretionary investment authority; *provided*, *however*, that any Mexican financial entity or Mexican pension or retirement fund that is not otherwise prevented from investing in the Subordinated Notes may acquire, together with any other such entity that is an affiliate or that forms part of the same financial group on a collective basis, up to 10% of the aggregate principal amount of the outstanding Notes; or

(e) related parties to the Bank, as defined in Article 73 of the Mexican Banking Law, except in the case that the respective notes are placed through:

(i) public offering; or

(ii) any other mechanism, different to a public offering, subject to the previous authorization of *Banco de México*, at the request of the Bank in which it states the convenience to carry out the aforementioned mechanism instead of the public offering, pursuant to the provisions of Article 27 of the Bulletin 3/2012.

Other Terms and Conditions Applicable to the Senior and Subordinated Notes

Redemption; Repurchases at the Bank's Option; Repurchases at the Holder's Option

The applicable Pricing Supplement will indicate either that:

(a) the Notes of any Series will not be subject to redemption at our option, prior to the Maturity Date of such Series of Notes; or

(b) the Notes of such Series will be redeemable prior to the Maturity Date at our option on a date(s) specified prior to the Maturity Date and at a price(s) and on other terms as are specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the redemption date for any Floating Rate Note will be an Interest Payment Date, and the Bank shall calculate the redemption price of any Notes.

Optional Redemption with a Make-Whole Amount or at Par

In addition to specifying whether the applicable Series of Notes may be redeemed as set forth under "—Redemption of Notes Prior to Maturity Solely for Taxation Reasons" below and, in the case of Subordinated Notes, "—Subordinated Notes Optional Redemption and Special Event Redemption of Subordinated Notes" below, each applicable Pricing Supplement will indicate either that the relevant Tranche of Notes of a Series cannot be redeemed prior to maturity or the terms on which such Notes will be redeemable at the option of the Issuer, including, without limitation, the price at which such Notes may be redeemed by the Issuer (the "**Optional Redemption Price**") and the relevant date upon which such Notes may be so redeemed (each such date, an "**Optional Redemption Date**"); *provided*, *however*, that Notes denominated in currencies other than U.S. dollars may be subject to different restrictions on redemption as set forth in the applicable Pricing Supplement relating to any such Notes.

If the applicable Pricing Supplement provides that "Make-Whole Redemption" is applicable, the Issuer may, at its option, redeem the relevant Series of Notes, in whole at any time and from time to time in part, prior to a date defined in the applicable Pricing Supplement (the "**Par Call Date**"), on giving not less than 10 nor more than 60 days' written notice, at an Optional Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Optional Redemption Date (assuming the Notes of such Series matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the basis points set forth in the applicable Pricing Supplement less (b) interest accrued to the Optional Redemption Date, and

(2) 100% of the principal amount of the Notes of such Series to be redeemed,

plus, in either case, accrued and unpaid interest and additional amounts, if any, on the principal amount of the Notes of such Series to be redeemed to, but excluding, the Optional Redemption Date.

In addition, on or after the Par Call Date, the Issuer may redeem the Notes of such Series, in whole at any time and from time to time in part, at an Optional Redemption Price equal to 100% of the principal amount of the Notes of such Series to be redeemed, plus accrued and unpaid interest and additional amounts, if any, on the principal amount of the Notes of such Series to be redeemed to, but excluding, the Optional Redemption Date.

Notice of redemption to holders of Notes in respect of optional redemption with a make-whole premium or at Par shall be provided as described under "Notices" below at least 10 and not more than 60 calendar days prior to the Optional Redemption Date.

Notwithstanding the foregoing, installments of interest on the Notes to be redeemed that are due and payable on or prior to an Optional Redemption Date will be payable to the holders of those Notes registered as such at the close of business on the relevant Regular Record Dates according to the terms and provisions of the applicable Indenture.

In connection with such optional redemption with a make-whole premium, the following defined terms apply:

"**Treasury Rate**" means, with respect to any Optional Redemption Date, the yield determined by us in accordance with the following two paragraphs.

The Treasury Rate shall be determined by us after 4:15 p.m. (New York City time) (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the relevant Optional Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("**H.15**") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading). In determining the Treasury Rate, the Issuer will select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Optional Redemption Date to the Par Call Date (the "**Remaining Life**"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 will be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Optional Redemption Date.

If on the third Business Day preceding the Optional Redemption Date H.15 (or any successor designation or publication) is no longer published, the Issuer will calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m. (New York City time) on the second Business Day preceding such Optional Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, we will select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer will select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m. (New York City time). In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m. (New York City time) of such United States Treasury security, and rounded to three decimal places.

On and after any Optional Redemption Date, interest will cease to accrue on the Notes called for redemption unless the Issuer defaults in the payment of the applicable Optional Redemption Price.

Redemption of Notes Prior to Maturity Solely for Taxation Reasons

If the applicable Pricing Supplement provides that "Tax Redemption" is applicable, the Issuer may, at its election, subject to applicable law, redeem a Series of Notes, in whole (up to the then-outstanding principal amount) but not in part, at any time prior to the Maturity Date (the "**Tax Redemption Date**"), upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes of such Series, at 100% of their par value, plus Additional Amounts, if any, together with all accrued to and unpaid interest due on (but excluding) the Tax Redemption Date, upon the occurrence of a Withholding Tax Event (as defined below) affecting the Notes of such Series (a "**Withholding Tax Redemption**").

For the purposes of the foregoing, the term "**Withholding Tax Event**" is defined in the Senior Notes Indenture and will be defined in the relevant Subordinated Notes Indenture to mean (i) the receipt by the Bank and the delivery to the applicable Trustee of an opinion of a nationally recognized law firm experienced in such matters to the effect that, as a result of (a) any amendment to, or change in (including any announced prospective change), the

laws or treaties (or any rules or regulations thereunder) of any Relevant Jurisdiction affecting taxation, (b) any judicial decision, official administrative pronouncement or regulatory procedure, of any Relevant Jurisdiction (each an "**Administrative Action**") or (c) any amendment to or change in the official position or the official interpretation of such Administrative Action that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body having appropriate jurisdiction, irrespective of the manner in which such amendment or change is made known, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of such Notes or with respect to any jurisdiction other than Mexico, after such jurisdiction has become a Relevant Jurisdiction (collectively, a "**Change in Tax Law**"), there is more than an insubstantial risk that the Bank is or will be liable for more than a *de minimis* payment of Additional Amounts in respect of such Notes in excess of the gross amount of Additional Amounts payable in respect of such Notes prior to such Change in Tax Law and (ii) the delivery to the applicable Trustee of an officer's certificate stating that the requirement to make such withholding or deduction cannot be avoided by taking reasonable measures available to the Bank (such measures not involving any material cost to the Bank or the incurring by the Bank of any other tax or penalty).

Prior to giving any notice of a "Tax Redemption" pursuant to this provision, we will deliver to the Trustee the opinion required pursuant to clause (i) and the officer's certificate required pursuant to clause (ii) of the definition of "Withholding Tax Event."

Notice of redemption pursuant to this provision, after it is delivered by us to the holders, will be irrevocable.

If the Issuer elects to effect a Withholding Tax Redemption with respect to the Subordinated Notes of any Series, (i) the Bank shall be in compliance with applicable Mexican Capitalization Requirements in effect on the applicable Tax Redemption Date; (ii) after giving effect to the redemption, the Bank maintains each of its Capital Ratios equal to, or exceeding, the then-applicable capital ratios required by the CNBV in accordance with Section IV, c), 1 of Annex 1-S of the General Rules Applicable to Mexican Banks or any successor regulation, which, as of the date of this Offering Memorandum, unless otherwise set forth in any supplement hereto, are (x) 10.5% in the case of the Total Net Capital (*capital neto*), which includes the Capital Conservation Buffer, (y) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (z) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, *plus*, in each case, any other applicable Capital Supplement, or the Bank issues securities that replace the Subordinated Notes such that the Bank remains in compliance with the Mexican Capitalization Requirements; and (iii) the Bank has obtained the authorization from *Banco de México* to redeem the Subordinated Notes prior to the applicable Tax Redemption Date, as evidenced by an officer's certificate delivered to the Trustee prior to delivery of the redemption notice to the holders; *provided*, *however*, that if at any time a Trigger Event shall have occurred, or a Suspension Period shall have commenced and not terminated, then the Issuer shall have no obligation to redeem any Subordinated Notes called for Withholding Tax Redemption.

In the event of such a Withholding Tax Redemption for Subordinated Notes, the Bank is required to obtain the authorization of *Banco de México* to redeem the Subordinated Notes prior to the applicable Tax Redemption Date. The Bank's obligation to obtain *Banco de México's* authorization to redeem the Subordinated Notes shall not grant any rights to the Trustee or the holders of the Subordinated Notes to have the Subordinated Notes redeemed, even if such authorization is obtained.

Subordinated Notes Optional Redemption and Special Event Redemption of Subordinated Notes

If, and to the extent, specified in the applicable Pricing Supplement, Subordinated Notes Optional Redemption and Special Event Redemption (each, defined below) apply to each Series of Subordinated Notes. Neither redemption feature applies to any Series of Senior Notes.

Subordinated Notes Optional Redemption

If the applicable Pricing Supplement provides that "Subordinated Notes Optional Redemption" is applicable, the Issuer will have the option, but no obligation, under the relevant Subordinated Notes Indenture to redeem the applicable Series of Subordinated Notes on the applicable optional call date only, in whole (up to the then-outstanding principal amount) or in part, at par plus accrued and unpaid interest due on, or with respect to, such Series of Subordinated Notes, plus Additional Amounts, if any, up to, but excluding, the date of redemption (a "**Subordinated Notes Optional Redemption**") (subject to the right of holders on the relevant Regular Record Date to receive interest due on the related Interest Payment Date occurring on or prior to the applicable redemption date).

The Issuer may redeem the Subordinated Notes pursuant to a Subordinated Notes Optional Redemption only if (i) the Bank is then in compliance with the applicable Mexican Capitalization Requirements in effect on the applicable redemption date; (ii) after giving effect to the Subordinated Notes Optional Redemption, the Bank maintains each of its Capital Ratios equal to, or exceeding, the then-applicable capital ratios required by the CNBV in accordance with Section IV, c), 1 of Annex 1-S of the General Rules Applicable to Mexican Banks or any successor regulation, which, as of the date of this Offering Memorandum, unless otherwise set forth in any supplement hereto, are (x) 10.5% in the case of the Total Net Capital (*capital neto*), which includes the Capital Conservation Buffer, (y) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (z) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, *plus*, in each case, any other applicable Capital Supplement, or the Bank issues securities that replace the Subordinated Notes such that the Bank remains in compliance with the Mexican Capitalization Requirements; and (iii) the Bank has obtained the authorization from *Banco de México* to redeem the Subordinated Notes prior to the applicable redemption date, as evidenced by an officer's certificate delivered to the Trustee prior to delivery of the redemption notice to the holders; *provided*, *however*, that if at any time a Trigger Event shall have occurred, or a Suspension Period shall have commenced and not terminated, then the Issuer shall have no obligation to redeem any Subordinated Notes called for Subordinated Notes Optional Redemption.

In the event of such a Subordinated Notes Optional Redemption, the Bank is required to obtain the authorization of *Banco de México* to redeem the applicable Series of Subordinated Notes prior to the applicable redemption date. The Bank's obligation to obtain *Banco de México*'s authorization to redeem the applicable Series of Subordinated Notes shall not grant any rights to the Trustee or the holders of such Series of Subordinated Notes to have the Subordinated Notes redeemed, even if such authorization is obtained.

Special Event Redemption

If the applicable Pricing Supplement provides that "Special Event Redemption" is applicable, the Issuer has the option, but no obligation, to redeem the applicable Series of Subordinated Notes at any time prior to the Maturity Date, subject to any applicable regulatory requirements, in whole (up to the then-outstanding principal amount) but not in part, at par plus accrued and unpaid interest due on, or with respect to, the applicable Series of Subordinated Notes, plus Additional Amounts, if any, up to, but excluding, the date of redemption, upon the occurrence of a Special Event (as defined below) affecting the Subordinated Notes (a "**Special Event Redemption**") (subject to the right of holders on the relevant Regular Record Date to receive interest due on the related Interest Payment Date occurring on or prior to the applicable redemption date); *provided*, *however*, in the event of such a Special Event Redemption with respect to such Series of Subordinated Notes, (i) the Bank shall be in compliance with applicable Mexican Capitalization Requirements in effect on the applicable redemption date; (ii) after giving effect to the redemption, the Bank maintains each of its Capital Ratios equal to, or exceeding, the then-applicable capital ratios required by the CNBV in accordance with Section IV, c), 1 of Annex 1-S of the General Rules Applicable to Mexican Banks or any successor regulation, which, as of the date of this Offering Memorandum, unless otherwise set forth in any supplement hereto, are (x) 10.5% in the case of the Total Net Capital (*capital neto*), which includes the Capital Conservation Buffer, (y) 8.5% in the case of Tier 1 Capital (*capital básico*), which includes the Capital Conservation Buffer, and (z) 7% in the case of Fundamental Capital (*capital básico fundamental*), which includes the Capital Conservation Buffer, *plus*, in each case, any other applicable Capital Supplement, or the Bank issues securities that replace the Subordinated Notes such that the Bank remains in compliance with the Mexican Capitalization Requirements; and (iii) the Bank has obtained the authorization from *Banco de México* to redeem the Subordinated Notes prior to the applicable redemption date; *provided*, *however*, that if at any time a Trigger Event shall have occurred, or a Suspension Period shall have commenced and not terminated, then the Issuer shall have no obligation to redeem any Subordinated Notes called for Special Event Redemption.

In the event of such a Special Event Redemption, the Bank is required to obtain the authorization of *Banco de México* to redeem the applicable Series of Subordinated Notes prior to the applicable redemption date. The Bank's obligation to obtain *Banco de México's* authorization to redeem such Series of Subordinated Notes shall not grant any rights to the Trustee or the holders of the applicable Series of Subordinated Notes to have such Series of Subordinated Notes redeemed, even if such authorization is obtained.

Unless otherwise stated in the applicable Pricing Supplement, each Subordinated Notes Indenture will provide that:

(a) the term "**Special Event**" in respect of the Subordinated Notes will mean a Capital Event or a Tax Event (both as defined below);

(b) the term "**Capital Event**" in respect of the Subordinated Notes will mean the reasonable determination by the Bank that, as a result of (a) the occurrence of any amendment to or change in the laws or any regulations thereunder of Mexico or (b) any official administrative pronouncement or judicial decision interpreting or applying these laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the Original Issue Date of such Subordinated Notes, there is more than an insubstantial risk that the Bank will not be entitled to treat the Subordinated Notes as Tier 2 Capital, or the then equivalent of Tier 2 Capital for purposes of the Rules for Capitalization and Mexican Capitalization Requirements, as then in effect and applicable to the Bank; and

(c) the term "**Tax Event**" in respect of the Subordinated Notes will mean the receipt by the Bank of an opinion of a nationally recognized law firm experienced in such matters to the effect that, as a result of a Change in Tax Law, there is more than an insubstantial risk that interest payable by the Bank on the Subordinated Notes is not or will not be deductible by the Bank in whole or in part for Mexican income tax purposes.

Repurchases at the Bank's Option

Except as specified in the applicable Pricing Supplement, the Bank and its affiliates may purchase Senior Notes at any price in the open market or otherwise, subject to obtaining any prior approval as may be required pursuant to applicable law or regulation. Any Senior Notes so purchased by the Bank and its affiliates may, at their discretion, be held or resold or surrendered to the Trustee for cancellation; *provided* that the Bank or its affiliates will only be permitted to resell the Senior Notes if the Senior Notes will be fungible with all of the outstanding Senior Notes of such Series for U.S. federal income tax purposes or if the sold Senior Notes have a separate CUSIP number.

Repayments at the Option of the Holders

If the applicable Pricing Supplement provides that "Investor Put" is applicable, the Notes of such Series will be subject to repayment at the option of the holders of such Notes under the terms of the Notes on their respective optional repayment dates, if any, as agreed upon by us and the relevant Dealer(s) at the time of sale and specified in the applicable Pricing Supplement. We will refer to these repayment dates as the "**holder's optional repayment date**." If no holder's optional repayment date is specified in the applicable Pricing Supplement, the Note will not be repayable at the option of the holder prior to maturity. On any holder's optional repayment date for a Note, the Note will be repayable in whole or in part at the option of the holder of the Note at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest on the Note payable to but excluding the date of repayment. For any Note to be repaid, the Note must be received, together with the form located on the Note entitled "Option to Elect Repayment" duly completed, by the Trustee at the address specified in the form (or at the place(s) of which we will from time to time notify the holders of the Notes) not more than 30 nor less than 15 days prior to the holder's optional repayment date, unless otherwise specified in the applicable Pricing Supplement.

Payment of Additional Amounts

All payments made by or on behalf of the Issuer in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of the government of Mexico, the United States, or any other jurisdiction through which payments are made (each, a "**Relevant Jurisdiction**") or any authority or agency therein or thereof having power to tax (collectively, "**Relevant Tax**") unless the withholding or deduction of such Relevant Tax is required by law or by the interpretation or administration thereof. If the Issuer is so required by law or by the interpretation or administration thereof to withhold or deduct any amount for or on account of Relevant Taxes imposed by a Relevant Jurisdiction from any payment made under or with respect to the Notes, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amounts received by the holders or beneficial owners of the Notes or their nominees after such withholding or deduction will equal the amount which would have been received in respect of the Notes in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable to a holder (or beneficial owner or nominee) to the extent that such Relevant Tax:

(a) is imposed only by virtue of such holder (or beneficial owner) having some connection with the Relevant Jurisdiction, other than being a holder (or beneficial owner) of the Notes or, receiving payments, of any nature, on the Notes or enforcing rights under the Notes, including such holder or beneficial owner being or having been a citizen, national, domiciliary or resident of such Relevant

Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein; or

(b) is imposed only by virtue of such holder (or beneficial owner) or any other person having failed to timely comply with any certification, identification, information or other reporting requirement that is required or imposed by a statute, treaty, regulation, general rule or generalized administrative practice that is publicly available as a precondition to exemption from, or reduction in the rate of, any Relevant Tax imposed by a jurisdiction other than the United States; *provided* that at least 30 days prior to (i) the first payment date with respect to which the Issuer applies this clause (b) and (ii) in the event of a change in such certification, identification, information, documentation or other reporting requirement, the first payment date subsequent to such change, the Issuer has or its agent has notified the holders in writing that the holders or beneficial owners of Notes will be required to provide such certification, identification, information or documentation; or

(c) is imposed only by virtue of such holder (or beneficial owner) not having presented the Notes (where presentation is required) for payment within 30 days after the date on which such payment becomes due and payable or the date on which such payment thereof is duly provided for, whichever occurs earlier, except to the extent such holder would be entitled to Additional Amounts had the Notes been surrendered during such 30-day period; or

(d) is imposed only by virtue of such holder or beneficial owner (or any financial institution through which the holder or beneficial owner holds any Notes through which payment on such Notes are made) having failed to comply with any certification, information, identification, documentation or other reporting requirement (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code as in effect on the Original Issue Date or any successor or amended version of these provisions that is substantially comparable and not materially more onerous to comply with; or

(e) in the event that the holder is a fiduciary, a partnership or any person other than the sole beneficial owner of such payment, would not have been imposed had the beneficiary or settlor with respect to such fiduciary, member of such partnership or beneficial owner of such payment been the actual holder of the Note; or

(f) is an estate, inheritance, gift, sale, transfer, excise, personal property or similar tax or assessment; or

(g) is imposed only by virtue of the presentation of the Note for payment in the Relevant Jurisdiction, unless such Note could not have been presented to a paying agent for payment elsewhere; or

(h) any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the Notes; or

(i) is imposed as a result of any combination of (a) through (h) above.

In the event that the Issuer is so required by law or by regulation or governmental policy having the force of law or by the interpretation or administration thereof to withhold or deduct any amount for or on account of Relevant Taxes imposed by a Relevant Jurisdiction from any payment made under or with respect to the Notes, the Issuer will also (1) make such withholding or deduction and (2) remit the full amount withheld or deducted to the relevant taxing authority in the Relevant Jurisdiction in accordance with applicable law.

The Issuer will furnish to the Trustee, within 30 Business Days after the date of payment of any such taxes or the receipt of any credit or refund in respect to such taxes, an officer's certificate and other documentation acceptable to the Trustee, including certified copies of returns, evidencing such payment (or credit or refund received) by the Issuer. Upon written request made by the holders to the Trustee, the Trustee will provide copies of such officer's certificate or other documentation, as the case may be, to the holders.

To give effect to the foregoing, the Issuer will, upon the written request of any holder or beneficial owner, indemnify and hold harmless and reimburse the holder or beneficial owner for the amount of any Relevant Taxes (other than any Relevant Taxes for which the holder or beneficial owner would not have been entitled to receive Additional Amounts pursuant to any of the conditions described in this section "Payment of Additional Amounts") so imposed on, and paid by, such holder or beneficial owner as a result of any payment of principal or interest on the

Notes, so that the net amount received by such holder or beneficial owner after such reimbursement will not be less than the net amount the holder or beneficial owner would have received if such Relevant Tax had not been imposed or levied and so paid. Holders and beneficial owners will be obligated to provide reasonable documentation in connection with the foregoing.

The Issuer will also pay any stamp, administrative, court, documentary, excise or similar taxes arising in a Relevant Jurisdiction in connection with the Notes and will indemnify the holders and beneficial owners for any such taxes paid by holders or beneficial owners.

Unless the context requires otherwise, all references to principal or interest payable on the Notes shall be deemed to include any Additional Amounts payable by the Issuer under the Notes or the relevant Indenture and as set forth in the first paragraph of this section and in paragraphs (a) through (h) above. The foregoing obligations shall survive any termination, defeasance or discharge of the Notes and the relevant Indenture.

If the Issuer shall at any time be required to pay Additional Amounts to holders or beneficial owners pursuant to the terms of the Notes and the relevant Indenture, the Issuer will use its reasonable efforts to obtain an exemption from the payment of the Relevant Tax that has resulted in the requirement that the Issuer pay such Additional Amounts.

In the event that Additional Amounts actually paid with respect to the Notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder or beneficial owner of the Notes, and as a result thereof such holder or beneficial owner is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, such holder or beneficial owner shall, by accepting the Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the holder or beneficial owner makes no representation or warranty that the Issuer will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto. The Issuer will inform such holder or beneficial owner of the refund or credit within 30 Business Days of the Bank's determination that it is entitled to receive such refund or credit.

Covenants

We have agreed to restrictions on our activities for the benefit of holders of each Series of Notes. The following restrictions will apply separately to each Series of Senior Notes and Subordinated Notes:

Consolidation, Merger, Sale or Transfer of Assets

We may not, without the consent of holders of at least 66⅔% in aggregate principal amount of the outstanding Notes of each Series, consolidate with or merge into, or convey or transfer, in one transaction or a series of transactions, all or substantially all of its properties, deposits, assets and liabilities to any person, unless:

(a) the resulting entity, if other than us, is a bank organized and existing under the law of Mexico and, by execution of a supplemental indenture delivered to the Trustee, assumes all of our obligations to:

  (i) pay the principal of, and interest on, such Notes; and

  (ii) perform and observe all of its other obligations under the relevant Indenture; and

(b) we are, or any successor entity is, as the case may be, not, immediately after any such transaction, in default under the relevant Indenture, and no event which, after notice or lapse of time or both would become an event of default under the relevant Indenture, has happened and is continuing; and

(c) we shall have delivered to the Trustee an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance or transfer and, if required, such supplemental indenture comply with the foregoing provisions relating to such transaction and all conditions precedent in the relevant Indenture and the execution of such supplemental indenture, if required, relating to such a transaction have been complied with.

In case of any such consolidation, merger, conveyance or transfer, such successor corporation will succeed to and be substituted for the Issuer as obligations by any such successor corporation in such circumstances subject to certain exceptions, the Issuer will be discharged from all obligations under the Notes and the relevant Indenture.

Rule 144A Information

For so long as any of the Notes of a Series remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Bank shall furnish, upon the request of any holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such holder or (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is reasonably believed to be a qualified institutional buyer designated by such holder, in each case in order to permit compliance by such holder with Rule 144A in connection with the resale of such Notes (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language.

Periodic Reports

So long as the Notes of a Series are outstanding, the Bank will furnish to the Trustee, who will in turn furnish to the holders of such Notes of such Series upon written request:

(a) Within 120 days following the end of each of its fiscal years, (i) its consolidated audited income statements, balance sheets and cash flow statements and the related notes thereto for the two most recent fiscal years in accordance with Mexican Banking GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X as promulgated by the U.S. Securities and Exchange Commission (the "**SEC**"), together with an audit report thereon by the Bank's independent auditors, (ii) the English version of the Bank's annual financial statements and (iii) the Bank's annual financial information included in the English version of its annual report as provided to its shareholders, and

(b) Within 60 days following the end of the first three fiscal quarters in each of the Bank's fiscal years, (i) quarterly reports containing unaudited balance sheets, statements of income, statements of shareholders equity and statements of cash flows and the related Notes thereto for the Bank and its consolidated subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with Mexican Banking GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X as promulgated by the SEC and (ii) the Bank's quarterly financial information included in the English version of its quarterly report as provided to its shareholders;

provided that any such information or reports will be deemed to have been delivered to the holders of such Notes and the Trustee on the date any such information or reports is posted by us on our website as long as the Trustee has been notified in writing, who in turn will notify the holders of the Notes, that such information has been posted on our website. None of the information provided pursuant to the preceding paragraph shall be required to comply with Regulation S-K as promulgated by the SEC. In addition, the Bank shall furnish to the holders of the Notes, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as such Notes are not freely transferable under the Securities Act by persons who are not "affiliates" under the Securities Act.

In addition, if and so long as the Notes are admitted to listing on an exchange and the rules of such exchange so require, copies of such reports and information furnished to a Trustee will also be made available by the Bank as required by the rules of such exchange.

Assignment of Indentures

Unless otherwise specified in the applicable Pricing Supplement, under each Indenture, the Bank will have the right to assign any of its rights under such Indenture to a direct or indirect wholly-owned subsidiary of the Bank; *provided* that, in the event of any such assignment, the Bank will remain jointly and severally liable for all such obligations.

Form of Notes and Registration

General

We and the relevant Dealer(s) will agree on the form of Notes to be issued in respect of any Series of Notes. Unless otherwise specified in the applicable Pricing Supplement, all Fixed Rate Notes having the same Original Issue Date, redemption date (if any), redemption terms (if any), Interest Payment Dates, interest rate, and stated maturity will be represented by a fully registered individual Global Note, and all Floating Rate Notes having the same Original

Issue Date, Initial Interest Rate, interest rate basis, Index Maturity, Spread (if any), Spread Multiplier (if any), Minimum Interest Rate (if any), Maximum Interest Rate (if any), Interest Reset Period, Interest Reset Dates, redemption date (if any), redemption terms (if any), Interest Payment Dates and Stated Maturity will be represented by a fully registered individual Global Note or Notes, in the case of the Notes sold to or through one or more Dealers. If the aggregate principal amount of any single Note exceeds U.S.$500,000,000, one certificate will be issued with respect to each U.S.$500,000,000 of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such Note. Notes will be issued in the form of a one or more master Global Notes, at our election, in the case of Notes sold directly to customers by us.

We may issue Notes sold outside of the United States, its territories and possessions to non-United States persons solely in registered form. Additional restrictions applicable to the Dealers are discussed in the sections entitled "Transfer Restrictions" and "Plan of Distribution—Sales Restrictions."

Registered Notes

We may offer and sell the Notes in the United States only, outside the United States only, or in and outside the United States simultaneously as part of a global offering. The Notes will be initially represented by one or more master global notes or global notes in fully registered form without receipts, interest coupons or talons. We refer to each of these Notes as a "**Global Note**." Depending on where the Notes are offered, the Notes will clear through one or more of DTC, Euroclear and Clearstream, or any other clearance system specified in the applicable Pricing Supplement.

Notes offered and sold to persons reasonably believed to be a qualified institutional buyers under Rule 144A under the Securities Act are referred to collectively as the "**Rule 144A Global Notes**." Interests in the Rule 144A Global Notes will be available for purchase only by persons reasonably believed to be a qualified institutional buyers.

Notes offered and sold in offshore transactions in reliance on Regulation S under the Securities Act to persons which are non-U.S. persons are referred to collectively as the "**Regulation S Global Notes**" and Regulation S Global Notes and Rule 144A Global Notes collectively comprise "Global Notes." Regulation S Global Notes will initially be issued in the form of registered Regulation S Global Notes. On or prior to the 40th day after the completion of the distribution of the Notes of such Series, any resale or transfer of beneficial interests in such Regulation S Global Note shall not be permitted unless such resale or transfer is made pursuant to Rule 144A or Regulation S.

Notes sold in an offering made in and outside the United States simultaneously as part of a global offering may be represented:

- solely by one or more registered Global Notes deposited with DTC (each, a "**DTC Global Note**"), which we will refer to as a single global note issue; or
- by one or more DTC Global Notes for the Notes sold in the United States and by a separate registered Global Note deposited with the common depositary for, and registered in the name of a nominee of such common depositary, for Euroclear, Clearstream or any other clearance system as specified in the applicable Pricing Supplement, for the Notes sold outside of the United States. We refer to each of these Notes as a dual global note issue.

Except as described below, owners of beneficial interests in a registered Global Note will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or holders of the Notes under the applicable Indenture. Beneficial interests in a registered Global Note will be represented by, and transfers in a registered Global Note will be effected only through, book-entry accounts of financial institutions acting on behalf of the beneficial owners, as, direct or indirect participants in the relevant clearing system.

Investors in a global offering may elect to hold interests in a registered Global Note through DTC, Euroclear, Clearstream or any other clearance systems as specified in the applicable Pricing Supplement, if they are participants in those systems, or indirectly through organizations that are participants in those systems. If the Notes sold in a global offering are part of a single global note issue, Clearstream, Euroclear, or any other clearance systems specified in the applicable Pricing Supplement, will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names, or in the names of any other clearance systems specified in the applicable Pricing Supplement, on the books of the common depositary, which in turn will hold those interests in customers' securities accounts in the common depositary's name on the books of DTC.

Ownership positions within each clearing system will be determined in accordance with the normal conventions observed by that system. According to the applicable Indenture, the Trustee will act as our paying agent for the Notes. We will make payments of principal, premium, if any, and interest on a registered Global Note to DTC, its nominee or a nominee of such common depositary, for Euroclear, Clearstream or any other clearance system specified in the applicable Pricing Supplement, or to any of their successors or nominees, as the registered holder of the registered Global Note. None of us, the Dealers, the Trustee or any of our respective agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a registered Global Note or for maintaining, supervising or reviewing any records relating to these beneficial ownership interests. See "—Payment of Principal, Premium and Interest" below.

When DTC receives any payment of principal, premium, if any, or interest on a DTC Global Note, we expect that DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of that DTC Global Note as shown on the records of DTC. Payments by the participants to owners of beneficial interests in the DTC Global Note will be the responsibility of the participants, as is now the case with securities held for the accounts of customers registered in "street name." Distributions for Notes held through Euroclear, Clearstream or any other clearance system as specified in the applicable Pricing Supplement will be credited to the cash accounts of the participants of Euroclear, Clearstream, or such other clearance systems according to the relevant system's rules and procedures, and to the extent received by their respective depositaries.

Exchange and Transfer of Notes

Exchanges

Unless otherwise provided in the applicable Pricing Supplement, we will exchange interests in a registered Global Note for registered Notes in definitive form only if that exchange is permitted by applicable law and, (i) in the case of a DTC Global Note, if:

- DTC notifies us that it is unwilling or unable to continue as depositary for the DTC Global Note; or
- DTC ceases to be a clearing agency registered under the Exchange Act, if so required by applicable law or regulation,

and, in either case, a successor depositary is not appointed by us within 90 days after receiving notice or becoming aware that DTC is no longer so registered; and (ii) in the case of any other registered Global Note, if:

- the clearing system(s) through which the Notes are cleared and settled is closed for business for a continuous period of 14 days, other than by reason of holidays, statutory or otherwise;
- the clearing system(s) through which the Notes are cleared and settled announces an intention to cease business permanently or does in fact do so;
- we, in our discretion, elect to issue registered Notes in definitive form; or
- after the occurrence of an event of default relating to any registered Global Note, beneficial owners representing a majority in principal amount of the registered Global Note advise the relevant clearing system through its participants to cease acting as depositary for the registered Global Note.

The registered Notes in definitive form (referred to herein as "**definitive Notes**") issued in exchange for the registered Global Note will be in authorized denominations and will have similar terms and will be in an amount equal to the aggregate principal amount of the registered Global Note. These definitive Notes will be registered in the name(s) of person(s) as the relevant clearing system(s) will instruct the relevant registrar. In the case of DTC Global Notes, it is expected that these instructions may be based on directions that DTC received from DTC participants regarding ownership of beneficial interests in the DTC Global Notes. Except as provided above, owners of beneficial interests in a registered Global Note will not be entitled to receive physical delivery of definitive Notes and will not be considered registered holders of these Notes for any purpose.

Any definitive Note issued under the circumstances described in the preceding paragraph will be transferable in whole or in part in an authorized denomination upon the surrender of that Note, together with the form of transfer endorsed on that Note duly completed and executed, at the specified office of the relevant registrar or of any transfer agent. In the case of a transfer in part only, a new definitive Note for the balance not transferred will be issued to the transferor. Each new definitive Note to be issued upon transfer will, within three Business Days of receipt of that form of transfer, be delivered to the transferee at the office of the relevant registrar or transfer agent or mailed at the risk of

the holder entitled to the definitive Note to the address specified in that form of transfer. No service charge will be made to a holder for any transfer of a definitive Note, but we may require payment of a sum sufficient to cover any stamp or other tax, duty, assessment or governmental charge that may be imposed in connection therewith.

In case any definitive Note shall at any time become mutilated, defaced, destroyed, lost or stolen, and such definitive Note or evidence of the loss, theft or destruction thereof satisfactory to us and the relevant registrar, and such other documents or proof as may be required by us and the relevant registrar, shall be delivered to the relevant registrar, the relevant registrar shall issue a new definitive Note of like tenor and principal amount having a serial number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced definitive Note or in lieu of the definitive Note destroyed, lost or stolen but, in the case of any destroyed, lost or stolen definitive Note, only upon receipt of evidence satisfactory to us and the relevant registrar that such definitive Note was destroyed, stolen or lost, and, if required, upon receipt of indemnity satisfactory to us and the relevant registrar. Upon the issuance of any substituted definitive Note, we may require the payment of a sum sufficient to cover all expenses and reasonable charges connected with the preparation and delivery of a new definitive Note. If any definitive Note which has matured or has been redeemed or repaid or is about to mature or to be redeemed or repaid shall become mutilated, defaced, destroyed, lost or stolen, we may, instead of issuing a substitute definitive Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced definitive Note) upon compliance by the holder with the provisions of this paragraph.

Transfers

DTC may grant proxies or otherwise authorize its participants (or persons holding beneficial interests in the Notes through its participants) to exercise any rights of a holder or take any other actions that a holder is entitled to take under the applicable Indenture or the Notes. Euroclear, Clearstream or any other clearance system as specified in the applicable Pricing Supplement will take any action permitted to be taken by a holder under the applicable Indenture or the Notes on behalf of its participant only in accordance with its relevant rules and procedures and, for interests in a DTC Global Note, subject to the ability of the DTC participant of Euroclear, Clearstream or such other clearance system to effect such actions of such clearance system on its behalf through DTC. Because DTC can only act on behalf of its participants, who in turn act on behalf of indirect participants, the ability of a beneficial owner to pledge its interest in the Notes to persons or entities that do not participate in the DTC system or take action with respect to that interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of these securities in definitive form. These limits and laws may impair the ability of a beneficial owner to transfer beneficial interests in a DTC Global Note.

Subject to compliance with the transfer restrictions applicable to the Global Notes described under "Plan of Distribution—Sales Restrictions," cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the relevant registrar, the Trustee and any custodian with whom the relevant Global Notes have been deposited.

Transfers by an owner of a beneficial interest in a Regulation S Global Note representing the Notes to a transferee who takes delivery of that interest through a Rule 144A Global Note representing the Notes will be made only in accordance with applicable procedures and upon receipt by the Trustee therefor of a written certification from the transferor of the beneficial interest, in the form provided in the applicable Indenture, to the effect that the transfer is being made to a person reasonably believed to be a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A.

Transfers by an owner of a beneficial interest in a Rule 144A Global Note representing the Notes to a transferee who takes delivery of the interest through a Regulation S Global Note representing the Notes will be made only in accordance with the applicable procedures and upon receipt by the Trustee therefor of a written certification from the transferor of the beneficial interest, in the form provided in the applicable Indenture, to the effect that the transfer is being made outside the United States to a non-U.S. person in accordance with Regulation S or, if available, Rule 144A under the Securities Act.

Any beneficial interest in one of the Global Notes representing the Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note representing the Notes will, upon transfer, cease to be an interest in that Global Note and become an interest in the other Global Note and, accordingly, will then be subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Payment of Principal, Premium and Interest

We are obligated to make payments of principal, premium, if any, and interest on all Notes in the applicable specified currency or, if the specified currency is not at the time of payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the specified currency at the time that the payment is legal tender for the payment of debts. Subject to any fiscal or other laws and regulations applicable in the place of payment, payments on Notes to be made in a specified currency other than in U.S. dollars will be made by wire transfer to an account in the specified currency maintained by the payee, or by a check in the specified currency drawn on a bank in the principal financial center of the country of the specified currency. In the case of Euro, payments will be made in Euros by credit or transfer to a Euro account, or any other account to which Euros may be credited or transferred, or may be made by check. For further information regarding Notes denominated in currencies other than U.S. dollars, see the applicable Pricing Supplement related to any such Notes, which shall include the provisions related to Foreign Currency Notes.

Payment of principal, premium, if any, and interest on any definitive Note at maturity will be made in immediately available funds upon surrender of the Note at a specified office of the applicable paying agent; *provided* that the definitive Note is presented to the paying agent in time for the paying agent to make these payments in immediately available funds under its normal procedures. Payments of interest on any definitive Note, other than at maturity, will be payable by check mailed to the holder of the Note as of the Regular Record Date for the Interest Payment Date at the address shown in the note register. A holder of definitive Notes of U.S.$10,000,000 or more in aggregate principal amount, or its equivalent in other currencies, whether of the same or different Series, will be entitled to receive payments of interest, other than interest due at maturity, by wire transfer of immediately available funds if the applicable paying agent has received appropriate written wire transfer instructions not less than 16 days prior to the applicable Interest Payment Date.

The total amount of any principal, premium, if any, and interest due on any registered Global Note on any Interest Payment Date or maturity, will be made available to the applicable paying agent on or prior to that date in accordance with the relevant Indenture and the Notes. The paying agent will make the payment to the relevant clearing system as soon as it possibly can after the monies become available. Each clearing system will credit its participants with payment in amounts proportionate to their respective beneficial interests in the principal amount of the registered Global Note under their existing operating procedures. None of us, the Dealers, the Trustee, any paying agent nor any of our respective agents will have any responsibility or liability for payments by the clearing system. So long as DTC, its nominee, the nominee of the common depositary for Euroclear and Clearstream or a nominee of any other clearance system specified in the applicable Pricing Supplement, is the holder of any registered Global Note, DTC, its nominee, the nominee of the common depositary for Euroclear and Clearstream or the nominee of any other clearance system specified in the applicable Pricing Supplement, will be considered the sole owner or holder of the Notes represented by that registered Global Note for all purposes under the applicable indenture and the Notes. See the section entitled "—Form of Notes and Registration."

See "—Principal and Interest" and "—Interest Rates" above for further information.

Notices

Notice to holders of the Global Notes will be given as may be permitted by the procedures of DTC, Euroclear, Clearstream or any other clearing system specified in the applicable Pricing Supplement, as applicable, and any applicable exchange.

All notices regarding the definitive, non-Global Notes will be mailed first class, postage prepaid to the registered owners of the Notes at their addresses appearing in the applicable Note register therefore.

As long as temporary or permanent Regulation S Global Notes are held in their entirety on behalf of Euroclear, Clearstream or any other clearance system specified in the applicable Pricing Supplement, we may substitute the publication in the newspaper for the delivery of the relevant notice by communication from Euroclear, Clearstream and any other clearance system to the beneficial owners of interests in the temporary and permanent Regulation S Global Notes.

Notices to be given by a holder of Notes should be in writing and delivered, together with the related Note(s), to the Trustee specified in the applicable Pricing Supplement for further delivery to the Issuer. While Notes are represented by a registered Global Note, the notice shall be given by the beneficial owner to the Trustee via DTC,

Euroclear, Clearstream or any other clearance system as DTC, Euroclear, Clearstream or any other clearance system may approve.

We will also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are at the time being listed. This notice will be deemed to have been given on the date of the first publication.

Registrar; Transfer Agent; Paying Agents

The Trustee under the applicable Indenture will serve initially as the registrar, transfer agent and paying agent for the Notes. In that capacity, the Trustee will keep at its office in the State of New York, a register, which we refer to as a note register, in which, subject to such reasonable regulations as it may prescribe, the applicable registrar will provide for the registration and transfers of the Notes. We reserve the right to transfer this function to another bank or financial institution.

Registration of transfers of the Notes will be effected without charge, but upon payment (with the giving of such indemnity as the Issuer may require) in respect of any tax or other governmental charges that may be imposed in relation to the transfer. The Issuer will not be required to register or cause to be registered the transfer of the Notes after the Notes have been called for redemption.

Listing

Application may be made to Euronext Dublin to admit a Series of Notes to the Official List and for admission to trading on the Global Exchange Market, which is the exchange-regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II. However, application may be made to list a Series of Notes on another exchange or not to list a Series of Notes on any exchange.

The Trustee

The Bank of New York Mellon will act as Trustee with respect to each Series of Notes, unless otherwise specified in the applicable Pricing Supplement. Notices to the Trustee should be directed to it at The Bank of New York Mellon, 240 Greenwich Street, Floor 7 East, New York, New York 10286. The Trustee also will initially act as registrar, paying agent, transfer agent and agent for service of demands and notices in connection with each Series of Notes, unless otherwise specified in the applicable Pricing Supplement. The Trustee may resign or be removed under circumstances described in such Indenture, and a successor trustee shall be appointed in accordance with the applicable Indenture to act in connection with any Indenture. Any action described in this Offering Memorandum to be taken by the Trustee may then be taken by the successor trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Bank or its affiliates with the same rights it would have if it were not Trustee. Any paying agent, registrar or co-registrar may do the same with like rights.

Each Indenture will contain some limitations on the right of the applicable Trustee should it become a creditor of the Bank, to obtain payment of claims in some cases or to realize on some property received regarding any such claim, as security or otherwise. The Trustee will be permitted to engage in transactions with the Bank. The occurrence of a default under the relevant Indenture could create a conflicting interest for the Trustee. In this case, if the default has not been cured or waived within 90 days after the Trustee has or acquires a conflicting interest, the Trustee generally is required to eliminate the conflicting interest or resign as Trustee for the Notes.

No resignation or removal of the Trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the relevant Indenture.

Governing Law; Consent to Jurisdiction

EACH INDENTURE AND THE NOTES WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED* THAT, IN RESPECT OF SUBORDINATED NOTES, (1) WHETHER A TRIGGER EVENT (LEADING TO A WRITE-DOWN) OR A CAPITAL RATIOS EVENT OR A MEXICAN REGULATORY EVENT (LEADING TO A SUSPENSION PERIOD) HAS OCCURRED IS BASED UPON A DETERMINATION BY THE APPLICABLE MEXICAN REGULATOR, AS SET FORTH IN THIS OFFERING MEMORANDUM, IN ACCORDANCE WITH MEXICAN LAW (AS AMENDED FROM TIME TO TIME); (2) WHETHER A WITHHOLDING TAX

EVENT OR A TAX EVENT HAS OCCURRED IS BASED UPON A DETERMINATION IN ACCORDANCE WITH MEXICAN LAW (OR OTHER APPLICABLE LAW IN THE CASE OF A WITHHOLDING TAX EVENT INVOLVING A JURISDICTION OTHER THAN MEXICO), AS AMENDED FROM TIME TO TIME, EVIDENCED BY AN OPINION OF A NATIONALLY RECOGNIZED LAW FIRM AND, IF REQUIRED, A CERTIFICATION BY US; (3) WHETHER A CAPITAL EVENT HAS OCCURRED IS DETERMINED BY US, AS SET FORTH IN THIS OFFERING MEMORANDUM, IN ACCORDANCE WITH MEXICAN LAW (AS AMENDED FROM TIME TO TIME); AND (4) THE RANKING AND SUBORDINATION OF THE SUBORDINATED NOTES, WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, MEXICAN LAW (AS AMENDED FROM TIME TO TIME). WITH RESPECT TO SUBORDINATED NOTES, WE WILL WAIVE ANY RIGHTS WE MAY HAVE UNDER THE LAW OF THE STATE OF NEW YORK NOT TO GIVE EFFECT TO ANY SUCH DETERMINATION TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND ANY PROCEEDINGS IN RESPECT OF OUR LIQUIDATION OR RESOLUTION WILL BE CONDUCTED IN ACCORDANCE WITH THE MEXICAN BANKING LAW, AND ANY MERGER OR CONSOLIDATION SHALL BE SUBJECT TO APPLICABLE APPROVALS UNDER THE MEXICAN BANKING LAW AND ANY OTHER APPLICABLE MEXICAN LAWS, AS AMENDED FROM TIME TO TIME.

The Bank will consent to the jurisdiction of the Supreme Court of the State of New York, Borough of Manhattan, County of New York, or the United States District Court for the Southern District of New York and will agree that all disputes under the relevant Indenture and the Notes may be submitted to the jurisdiction of such courts. The Bank will irrevocably consent to and waive to the fullest extent permitted by law any objection that it may have to the laying of venue of any suit, action or proceeding against the Bank or its properties, assets and revenues with respect to the relevant Indenture and the Notes or any such suit, action or proceeding in any such court and any right to which the Bank may be entitled on account of place of residence or domicile.

To the extent that the Bank or any of its revenues, assets or properties shall be entitled to any immunity from suit, from the jurisdiction of any such court, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process remedy, the Bank will irrevocably agree not to claim and will irrevocably waive such immunity to the fullest extent permitted by the laws of such jurisdiction.

The Bank will agree that service of all writs, claims, process and summons in any suit, action or proceeding against the Bank or its properties, assets or revenues with respect to the relevant Indenture and the Notes or any suit, action or proceeding to enforce or execute any judgment brought against the Bank in the State of New York may be made upon CT Corporation System, 28 Liberty St., New York, New York 10005, and the Bank will irrevocably appoint CT Corporation System as its agent to accept such service of any and all such writs, claims, process and summonses.

Unclaimed Money, Prescription

Unless otherwise specified in the applicable Pricing Supplement, if money deposited with the Trustee or any agent for the payment of principal of, premium, if any, or interest or Additional Amounts (as defined below), if any, on a Series of Notes remains unclaimed for two years, the Trustee or such paying agent shall return the money to us, upon our written request, subject to applicable unclaimed property law. After that, holders of such Series of Notes entitled to the money must look to us for payment unless applicable unclaimed property law designates another person. Other than as set forth in this paragraph, the Indenture relating to any Series of Notes will not provide for any prescription periods for the payment of principal of, premium, if any, or interest or Additional Amounts, if any, on such Series of Notes.

Currency Rate Indemnity

The Bank has agreed that, if a judgment or order made by any court for the payment of any amount in respect of any Indenture is expressed in a currency other than the Specified Currency, the Bank will indemnify the Trustee in respect of such Indenture and the relevant holders against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from the Bank's other obligations under the relevant Indenture, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue

in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due under the relevant Indenture or the Notes.

Replacement of Notes

In case of mutilated, defaced, destroyed, lost or stolen Notes, application for replacement thereof may be made to the applicable Trustee or to the Bank. Any such Note shall be replaced by the Trustee in compliance with such procedures, on such terms as to evidence and indemnification as the Trustee and the Bank may require and subject to any applicable law or regulation. All such costs as may be incurred in connection with the replacement of any Notes shall be borne by the applicant. Mutilated Notes must be surrendered before new ones will be issued.

BOOK-ENTRY CLEARANCE SYSTEMS

The following summary of certain provisions of the Notes does not purport to be complete and is subject to all of the provisions of the Notes. The terms and conditions stated below will apply to each Note unless otherwise specified in the applicable Pricing Supplement. The terms of the Notes described in this Offering Memorandum, including the maturities and interest rates, may differ from one Note to another. The terms of a Tranche of Notes, as defined below, will be specified in a Pricing Supplement, the form of which is included under "Annex C—Form of Pricing Supplement." The Pricing Supplement may also add, update or change information contained in this Offering Memorandum. It is important for you to consider the information contained in this Offering Memorandum and the applicable Pricing Supplement in making your investment decision.

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that we believe to be reliable, but neither we nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither we nor any other party to any indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Clearance and Settlement; Clearing Systems

The Notes that we offer under this Program may be held through one or more international and domestic clearing systems, principally the book-entry systems operated by DTC in the United States, and Euroclear, Clearstream or any other clearance system specified in the applicable Pricing Supplement outside of the United States. Electronic securities and payment transfer, processing, depositary and custodial links have been established among these systems and others, either directly or through custodians and depositories, which enable Notes to be issued, held and transferred among the clearing systems. The Dealers have direct electronic links with DTC, Clearstream and Euroclear. Special procedures have been established among these clearing systems and the relevant Dealers to facilitate clearance and settlement of certain Notes traded across borders in the secondary market. Cross-market transfers of registered Global Notes for which payments will be made in U.S. dollars and which will be issued in global form may be cleared and settled using these procedures on a delivery against payment basis. Cross-market transfers of Notes in other than global form may be cleared and settled under other procedures established among the relevant Dealer(s), and the relevant clearing systems. Investors in Notes issued outside of the United States, its territories and possessions must initially hold their interests in the Notes through Euroclear, Clearstream or any other clearance system specified in the applicable Pricing Supplement.

Although DTC, Euroclear and Clearstream have agreed to the procedures described below in order to facilitate the transfers of Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform the procedures and the procedures may be modified or discontinued at any time. Neither we, the Dealers, nor any affiliate or person controlled by any of us will have any responsibility for the performance of the respective obligations under the rules and procedures governing the operations of DTC, Euroclear, Clearstream or any other clearance system specified in the applicable Pricing Supplement, or of their respective direct or indirect participants. In all cases, clearance and settlement of the Notes will be governed by the rules and procedures established by the relevant clearing system(s) and in effect at the time of clearance and settlement.

DTC

DTC has advised us that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity, corporate and municipal debt, and money market instruments that DTC's participants ("**DTC participants**") deposit with DTC. DTC also facilitates the post-trade settlement among DTC participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between DTC participants' accounts. These services eliminate the need for physical movement of securities certificates. DTC participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of

The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of DTC participants and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (also subsidiaries of DTCC), as well as by the New York Stock Exchange and the Financial Industry Regulatory Authority, Inc. Access to the depository system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC's participants are on file with the SEC. More information about DTC can be found at its website at http://www.dtcc.com. The information concerning DTC and its book-entry system has been obtained from sources that we believe are reliable, but we take no responsibility for the accuracy thereof.

Clearstream

Clearstream holds securities for its participating organizations ("**Clearstream participants**") and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also interfaces with domestic securities markets in several countries. Clearstream is registered as a bank in Luxembourg, and as such is subject to regulation by the *Commission de Surveillance du Secteur Financier and the Banque Centrale du Luxembourg*, which supervise and oversee the activities of Luxembourg banks. Clearstream participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the paying agent. Indirect access to Clearstream is available to other institutions that clear through or maintain a custodial relationship with a Clearstream participant. Clearstream has established an electronic bridge with Euroclear as the operator of the Euroclear system (the "**Euroclear Operator**") in Brussels to facilitate settlement of trades between Clearstream and the Euroclear Operator. Distributions with respect to Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by the depositary for Clearstream.

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations ("**Euroclear participants**") and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the paying agent. Non-participants in Euroclear may hold and transfer beneficial interests in a registered Global Note through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in a registered Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "**Terms and Conditions**"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record or relationship with persons holding through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the depositary for Euroclear.

Other Clearing Systems

The applicable Pricing Supplement will specify any other clearing system that will be available for a particular offering of Notes, including the clearance and settlement procedures for that clearing system. The clearing system will be agreed upon by the Bank and the Dealer(s).

Book-Entry Procedures for the Global Notes

Ownership of beneficial interests in a Global Note representing the Notes will be limited to the clearing system through which these interests are held, and its direct and indirect participants. Beneficial interests in a Global Note will be shown on, and transfers of those ownership interests will be effected only through, records maintained by such clearing system, and its respective participants for that Global Note. The conveyance of notices and other communications by such clearing system to its participants and by its participants to owners of beneficial interests in the Notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect. Any interest in registered Global Notes will be transferable only under the rules and procedures of DTC, Euroclear, Clearstream or any other applicable clearance system.

Transfers of Notes Represented by Registered Global Notes

Primary Distribution

General. Distribution of the Notes will be cleared through one or more of the clearing systems described above or any other clearing system specified in the applicable Pricing Supplement. Payment for Notes will be made on a delivery versus payment or free delivery basis, as more fully described in the applicable Pricing Supplement.

Registered Notes. We and the relevant Dealer(s) will agree that either global clearance and settlement procedures or specific clearance and settlement procedures should be available for any Series of Notes, as specified in the applicable Pricing Supplement. Clearance and settlement procedures may vary from one Series of Notes to another according to the specified currency of the Notes of that Series. Customary clearance and settlement procedures are described under the specific clearance and settlement procedures below. Application will be made to the relevant clearing system(s) for the Notes of the relevant Series to be accepted for clearance, and the clearance numbers applicable to each clearance system will be specified in the applicable Pricing Supplement.

Clearance and Settlement Procedures—DTC. DTC participants holding Notes through DTC on behalf of investors will follow the settlement practices applicable to U.S. corporate debt obligations in DTC's Same-Day Funds Settlement System. Notes will be credited to the securities custody accounts of such DTC participants against payment in same-day funds on the settlement date.

Clearance and Settlement Procedures—Euroclear and Clearstream. Investors electing to hold their Notes through Euroclear and/or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear and/or Clearstream participants, as the case may be, on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Trading between DTC participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System in same-day funds, if payment is made in U.S. dollars, or free of payment if payment is made in a currency other than U.S. dollars. Where payment is made in a currency other than U.S. dollars, separate payment arrangements outside of the DTC system are required to be made between DTC participants.

Trading between Euroclear and/or Clearstream participants. Secondary market trading between Euroclear or Clearstream participants will occur in the ordinary way under the applicable rules and operating procedures of Euroclear and Clearstream and will be settled using procedures applicable to conventional eurobonds in registered form.

Trading between DTC Seller and Euroclear or Clearstream Purchaser Single Global Note Issues. When Notes represented by a DTC Global Note are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. Euroclear or Clearstream will instruct their respective DTC participants to receive the Notes against payment or free of payment. After the settlement has been completed, the interests in the Notes will be credited to the respective clearing system and by the clearing system, under its usual procedures, to the account of the relevant Euroclear or Clearstream participant. Credit for the Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day, when settlement occurs in New York). If settlement is not completed

on the intended value date, meaning that the trade fails, the Euroclear or Clearstream cash debit will be valued as of the actual settlement date.

Euroclear or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, participants may take on credit exposure to Euroclear or Clearstream until the Notes are credited to their accounts one Business Day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to the participants, participants can elect not to pre-position funds and allow that credit line to be drawn on to finance settlement. Under this procedure, Euroclear or Clearstream participants purchasing Notes would incur overdraft charges for one Business Day, assuming they cleared the overdraft when the Notes were credited to their accounts. However, interest on the Notes would accrue from the value date. Therefore, in many cases, the investment income on Notes earned during that one day period may substantially reduce or offset the amount of the overdraft charges, although this result will depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants can employ their usual procedures for delivering Notes to Euroclear's or Clearstream's DTC participant for the benefit of Euroclear or Clearstream participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently than a trade between two DTC participants.

Dual Global Note Issues. When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the DTC participant will deliver the Notes free of payment to the appropriate account of the custodian at DTC by 11:00 a.m. (New York City time) on the settlement date together with instructions for delivery to the relevant Euroclear or Clearstream participant. Separate payment arrangements are required to be made between the relevant Euroclear or Clearstream participant and the DTC participant. The applicable registrar, as custodian, will (i) decrease the amount of Notes registered in the name of the nominee of DTC and represented by the DTC Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream and represented by the registered Global Note. The depositary will deliver such Notes free of payment to Euroclear or Clearstream for credit to the relevant participant in such clearing system on the Business Day following the settlement date.

Trading Between a Euroclear or Clearstream Seller and a DTC Purchaser

Single Global Note Issues. Due to time zone differences in their favor, Euroclear or Clearstream participants may employ their customary procedures for transactions in which Notes represented by a DTC Global Note are to be transferred by the respective clearing system. The seller must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. In these cases, Euroclear or Clearstream will instruct the depositary to credit the Notes to the DTC participant's account against payment. The payment will then be reflected in the account of the Euroclear or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date, which would be the preceding day, when settlement occurs in New York. If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on that line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (*i.e.*, the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued as of the actual settlement date.

As is the case with sales of Notes represented by a DTC Global Note by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date.

Dual Global Note Issues. When interests in Notes are to be transferred from the account of a Euroclear or Clearstream participant to the account of a DTC participant, the relevant Euroclear or Clearstream participant must provide settlement instructions for delivery of the Notes free of payment to Euroclear or Clearstream by 7:45 p.m., Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, will in turn provide appropriate settlement instructions to the common depositary and the registrar for delivery to the DTC participant. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant. On the settlement date, the custodian will deliver the Notes free of payment to the appropriate DTC account of the DTC participant and will instruct the applicable registrar to (i) decrease the amount

of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream and represented by the registered Global Note and (ii) increase the amount of Notes registered in the name of the nominee of DTC and represented by the DTC Global Note.

TRANSFER RESTRICTIONS

General

The Notes have not been registered, and will not be registered, under the Securities Act or any state securities laws, and the Notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the Notes issued under the Program will be offered and sold only:

- to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of Notes and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

(2) it acknowledges that the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) it understands and agrees that Notes initially offered in the United States to persons reasonably believed to be "qualified institutional buyers" will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States pursuant to Regulation S will be represented by one or more Regulation S Global Notes;

(4) it will not offer, pledge, resell or otherwise transfer any of such Notes except (a) to us, (b) within the United States to a person reasonably believed to be a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

(5) it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes;

(6) it acknowledges that prior to any proposed transfer of Notes (other than pursuant to an effective registration statement or in respect of Notes sold) the holder of such Notes may be required to provide certifications relating to the manner of such transfer as provided in the applicable indenture, including with respect to Notes sold or transferred pursuant to Rule 144A or Regulation S;

(7) it acknowledges that the trustee, registrar or transfer agent for the Notes may not be required to accept for registration or transfer of any Notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;

(8) it acknowledges that we, the Dealers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify us and the Dealers; and

(9) if it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Legends

The following is the form of restrictive legend that will appear on the face of any Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer.

> **THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE BANK THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE BANK OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S, OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.**

The following is the form of restrictive legend which will appear on the face of any Regulation S Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

> **THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE. THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.**

The following is the form of restrictive legend which will appear on the face of any Regulation S Global Note and any Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

> **THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR "RNV") MAINTAINED BY THE CNBV AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO; THE NOTES MAY BE OFFERED OR SOLD IN MEXICO, ON A PRIVATE PLACEMENT BASIS, TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR QUALIFIED INVESTORS, SOLELY PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. BBVA MÉXICO,**

S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA MÉXICO (THE "BANK") WILL NOTIFY AND FILE CERTAIN DOCUMENTATION WITH THE CNBV IN RESPECT OF THE TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV FOR STATISTICAL AND INFORMATIONAL PURPOSES ONLY TO THE CNBV TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY TO, AND RECEIPT BY, THE CNBV IS NOT A REQUIREMENT FOR THE VALIDITY OF THE NOTES, DOES NOT CONSTITUTE OR IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, THE BANK'S SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THE OFFERING MEMORANDUM. THE OFFERING MEMORANDUM RELATING TO THIS NOTE IS SOLELY THE RESPONSIBILITY OF THE BANK AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV, AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

TAXATION

United States Taxation

This section describes the material United States federal income tax consequences of owning the Notes issued under the Program. It applies only to holders who hold such Notes as capital assets for tax purposes. This section addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to holders in light of their individual circumstances, including foreign, state or local tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income, any alternative minimum tax, or special timing rules prescribed under Section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This section does not apply to a holder who is a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings;
- a bank;
- an insurance company;
- a tax-exempt organization;
- a regulated investment company;
- a real estate investment trust;
- a person that actually or constructively owns 10% or more of the combined voting power of our voting stock or of the total value of our stock;
- a person that owns Notes that are a hedge or that are hedged against interest rate or currency risks;
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes;
- a person that purchases or sells Notes as part of a wash sale for tax purposes;
- a United States expatriate; or
- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section does not address Senior Notes that mature more than 30 years from the date on which they are issued or any Notes that reference the performance of United States equities. The United States federal income tax treatment of any such Notes will be discussed in the applicable Pricing Supplement.

This section is based on the Code, its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, and the current income tax treaty between the United States and Mexico (the **"Treaty"**), all as currently in effect. These authorities are subject to change, possibly on a retroactive basis

If an entity or arrangement that is treated as a partnership for United States federal income tax purposes holds the Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Notes.

Prospective purchasers are advised to consult their own tax advisor concerning the consequences of owning Notes in their particular circumstances under the Code and the laws of any other taxing jurisdiction.

United States Holders

This subsection describes the tax consequences to a United States holder. A person is a United States holder if it is a beneficial owner of a Note and it is, for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a domestic corporation (including an entity treated as a domestic corporation for United States federal income tax purposes);

- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust, or the trust has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This subsection does not apply to persons who are not United States holders. Such persons should refer to "—Non-United States Holders" below.

Senior Notes

Payments of Interest

Except as described below in the case of interest on a discount Senior Note that is not qualified stated interest (each as defined below under "—Original Issue Discount—General"), a United States holder will be taxed on any interest on Senior Notes held by such holder, including any tax withheld from such interest and any additional amounts paid with respect to such withholding tax, including withholding tax on payments of such additional amounts (collectively, "**additional amounts**"), whether payable in U.S. dollars or a foreign currency, as ordinary income at the time the United States holder receives the interest or when it accrues, depending on the United States holder's method of accounting for tax purposes.

Interest paid on Senior Notes issued directly by us (and not through the Texas Agency), original issue discount, if any, accrued with respect to such Senior Notes and any additional amounts with respect to such Senior Notes will generally be treated as income from sources outside the United States for purposes of determining the foreign tax credit allowable to a United States holder. Based on the nature of the activities of the Texas Agency, the relationship between the Texas Agency and the Bank and the intended use of the proceeds of Senior Notes issued by us through the Texas Agency, interest paid on Senior Notes issued by us through the Texas Agency, original issue discount, if any, accrued with respect to such Senior Notes and any additional amounts with respect to such Senior Notes will also generally be treated as income from sources outside the United States for purposes of determining the foreign tax credit allowable to a United States holder. However, this conclusion is a factual determination and thus may be subject to change. It is therefore possible that such payments and accruals on the Senior Notes issued by us through the Texas Agency could be considered as income from sources within the United States in future years. Prospective investors should consult their tax advisors regarding the United States federal income tax consequences of such a change in the sourcing of such payments and accruals on the Senior Notes issued by us through the Texas Agency. The remainder of this discussion assumes that interest paid on Senior Notes issued by us through the Texas Agency, original issue discount, if any, accrued with respect to such Senior Notes and any additional amounts with respect to such Senior Notes will generally be treated as income from sources outside the United States.

Interest paid on Senior Notes, original issue discount, if any, accrued with respect to Senior Notes and any additional amounts with respect to Senior Notes will generally be "passive" income for purposes of computing the foreign tax credit. A United States holder may, subject to generally applicable limitations and conditions (including a minimum holding period requirement), be entitled to a foreign tax credit for any Mexican withholding tax imposed on interest payments on the Senior Notes. However, Treasury regulations addressing foreign tax credits (the **"Foreign Tax Credit Regulations"**) impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and unless a United States holder is eligible for and elects the benefits of the Treaty, there can be no assurance that those requirements will be satisfied. The Department of the Treasury and the U.S. Internal Revenue Service (the **"IRS"**) are considering proposing amendments to the Foreign Tax Credit Regulations. In addition, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Instead of claiming a foreign tax credit, a United States holder may be able to deduct any Mexican withholding tax imposed on interest payments on the Senior Notes, subject to generally applicable limitations under U.S. law (including that a United States holder is not eligible for a deduction for otherwise creditable foreign income taxes paid or accrued in a taxable year if such United States holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The availability and calculation of foreign tax credits and deductions for foreign taxes involve the application of complex rules and also vary depending upon a United States holder's particular circumstances. United States holders are urged to consult

their tax advisors regarding the Foreign Tax Credit Regulations (and the related temporary relief in the IRS notices) and the availability of the foreign tax credit or a deduction under their particular circumstances.

Foreign Currency Senior Notes – Cash Basis Taxpayers. If a United States holder uses the cash receipts and disbursements method of accounting for tax purposes and receives an interest payment that is denominated in, or determined by reference to, a foreign currency, such United States holder must recognize income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the United States holder actually converts the payment into U.S. dollars.

Foreign Currency Senior Notes – Accrual Basis Taxpayers. If a United States holder uses an accrual method of accounting for tax purposes, such United States holder may determine the amount of income that it recognizes with respect to an interest payment denominated in, or determined by reference to, a foreign currency by using one of two methods. Under the first method, such United States holder will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If such United States holder elects the second method, it would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if the United States holder receives a payment of interest within five business days of the last day of its accrual period, it may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that it actually receives the interest payment. If such United States holder elects the second method, that method will apply to all debt instruments that such United States holder holds at the beginning of the first taxable year to which the election applies and to all debt instruments that such United States holder subsequently acquires. A United States holder may not revoke this election without the consent of the IRS.

When such United States holder actually receives an interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange, redemption or other taxable disposition of its Senior Note) denominated in, or determined by reference to, a foreign currency for which such United States holder accrued an amount of income, such United States holder will recognize ordinary income or loss attributable to the difference, if any, between the exchange rate that such United States holder used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether such United States holder actually converts the payment into U.S. dollars.

Original Issue Discount

General. If a United States holder owns a Senior Note, other than a short-term Senior Note with a term of one year or less, it will be treated as a discount Senior Note issued at an original issue discount if the amount by which the Senior Note's stated redemption price at maturity exceeds its issue price is equal to or more than a *de minimis* amount. Generally, a Senior Note's issue price will be the first price at which a substantial amount of Senior Notes included in the issue of which the Senior Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Senior Note's stated redemption price at maturity is the total of all payments provided by the Senior Note that are not payments of qualified stated interest. Generally, an interest payment on a Senior Note is qualified stated interest if it is one of a series of stated interest payments on a Senior Note that are unconditionally payable in cash or property (other than debt instruments issued by the Issuer) at least annually at a single fixed rate. There are special rules for variable rate Senior Notes that are discussed under "—Variable Rate Senior Notes."

In general, a Senior Note is not a discount Senior Note if the amount by which its stated redemption price at maturity exceeds its issue price is less than the *de minimis* amount of ¼ of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity. A Senior Note will have *de minimis* original issue discount if the amount of the excess is less than the *de minimis* amount. If a Senior Note has *de minimis* original issue discount, such United States holder must include the *de minimis* amount in income (as capital gain) as stated principal payments are made on the Senior Note, unless such United States holder makes the election described below under "—Election to Treat All Interest as Original Issue Discount." A United States holder can determine the includible amount with respect to each such payment by multiplying the total amount of a Senior Note's *de minimis* original issue discount by a fraction equal to:

- the amount of the principal payment made

divided by:

- the stated principal amount of such Senior Note.

Generally, if the United States holder's discount Senior Note matures more than one year from its date of issue, the United States holder must include original issue discount ("**OID**") in income (as ordinary income) before it receives cash attributable to that income, regardless of the United States holder's method of accounting for tax purposes. The amount of OID that a United States holder must include in income is calculated using a constant-yield method, and generally a United States holder will include increasingly greater amounts of OID in income over the life of its Senior Notes. More specifically, a United States holder can calculate the amount of OID that it must include in income by adding the daily portions of OID with respect to its discount Senior Note for each day during the taxable year or portion of the taxable year that it holds its discount Senior Note. A United States holder can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. A United States holder may select an accrual period of any length with respect to its discount Senior Note and such United States holder may vary the length of each accrual period over the term of its discount Senior Note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Senior Note must occur on either the first or final day of an accrual period.

A United States holder can determine the amount of OID allocable to an accrual period by:

- multiplying its discount Senior Note's adjusted issue price at the beginning of the accrual period by such Senior Note's yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on such Senior Note allocable to the accrual period.

A United States holder must determine the discount Senior Note's yield to maturity (*i.e.*, the discount rate that causes the present value of all payments on the Senior Note as of its original issue date to equal its issue price) on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, a United States holder determines the discount Senior Note's adjusted issue price at the beginning of any accrual period by:

- adding the discount Senior Note's issue price and any accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition premium or amortizable bond premium, each as described below), and then
- subtracting any payments previously made on such discount Senior Note that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on a discount Senior Note contains more than one accrual period, then, when a United States holder determines the amount of OID allocable to an accrual period, it must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, *pro rata* to each accrual period in the interval based on their relative lengths. In addition, a United States holder must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. A United States holder may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of a Senior Note, other than any payment of qualified stated interest, and
- the Senior Note's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium. If a United States holder purchases a discount Senior Note for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on such Senior Note after the purchase date but is greater than the amount of such Senior Note's adjusted issue price, as determined above under "—General," the excess is acquisition premium. If a United States holder does not make the election described below under "—Election to Treat All Interest as Original Issue Discount," then it must reduce the daily portions of OID by a fraction equal to:

- the excess of the adjusted basis in the Senior Note immediately after purchase over the adjusted issue price of the Senior Note

divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the Senior Note after the purchase date over the Senior Note's adjusted issue price.

Pre-Issuance Accrued Interest. An election may be made to decrease the issue price of a Senior Note by the amount of interest that has accrued prior to the issue date ("**pre-issuance accrued interest**") if:

- a portion of the initial purchase price of such Senior Note is attributable to pre-issuance accrued interest,
- the first stated interest payment on such Senior Note is to be made within one year of such Senior Note's issue date, and
- the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on such Senior Note.

Senior Notes Subject to Contingencies Including Optional Redemption. A Senior Note is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, a United States holder must determine the yield and maturity of such Senior Note by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date of such Senior Note, and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, a United States holder must generally include income on a Senior Note in accordance with the general rules that govern contingent payment debt instruments. These rules will be discussed in the applicable Pricing Supplement.

Notwithstanding the general rules for determining yield and maturity, if a Senior Note is subject to contingencies, the timing and amounts of the payments that comprise each payment schedule are known as of the issue date of such Senior Note, and either a United States holder or we have an unconditional option or options that, if exercised, would require payments to be made on such Senior Note under an alternative payment schedule or schedules, then:

- in the case of an option or options that we may exercise, we would be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on such Senior Note, and
- in the case of an option or options that a United States holder may exercise, it will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on such Senior Note.

If both a United States holder and we hold options described in the preceding sentence, those rules would apply to each option in the order in which they may be exercised.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made *according* to the above rules, then, except to the extent that a portion of a Senior Note is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, a United States holder must redetermine the yield and maturity of such Senior Note by treating such Senior Note as having been retired and reissued on the date of the change in circumstances for an amount equal to such Senior Note's adjusted issue price on that date.

Election to Treat All Interest as Original Issue Discount. A United States holder may elect to include in gross income all interest that accrues on a Senior Note held by it using the constant-yield method described above under "—General," with the modifications described below. For purposes of this election, interest will include stated interest, acquisition discount, OID, *de minimis* original issue discount, market discount, *de minimis* market discount and

unstated interest, as adjusted by any amortizable bond premium, described below under "—Senior Notes Purchased at a Premium," or acquisition premium.

If a United States holder makes this election for a Senior Note held by it, then, when such United States holder applies the constant-yield method:

- the issue price of such Senior Note will equal the United States holder's cost,
- the issue date of such Senior Note will be the date the United States holder acquired it, and
- no payments on such Senior Note will be treated as payments of qualified stated interest.

Generally, this election will apply only to the Senior Note for which it is made; however, if a Senior Note has amortizable bond premium, the United States holder will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludable from gross income, that are held by such United States holder as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if a United States holder makes this election for a market discount Senior Note, the United States holder will be treated as having made the election discussed below under "—Market Discount" to include market discount in income currently over the life of all debt instruments having market discount that it acquires on or after the first day of the first taxable year to which the election applies. A United States holder may not revoke any election to apply the constant-yield method to all interest on a Senior Note or the deemed elections with respect to amortizable bond premium or market discount Senior Notes without the consent of the IRS.

Variable Rate Senior Notes. A Senior Note will be a variable rate Senior Note if:

- such Senior Note's issue price does not exceed the total non-contingent principal payments by more than the lesser of:
  1. .015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date, or
  2. 15 percent of the total non-contingent principal payments; and
- such Senior Note provides for stated interest, compounded or paid at least annually, only at:
  1. one or more qualified floating rates,
  2. a single fixed rate and one or more qualified floating rates,
  3. a single objective rate, or
  4. a single fixed rate and a single objective rate that is a qualified inverse floating rate; and
- the value of any variable rate on any date during the term of the Senior Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A Senior Note will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which such Senior Note is denominated; or
- the rate is equal to such a rate either:
  1. multiplied by a fixed multiple that is greater than 0.65 but not more than 1.35, or
  2. multiplied by a fixed multiple greater than 0.65 but not more than 1.35, and then increased or decreased by a fixed rate.

If such *Senior* Note provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of such Senior Note, the qualified floating rates together constitute a single qualified floating rate.

A Senior Note will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are caps, floors or governors

that are fixed throughout the term of such Senior Note or such restrictions are not reasonably expected to significantly affect the yield on such Senior Note.

A Senior Note will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate, and
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party.

A Senior Note will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of such Senior Note's term would be either significantly less than or significantly greater than the average value of the rate during the final half of such Senior Note's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate, and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate, disregarding any restrictions on the rate that are caps, floors or governors that are fixed throughout the term of the Senior Note or that are not reasonably expected to significantly affect the yield on such Senior Note.

A Senior Note will also have a single qualified floating rate or an objective rate if interest on such Senior Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of such Senior Note that do not differ by more than 0.25 percentage points, or
- the value of the qualified floating rate or objective rate on the issue date is intended to approximate the fixed rate.

In general, if a variable rate Senior Note provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period of one year or less (as described above), all stated interest on such Senior Note is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for such Senior Note.

If a variable rate Senior Note does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period of one year or less (as described above), a United States holder generally would determine the interest and OID accruals on such Senior Note by:

- determining a fixed rate substitute for each variable rate provided under such variable rate Senior Note,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and
- adjusting for actual variable rates during the applicable accrual period.

When a United States holder determines the fixed rate substitute for each variable rate provided under a variable rate Senior Note, it generally will use the value of each variable rate as of the issue date of such Senior Note or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on such Senior Note.

If a variable rate Senior Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period of one year or less (as described above), a United States holder generally would determine interest and OID accruals by using the method described in the previous paragraph. However, a variable rate Senior Note will be treated, for purposes of the first three steps of the determination, as if such Senior Note had provided for

a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of such variable rate Senior Note as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

Short-Term Senior Notes. In general, if a United States holder is an individual or other cash basis United States holder of a Senior Note with a term of one year or less, or a short-term Senior Note, it is not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless it elects to do so (although it is possible that it may be required to include any stated interest in income as it receives it). If a United States holder is an accrual basis taxpayer, a taxpayer in one of certain special classes or a cash basis taxpayer who so elects, it will be required to accrue OID on short-term Senior Notes on either a straight-line basis or under the constant-yield method, based on daily compounding. If a United States holder is not required and does not elect to include OID in income currently, any gain it realizes on the sale, exchange, redemption or other taxable disposition of its short-term Senior Note will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless it makes an election to accrue the OID under the constant-yield method, through the date of the sale, exchange, redemption or other taxable disposition. In addition, if it is not required and does not elect to accrue OID on its short-term Senior Notes, it will generally be required to defer deductions for interest on borrowings allocable to its short-term Senior Notes in an amount not exceeding the deferred income until the deferred income is realized.

When a United States holder determines the amount of OID subject to these rules, it must include all interest payments on its short-term Senior Note, including stated interest, in the short-term Senior Note's stated redemption price at maturity. In addition, a United States holder may elect to determine the amount of OID subject to these rules by using its tax basis in the short-term Senior Note rather than the short-term Senior Note's issue price.

Foreign Currency Discount Senior Notes. If a discount Senior Note is denominated in, or determined by reference to, a foreign currency, the relevant United States holder must determine OID for any accrual period on its discount Senior Note in the foreign currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under "—Payments of Interest." When such United States holder receives an amount attributable to OID in connection with a payment of interest or the sale, exchange, redemption or other taxable disposition of such Senior Note, such United States holder may recognize ordinary income or loss attributable to changes in exchange rates between the time of the accrual of the OID and the time of receipt of such amount.

Market Discount

A United States holder will be treated as if it purchased a Senior Note, other than a short-term Senior Note, at a market discount, and such Senior Note will be a market discount Senior Note, if the difference between such Senior Note's stated redemption price at maturity or, in the case of a discount Senior Note, its revised issue price, and the price such United States holder paid for it is equal to or greater than ¼ of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to the Senior Note's maturity. To determine the revised issue price of such Senior Note for these purposes, a United States holder will generally add such Senior Note's issue price and any OID that has accrued on such Senior Note by prior holders (without regard to any acquisition premium).

If a Senior Note's stated redemption price at maturity or, in the case of a discount Senior Note, its revised issue price, exceeds the price the relevant United States holder paid for it by less than ¼ of 1 percent of the Senior Note's stated redemption price at maturity multiplied by the number of complete years to such Senior Note's maturity, the excess constitutes *de minimis* market discount, and the rules discussed below are not applicable to the relevant United States holder.

A United States holder must treat any gain it recognizes on the maturity or disposition of a market discount Senior Note, or any partial principal payment on a market discount Senior Note, as ordinary income to the extent of the accrued market discount on such Senior Note. Alternatively, such United States holder may elect to include market discount in income currently over the life of such Senior Note. If a United States holder makes this election, it would apply to all debt instruments with market discount that the United States holder acquires on or after the first day of the first taxable year to which the election applies. A United States holder may not revoke this election without the consent of the IRS. If a United States holder owns a market discount Senior Note and does not make this election, it will generally be required to defer deductions for interest on borrowings allocable to such Senior Note in an amount not exceeding the accrued market discount on such Senior Note until the maturity or disposition of such Senior Note. In

certain cases, however, a United States holder may elect to deduct such interest prior to the maturity or disposition of such Senior Note. Any amount treated as ordinary income pursuant to the market discount rules should be treated as foreign source income.

If a United States holder owns a market discount Senior Note, the market discount would accrue on a straight-line basis unless an election is made to accrue market discount using a constant-yield method. If such United States holder makes this election, it would apply only to the Senior Note with respect to which it is made and such United States holder may not revoke it. A United States holder would, however, not include accrued market discount in income unless it elects to do so as described above.

If a market discount Senior Note is denominated in, or determined by reference to, a foreign currency and a United States holder elects to include market discount in income on a current basis, the market discount accruals will be determined in the foreign currency and then translated into U.S. dollars at the average exchange rate for the accrual period. In such case, when such United States holder receives an amount attributable to accrued market discount in connection with the sale, exchange, redemption or other taxable disposition of such market discount Senior Note, such United States holder may recognize ordinary income or loss attributable to changes in exchange rates between the time of the accrual of the market discount and the time of such sale, exchange, redemption or other taxable disposition.

Senior Notes Purchased at a Premium

If a United States holder purchases a Senior Note for an amount in excess of the sum of all amounts payable on the Senior Note after the acquisition date (other than payments of qualified stated interest), it may elect to treat the excess as amortizable bond premium. If it makes this election, it will reduce the amount required to be included in its income each accrual period with respect to interest on such Senior Note by the amount of amortizable bond premium allocable to that accrual period, based on such Senior Note's yield to maturity. In addition, if a United States holder acquires a discount Senior Note at a premium as described above, such United States holder will not be required to include any OID in income with respect to the discount Senior Note.

If the amortizable bond premium allocable to an accrual period exceeds a United States holder's interest income from a Senior Note for such accrual period, such excess is first allowed as a deduction to the extent of interest included in the United States holder's income in respect of the Senior Note in previous accrual periods (after taking into account any bond premium deductions in such accrual periods) and is then carried forward to the United States holder's next accrual period. If the amortizable bond premium allocable and carried forward to the accrual period in which the United States holder's Senior Note is sold, exchanged, redeemed or otherwise disposed of exceeds the United States holder's interest income for such accrual period, such United States holder would be allowed an ordinary deduction equal to such excess.

If a Senior Note is denominated in, or determined by reference to, a foreign currency, the relevant United States holder will compute its amortizable bond premium in units of the foreign currency and its amortizable bond premium would reduce its interest income in units of the foreign currency. Gain or loss that is attributable to changes in exchange rates between the time the relevant United States holder's amortized bond premium offsets interest income and the time of the acquisition of such Senior Note is generally taxable as ordinary income or loss.

If a United States holder makes an election to amortize bond premium, it would apply to all debt instruments, other than debt instruments the interest on which is excludable from gross income, that such United States holder holds at the beginning of the first taxable year to which the election applies or that such United States holder thereafter acquires, and such United States holder may not revoke it without the consent of the IRS. See also "—Original Issue Discount—Election to Treat All Interest as Original Issue Discount."

Purchase, Sale and Disposition of the Senior Notes

A United States holder's tax basis in a Senior Note will generally be the U.S. dollar cost, as described below, of such Senior Note, adjusted by:

- adding any OID or market discount previously included in income with respect to such Senior Note, and then
- subtracting any payments on such Senior Note that are not qualified stated interest payments and any amortizable bond premium to the extent that such premium either reduced interest income on such Senior Note or gave rise to a deduction on such Senior Note.

If a United States holder purchases a Senior Note with foreign currency, the U.S. dollar cost of such Senior Note will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if a United States holder is a cash basis taxpayer, or an accrual basis taxpayer if it so elects, and the Senior Note it purchases is traded on an established securities market, within the meaning of the applicable Treasury regulations, the U.S. dollar cost of such Senior Note will be the U.S. dollar value of the purchase price on the settlement date in respect of the Senior Note purchased.

A United States holder will generally recognize gain or loss on the sale, exchange, redemption or other taxable disposition of a Senior Note equal to the difference between the amount it realizes on the sale, exchange, redemption or other taxable disposition, excluding any amounts attributable to accrued but unpaid qualified stated interest (which will be treated as interest payments), and its tax basis in such Senior Note. If such Senior Note is sold, exchanged, redeemed or otherwise disposed of for an amount in foreign currency, the amount the relevant United States holder realizes will be the U.S. dollar value of such amount on the date of the sale, exchange, redemption or other taxable disposition, except that in the case of a Senior Note that is traded on an established securities market, within the meaning of the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale, exchange, redemption or other taxable disposition.

A United States holder will recognize capital gain or loss on the sale, exchange, redemption or other taxable disposition of a Senior Note held by it, except to the extent:

- described above under "—Original Issue Discount—Short-Term Senior Notes" or "—Market Discount," or
- attributable to changes in exchange rates as described below.

Any capital gain or loss will be long-term if the Senior Note has been held for more than one year at the time of such sale, exchange, redemption or other taxable disposition. Certain non-corporate United States holders (including individuals) may be eligible for preferential rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations. Subject to the discussion above under "—Market Discount," any gain or loss recognized will generally be treated as income from United States sources for purposes of determining the foreign tax credit allowable to a United States holder (except to the extent that a United States holder establishes the right to treat gain as foreign source income under the Treaty). Consequently, a United States holder may not be able to claim a foreign tax credit for any Mexican tax imposed upon the sale, exchange, redemption or other taxable disposition of a Senior Note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. However, pursuant to the Foreign Tax Credit Regulations, unless a United States holder is eligible for and elects the benefits of the Treaty, any Mexican income tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that a United States holder may have that is derived from foreign sources). In such case, the non-creditable Mexican income tax would generally reduce the amount realized on the sale, exchange, redemption or other taxable disposition of the Senior Note. As discussed above, however, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). If any Mexican tax is imposed upon the sale, exchange, redemption or other taxable disposition of a Senior Note and a United States holder applies such temporary relief, such Mexican tax may be eligible for a foreign tax credit or deduction, subject to the applicable conditions and limitations.United States holders are urged to consult their tax advisors regarding the Foreign Tax Credit Regulations (and the related temporary relief in the IRS notices) and the availability of the foreign tax credit or a deduction under their particular circumstances.

If a Senior Note is denominated in, or determined by reference to, a foreign currency, a United States holder must treat any portion of the gain or loss that it recognizes on the sale, exchange, redemption or other taxable disposition of such Senior Note as ordinary income or loss to the extent attributable to changes in exchange rates between the time of the acquisition of such Senior Note and the time of such sale, exchange, redemption or other taxable disposition. However, a United States holder takes exchange gain or loss into account (with respect to both principal and accrued interest) only to the extent of the total gain or loss it realizes on the transaction.

Senior Notes Subject to Special Rules

The applicable Pricing Supplement will discuss any special United States federal income tax rules with respect to Senior Notes that are Fixed Reset Notes, Indexed Notes, Extendible Notes, Amortizing Notes or Dual Currency Notes, or that are otherwise subject to the special rules that govern contingent payment debt instruments.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a "**Reportable Transaction**"). Under these regulations, if the Senior Notes are denominated in, or determined by reference to, a foreign currency, a United States holder (or a Non-United States holder (as defined below) that holds the Senior Notes in connection with a U.S. trade or business) that recognizes a loss with respect to the Senior Notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on IRS Form 8886 (Reportable Transaction Disclosure Statement) if the loss meets or exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is U.S.$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. A prospective purchaser should consult with its own tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of the Senior Notes.

Subordinated Notes

Characterization of the Subordinated Notes

No statutory, judicial or administrative authority directly addresses the characterization of the Subordinated Notes or instruments similar to the Subordinated Notes for United States federal income tax purposes (specifically, debt instruments with a write-down feature). As a result, significant aspects of the United States federal income tax consequences of an investment in the Subordinated Notes are uncertain. However, we intend, absent a change in law, to treat the Subordinated Notes as our equity (rather than debt) for United States federal income tax purposes. In general, under the Code, the characterization of an instrument for United States federal income tax purposes as debt or equity of a corporation by its issuer as of the time of issuance is binding on an owner of the instrument unless the owner discloses on its tax return that it is taking an inconsistent position. The issuer's characterization, however, is not binding on the IRS.

Except as stated below under "—Possible Alternative Treatment of the Subordinated Notes," the following discussion assumes that the Subordinated Notes will be treated as our equity for United States federal income tax purposes. Treatment of the Subordinated Notes as debt for United States federal income tax purposes may significantly change the tax treatment of the Subordinated Notes in ways that are potentially adverse to holders.

Tax Treatment of Payments on the Subordinated Notes

Subject to the discussion below under "—PFIC Rules," payments of stated interest on the Subordinated Notes, including any tax withheld from such interest and any related additional amounts, will be treated as distributions on our stock and as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Because we do not expect to maintain calculations of our earnings and profits under United States federal income tax principles, it is expected that distributions paid to a United States holder generally will be reported as dividends.

Subject to the discussion below under "—PFIC Rules," dividends received by a non-corporate United States holder may be qualified dividend income taxable at the preferential rates applicable to long-term capital gains; *provided* such holder holds the Subordinated Notes for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, in this case generally the relevant record date in respect of the applicable interest payment date (or, if the dividend is attributable to a period or periods aggregating over 366 days; *provided* such holder holds the Subordinated Notes for more than 90 days during the 181-day period beginning 90 days before the ex-dividend date), and meets other holding period requirements. In addition, we (i) must be eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory and that includes an exchange of information program and (ii) must not have been in the year prior to the year in which the dividend was paid, and not be, in the year in which the dividend is paid, a passive foreign investment company ("**PFIC**") as discussed below. You should consult your tax advisor regarding the availability of the reduced dividend tax rate in light of your particular circumstances.

There is some uncertainty as to the application of the qualified dividend rules to instruments that are treated as equity for United States federal income tax purposes but that grant holders the legal rights of debt holders. You should consult your tax advisor regarding your holding period in the Subordinated Notes in light of your rights under the Subordinated Notes. Amounts we pay with respect to the Subordinated Notes will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations.

Dividends that exceed certain thresholds in relation to a United States holder's tax basis in the Subordinated Notes could be characterized as "extraordinary dividends" under the Code. A non-corporate United States holder will be required to treat any loss on the on the sale or other taxable disposition of the Subordinated Notes as a long-term capital loss (regardless of its holding period) to the extent of any extraordinary dividends such United States holder receives that are treated as qualified dividend income.

If a payment on a Subordinated Note that is treated as a dividend is made in a foreign currency, the dividend income recognized by a United States holder will equal the U.S. dollar value of the payment, based on the exchange rate in effect on the date of receipt, regardless of whether the United States holder actually converts the payment into U.S. dollars.

Dividends that are paid on the Subordinated Notes will generally be treated as income from sources outside the United States for purposes of determining the foreign tax credit allowable to a United States holder. Such amounts will generally be "passive" income for purposes of computing the foreign tax credit. A United States holder may, subject to generally applicable limitations and conditions (including a minimum holding period requirement), be entitled to a foreign tax credit for any Mexican withholding tax imposed on dividends that are paid on the Subordinated Notes. However, the Foreign Tax Credit Regulations impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and unless a United States holder is eligible for and elects the benefits of the Treaty, there can be no assurance that those requirements will be satisfied. The Department of the Treasury and the IRS are considering proposing amendments to the Foreign Tax Credit Regulations. In addition, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Instead of claiming a foreign tax credit, a United States holder may be able to deduct any Mexican withholding tax imposed on dividends that are paid on the Subordinated Notes, subject to generally applicable limitations under U.S. law (including that a United States holder is not eligible for a deduction for otherwise creditable foreign income taxes paid or accrued in a taxable year if such United States holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The availability and calculation of foreign tax credits and deductions for foreign taxes involve the application of complex rules and also vary depending upon a United States holder's particular circumstances. United States holders are urged to consult their tax advisors regarding the Foreign Tax Credit Regulations (and the related temporary relief in the IRS notices) and the availability of the foreign tax credit or a deduction under their particular circumstances.

Sale, Exchange, Redemption or Write-Down of the Subordinated Notes

Subject to the discussion below under "—PFIC Rules," a United States holder will generally recognize capital gain or loss upon the sale, exchange or other taxable disposition (other than a redemption, which is described below) of Subordinated Notes in an amount equal to the difference between the amount realized on such disposition and the holder's tax basis in the Subordinated Notes, both determined in U.S. dollars. Any capital gain or loss will be long-term if the Subordinated Notes have been held for more than one year at the time of such sale, exchange or other taxable disposition. Certain non-corporate United States holders (including individuals) may be eligible for preferential rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized upon the sale, exchange or other taxable disposition of Subordinated Notes will generally be treated as income from United States sources for purposes of determining the foreign tax credit allowable to a United States holder (except to the extent that a United States holder establishes the right to treat gain as foreign source income under the Treaty). Consequently, a United States holder may not be able to claim a foreign tax credit for any Mexican tax imposed upon the sale, exchange or other taxable disposition of a Subordinated Note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. However, pursuant to the Foreign Tax Credit Regulations, unless a United States holder is eligible for and elects the benefits of the Treaty, any Mexican income tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that a United States holder may have that is derived from foreign

sources). In such case, the non-creditable Mexican income tax would generally reduce the amount realized on the sale, exchange or other taxable disposition of the Subordinated Note. As discussed above, however, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). If any Mexican tax is imposed upon the sale, exchange or other taxable disposition of a Subordinated Note and a United States holder applies such temporary relief, such Mexican tax may be eligible for a foreign tax credit or deduction, subject to the applicable conditions and limitations. United States holders are urged to consult their tax advisors regarding the Foreign Tax Credit Regulations (and the related temporary relief in the IRS notices) and the availability of the foreign tax credit or a deduction under their particular circumstances.

Upon the redemption of Subordinated Notes, a United States holder will generally be treated as if it sold the Subordinated Notes with the consequences described in the preceding paragraphs (although any amounts received that are attributable to accrued and unpaid interest may be taxable as dividend income), provided the redemption (i) results in a complete termination of the United States holder's equity interest in the Issuer (including the Subordinated Notes) or (ii) is not essentially equivalent to a dividend. In determining whether either of these tests has been met, Subordinated Notes or other equity interests in the Issuer considered to be owned by the United States holder by reason of certain constructive ownership rules set forth in Section 318 of the Code, as well as Subordinated Notes or other equity interests actually owned, must be taken into account. If a redemption does not meet either of the tests described above, the amount a United States holder receives in connection therewith would be treated in the same manner as a payment of interest (see "—Tax Treatment of Payments on the Subordinated Notes" above).

A full Write-Down of a Subordinated Note generally will be treated as a taxable disposition of such Subordinated Note for United States federal income tax purposes. It is unclear how a partial Write-Down of a Subordinated Note should be treated for United States federal income tax purposes, and prospective investors should consult their tax advisors regarding the United States federal income tax consequences of a partial Write-Down.

PFIC Rules

Special United States federal income tax rules would apply to holders of the Subordinated Notes if we were classified as a PFIC. We will be classified as a PFIC in any taxable year in which, after taking into account our income and gross assets (and the income and assets of our subsidiaries pursuant to applicable "look-through" rules), either (i) 75% or more of our gross income consists of certain types of "passive income" or (ii) 50% or more of the average quarterly value of our assets is attributable to "passive assets" (assets that produce or are held for the production of passive income). If a company is considered to be an active bank for purposes of the PFIC rules, its "banking income" is treated as active income even if it would otherwise be classified as passive income. Based on our audited consolidated financial statements for the year ended December 31, 2025, we believe that we were not a PFIC for United States federal income tax purposes in 2025, and we do not expect to be a PFIC in the foreseeable future. However, this conclusion is a factual determination that is made annually and thus may be subject to change. It is therefore possible that we could become a PFIC in a future taxable year.

If we were to become a PFIC, a United States holder that does not make a "mark-to-market" election may incur significantly increased United States federal income tax on gain recognized on the sale or other disposition of the Subordinated Notes and on the receipt of payments on the Subordinated Notes to the extent such payments are treated as "excess distributions" under the United States federal income tax rules. In addition, payments on the Subordinated Notes would not be eligible for treatment as qualified dividend income, a United States holder of our Subordinated Notes would be subject to additional U.S. tax form filing requirements, and the statute of limitations for collections may be suspended for a United States holder that does not file the appropriate form.

Possible Alternative Treatment of the Subordinated Notes

As discussed above, significant aspects of the United States federal income tax consequences of an investment in the Subordinated Notes are uncertain. The IRS could assert that the Subordinated Notes should be characterized as debt for United States federal income tax purposes. If the Subordinated Notes were so treated, interest on the Subordinated Notes would be ordinary income and would not be eligible for the lower rate for "qualified dividend income" discussed above in "—Tax Treatment of Payments on the Subordinated Notes." Moreover, in that event, the Subordinated Notes may be treated as contingent payment debt instruments, with the consequences, among others, that (i) United States holders would be required to accrue interest on the Subordinated Notes even if such

holders otherwise use the cash method of accounting for United States federal income tax purposes, (ii) the amount of interest that must be accrued in any period may differ from the amount of stated interest accruing in that period, and (iii) gain from the sale, exchange, redemption or other taxable disposition of the Subordinated Notes would be ordinary income.

Prospective investors should consult their tax advisors as to the tax consequences to them if the Subordinated Notes were characterized as debt for United States federal income tax purposes.

Information with Respect to Foreign Financial Assets

A United States holder that owns "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with its tax returns, currently on IRS Form 8938. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. The understatement of income attributable to "specified foreign financial assets" in excess of U.S.$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. United States holders who fail to report the required information could be subject to substantial penalties. United States holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

Purchase, Receipt and Exchange of Foreign Currency

If a United States holder receives foreign currency as interest on a Note held by it or on the sale, exchange, redemption or other taxable disposition of a Note held by it, the tax basis of such United States holder in the foreign currency generally would equal the U.S. dollar value thereof on the date of receipt. If a United States holder purchases foreign currency, it generally would have a tax basis in the foreign currency equal to the U.S. dollar value thereof on the date of purchase. If a United States holder sells or disposes of foreign currency, including if it uses such foreign currency to purchase Notes or exchanges such foreign currency for U.S. dollars, any gain or loss recognized generally would be ordinary income or loss.

Non-United States Holders

This subsection describes the tax consequences to a Non-United States holder.

A person is a "**Non-United States holder**" if it is a beneficial owner of a Note and it is, for United States federal income tax purposes:

- a nonresident alien individual,
- a foreign corporation, or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a Note.

This subsection does not apply to United States holders.

Under United States federal income tax law, and subject to the discussion of backup withholding and FATCA withholding below, if a person is a Non-United States holder of a Note, interest on such Note paid to such person is exempt from United States federal income tax, including withholding tax, whether or not such person is engaged in a trade or business in the United States, unless:

- such person is an insurance company carrying on a United States insurance business to which the interest is attributable, within the meaning of the Code, or
- such person both
    - has an office or other fixed place of business in the United States to which the interest is attributable; and

- derives the interest in the active conduct of a banking, financing or similar business within the United States, or is a corporation with a principal business of trading in stocks and securities for its own account.

A Non-United States holder of a Note will generally not be subject to United States federal income tax on gain realized on the sale, exchange, redemption or other taxable disposition of such Note unless:

- the gain is effectively connected with such person's conduct of a trade or business in the United States; or
- such person is an individual, is present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

Non-United States holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

FATCA Withholding

Certain non-U.S. financial institutions must comply with information reporting requirements or certification requirements in respect of their direct and indirect United States accountholders (which may include United States shareholders and/or United States noteholders) to avoid becoming subject to withholding on certain payments. The Issuer and other non-U.S. financial institutions may accordingly be required to report information to the IRS regarding the holders of Notes. The Issuer and other non-U.S. financial institutions may also be required to withhold on a portion of payments under the Notes to certain holders that fail to comply with the relevant information reporting requirements (or hold Notes directly or indirectly through certain noncompliant intermediaries). However, under proposed Treasury regulations (upon which taxpayers may rely until final regulations are issued), such withholding will not apply to payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are published. Moreover, in the case of Senior Notes (or the Subordinated Notes if they are characterized as debt for United States federal income tax purposes), such withholding would only apply to Notes issued at least six months after the date on which final regulations defining the term "foreign passthru payment" are published. Holders are urged to consult their own tax advisors and any banks or brokers through which they will hold Notes as to the consequences (if any) of these rules to them.

Backup Withholding and Information Reporting

If a holder is a non-corporate United States holder, information reporting requirements, on IRS Form 1099, generally would apply to payments of principal and interest on a Note (including interest treated as dividends with respect to a Subordinated Note) within the United States, and the payment of proceeds to the non-corporate United States holder from the sale of a Note effected at a United States office of a broker. Information reporting may also apply in respect of any OID that accrues on a Senior Note. Backup withholding may apply to any of the payments described above if a United States holder fails to provide a taxpayer identification number and a certification that it is not subject to backup withholding, or fails to report in full dividend and interest income.

In general, payment of the proceeds from the sale of Notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

A Non-United States holder generally will be exempt from information reporting and backup withholding with respect to the Notes if such holder properly certifies to its foreign status or otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's United States federal income tax liability provided the required information is timely furnished to the IRS.

Certain Mexican Income Tax Consequences

General

The following is a general summary of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of Notes by a Non-Mexican Holder. For purposes of this summary, "Non-Mexican Holder" means a holder of the Notes that is not a resident of Mexico for tax purposes and that does not conduct a trade or business in Mexico through a permanent establishment for tax purposes in Mexico, to which income derived from the Notes is attributable. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes, is for general information purposes only and does not constitute tax advice, and does not address all the Mexican tax consequences that may be applicable to specific Non-Mexican Holders. In addition, this summary does not describe any tax consequences arising under the laws of any taxing jurisdiction other than Mexico, arising under the laws of any state or municipality within Mexico, or that are applicable to a resident of Mexico for tax purposes in connection with the purchase, ownership and disposition of the Notes. This summary is based upon the provisions set forth in the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*) and the Mexican Federal Fiscal Code (*Código Fiscal de la Federación*) in effect as of the date hereof, which are subject to change or to new or different interpretations, which may have an impact on this description.

Mexico has entered into, and is negotiating several, tax treaties with various countries, that may affect this description and the Mexican withholding tax liability applicable to Non-Mexican Holders.

Prospective purchasers of the Notes should consult their own tax advisors as to the Mexican or other tax consequences, and the consequences under tax treaties to which Mexico is a party and are in effect, of the purchase, ownership and disposition of Notes, including, in particular, the effect of any foreign, state, municipal or local tax laws. For tax purposes, the acquisition, holding and disposition of the Notes by any investor, including any investor who is a resident of Mexico, will be made under its own responsibility.

For Mexican taxation purposes, an individual is a resident of Mexico for tax purposes if such individual has established his or her home in Mexico, unless such individual also has a home available to him/her in another country; in that case, the individual will be deemed a resident of Mexico for tax purposes when his or her "center of vital interests" (*centro de intereses vitales*) is located within the territory of Mexico. This will be deemed to occur if, among other considerations, (i) at least 50% of his or her aggregate annual income derives from Mexican sources, or (ii) the main center of his or her professional activities is located in Mexico.

Mexican nationals who file a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico, in which his or her income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered residents of Mexico for tax purposes during the year of filing of the notice of such residence change and during the following five years. Any Mexican nationals that are employed by the Mexican government are deemed residents of Mexico, even if their center of vital interests is located outside of Mexico.

Unless otherwise evidenced, Mexican nationals are deemed residents of Mexico for tax purposes. An individual will also be considered a resident of Mexico for tax purposes, if such individual is a Mexican federal government employee, regardless of the location of the individual's center of vital interests.

A legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) qualifies as a resident of Mexico for tax purposes if the principal administration of its business or its place of effective management is located in Mexico. If a legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) or an individual has a permanent establishment in Mexico for tax purposes, any and all income attributable to that permanent establishment of such entity or individual would be subject to Mexican income tax pursuant to applicable law.

Taxation of Payments of Principal and Interest Under Notes Issued by Us Through the Texas Agency

Under the Mexican Income Tax Law, payments of principal and interest on the Notes (including any amounts paid in excess of the issue price for the Notes, which are deemed interest under the Mexican Income Tax Law) paid by us, through our Texas Agency, to a Non-Mexican Holder will not be subject to Mexican withholding or other similar taxes.

Taxation of Payments of Principal and Interest Under Notes Issued Directly by Us

Under the Mexican Income Tax Law, payments of interest (including original issue discount and premiums, which are deemed interest under the Mexican Income Tax Law) made by the Bank, acting directly and not through the Texas Agency, in respect of the Notes to a Non-Mexican Holder will generally be subject to a Mexican withholding tax assessed at a rate of 4.9%, if, as expected, (i) the Notes are placed outside Mexico, through banks or broker-dealers, in a country with which Mexico has a treaty for the avoidance of double taxation in effect, (ii) a notice is filed before the CNBV describing the main characteristics of the relevant offering of the Notes pursuant to Article 7 of the Mexican Securities Market Law, and (iii) the relevant disclosure requirements set forth from time to time by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*, or the "**SAT**") are complied with, including the requirement to timely file with the SAT, 15 days after the placement of the Notes, information regarding such placement, and on a quarterly basis, information setting forth, among other items, that no party related to us, jointly or individually, directly or indirectly, is the beneficial owner of more than 5% of the aggregate amount of each interest payment, and that we maintain records that evidence compliance with this requirement.

If any of the above requirements is not met, the withholding tax applicable to interest payments under the Notes made directly by the Bank to a Non-Mexican Holder will be imposed at a rate of 10% or higher. In addition, if the beneficiaries, whether acting directly or indirectly, severally or jointly with related parties, receiving more than 5% of the aggregate amount of each interest payment under the Notes are (i) persons holding more than 10% of our shares, directly or indirectly, severally or jointly with related parties, or (ii) corporations or other entities whose stock is more than 20% owned, directly or indirectly, jointly or severally, by persons related to us, the Mexican withholding tax will be applied at substantially higher rates (35% as of the date of this Offering Memorandum). For these purposes, persons will be related if (i) one person holds an interest in the business of the other person, (ii) both persons have common interests or (iii) a third party has an interest in the business or assets of both persons.

Payments of interest in respect of the Notes made directly by the Bank to a non-Mexican pension or retirement fund will be exempt from Mexican withholding tax; provided that (i) the applicable fund is organized pursuant to the laws of its country of residence and is the effective beneficiary of the interest payment, (ii) such income is exempt from income taxes in such fund's country of residence and (iii) such fund provides the aforementioned information to the Bank, that the Bank may in turn provide to the SAT, in accordance with the rules issued by the SAT for these purposes.

Under the Mexican Income Tax Law, payments of principal made by the Bank, acting directly and not through the Texas Agency, in respect of the Notes to a Non-Mexican Holder will not be subject to Mexican withholding taxes.

Taxation of Capital Gains

As a general rule, under the Mexican Income Tax Law, gains resulting from the sale or disposition of the Notes by a Non-Mexican Holder to another Non-Mexican Holder are not subject to income or other tax in Mexico, regardless of whether the Notes are issued by the Issuer or the Bank. Gains resulting from the sale of the Notes issued by the Bank by a Non-Mexican Holder to a purchaser who is a Mexican resident for tax purposes or to a Non-Mexican Holder deemed to have a permanent establishment for tax purposes in Mexico will be deemed interest income and will be subject to withholding tax in Mexico, unless an applicable income tax treaty provides otherwise. The acquisition of the Notes issued by the Bank at a discount by a Non-Mexican Holder will be deemed interest income and subject to income tax in Mexico, if the seller is a Mexican resident for tax purposes or a foreign resident deemed to have a permanent establishment for tax purposes in Mexico; no such taxes will apply if the Notes acquired are issued by the Issuer.

Other Mexican Tax Considerations

A Non-Mexican Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the acquisition, ownership or disposition of the Notes, nor will such Non-Mexican Holder be liable for any Mexican stamp, issue, registration or similar taxes.

The Proposed Financial Transactions Tax

In February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece,

Italy, Portugal, Slovakia, Slovenia and Spain (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN ERISA CONSIDERATIONS

A fiduciary of a "Benefit Plan Investor" (as defined below) should consider the fiduciary standards of the U.S. Employee Retirement Income Security Act of 1974 as amended ("**ERISA**") in the context of the Benefit Plan Investor's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Benefit Plan Investor, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

Prohibited Transaction Rules

Section 406 of ERISA and Section 4975 of the Code impose restrictions on (i) "employee benefit plans" (as defined in Section 3(3) of ERISA), subject to the provisions of part 4 of subtitle B of Title I of ERISA, (ii) "plans" within the meaning of Section 4975(e)(1) of the Code, to which the prohibited transaction provisions of Section 4975 of the Code apply; and (iii) entities whose underlying assets include "plan assets" by reason of such an employee benefit plan's and/or plan's investment in such entity pursuant to the U.S. Department of Labor regulation codified at 29 C.F.R. 2510.3-101 et seq., as modified by Section 3(42) of ERISA (the **"Plan Assets Regulation"**) (each as described in clauses (i), (ii) and (iii) a **"Benefit Plan Investor"**), engaging in certain transactions with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (collectively referred to as **"Parties in Interest"**) with respect to such Benefit Plan Investor. Such Parties in Interest could include, without limitation, the Bank, the Dealers, the Trustee, the registrar and each of their respective affiliates and agents (each, a "Relevant Entity"). A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those Parties in Interest, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. In addition, the fiduciary of the Benefit Plan Investor that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

Whether or not the underlying assets of the Issuer were deemed to include "plan assets" of a Benefit Plan Investor as described below, the acquisition, holding and/or disposition of the Notes by a Benefit Plan Investor with respect to which a Relevant Entity is or becomes a Party in Interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Notes are acquired, held and/or disposed of pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions (**"PTCEs"**) that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and related lending transactions; provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the "**service provider exemption**"). Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Benefit Plan Investors considering acquiring and/or holding the Notes in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that any of the conditions of any such exemption will be satisfied.

The Plan Assets Regulations

The Plan Assets Regulation describes what constitutes the assets of a Benefit Plan Investor for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code.

Under the Plan Assets Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly-offered security" (within the meaning of the Plan Assets Regulation) nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the "equity interest" and an undivided interest in each of the entity's underlying assets unless either (a) immediately after the most recent acquisition of any "equity interest" in the entity, 25% or more of the total value of any class of "equity interest" in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, that have discretionary control over the assets of the entity or provide investment advice to the entity for a fee (direct or indirect) or certain "affiliates" within the meaning of paragraph (f)(3) of the Plan Assets Regulation of such persons) is held by Benefit Plan Investors or (b) the entity is an "operating company" as defined in the Plan Assets Regulation. Under the Plan Assets Regulation, an "operating company" is an entity that is primarily engaged, directly or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital.

The Plan Assets Regulation defines an "equity interest" as any interest in an entity, other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Consequently, under the Plan Assets Regulation, a security which is in the form of debt may be considered an "equity interest" if it has substantial equity features. Although the Plan Assets Regulation is silent with respect to the question of which law constitutes applicable local law for this purpose, the U.S. Department of Labor has stated that these determinations should be made under the state law governing interpretation of the instrument in question. In the preamble to the Plan Assets Regulation, the U.S. Department of Labor declined to provide a precise definition of what features are equity features or the circumstances under which those features would be considered "substantial," noting that the question of whether a Benefit Plan Investor's interest has substantial equity features is an inherently factual one.

If the Issuer is deemed under the Plan Assets Regulation to hold "plan assets" by reason of a Benefit Plan Investor's investment in any of the Notes, such "plan assets" would include an undivided interest in the assets held by the Issuer and, among other things, transactions by the Issuer would be subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code and the fiduciary making the investment on the Benefit Plan Investor's behalf may be deemed to have delegated its asset management responsibility to the persons having authority and control over the Issuer's assets.

It is not anticipated that (i) the Notes will be "publicly-offered securities" for purposes of the Plan Assets Regulation, (ii) the Issuer will be an investment company registered under the Investment Company Act or (iii) the Issuer will monitor whether investment in the Notes by Benefit Plan Investors will remain below the 25% threshold of the Plan Assets Regulations.

We believe that we should qualify as an "operating company," although no assurance can be given in this regard.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other arrangements ("**Non-ERISA Arrangements**"), while not necessarily subject to the fiduciary responsibility or prohibited transaction requirements of ERISA or Section 4975 of the Code, may nevertheless be subject to substantially similar provisions under applicable federal, state, local, non-U.S. or other regulations, rules or laws ("**Similar Laws**"). Fiduciaries of any such Non-ERISA Arrangements should consult with their counsel before purchasing or holding any Notes.

Deemed Representation by Investors

Each purchaser and holder of a Note or any interest therein, including any transferee of such Note or interest, will be deemed to have represented and warranted by its purchase and holding of the Notes that it either (1) is not, and for so long as it holds the Notes or any interest therein, will not be a Benefit Plan Investor or a Non-ERISA Arrangement, and it is not purchasing or holding Notes on behalf of or with the assets of any Benefit Plan Investor or Non-ERISA Arrangement or (2) the purchase, holding and disposition of the Notes will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA and Section 4975 of the Code, or, in the case of a Non-ERISA Arrangement, a violation of any applicable Similar Laws.

The preceding discussion is only a summary of certain implications under ERISA and Section 4975 of the Code of an investment in the Notes and does not purport to be complete. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in nonexempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Notes on behalf of or with the assets of any Benefit Plan Investor or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the

PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase, holding or disposition of the Notes under Similar Laws, as applicable.

Neither this discussion nor anything provided in this Offering Memorandum is or is intended to be investment advice to any Benefit Plan Investor or Non-ERISA Arrangement. Each purchaser or holder of a Note or any interest therein has the exclusive responsibility for ensuring that their purchase and holding of the Note complies with the fiduciary responsibility rules of ERISA, the Code and any Similar Laws, as applicable, and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. Nothing in this Offering Memorandum is, or should be construed as, a representation or advice as to whether an investment in the Notes is appropriate for Benefit Plan Investors or Non-ERISA Arrangements in general or for any particular Benefit Plan Investor or Non-ERISA Arrangement.

PLAN OF DISTRIBUTION

General

Under the terms of the dealer agreement, dated August 6, 2019 (as amended, modified, supplemented and/or restated from time to time, the "**Dealer Agreement"**), we may offer the Notes through the Dealers, each of which has agreed to use its reasonable efforts to solicit offers to purchase the Notes. The Dealers may offer and sell the Notes through certain of their affiliates or other registered broker-dealers or selling agents. Any agreement of the Dealers to solicit offers to purchase the Notes or to purchase Notes as principal is subject to the satisfaction of the conditions precedent set forth in the Dealer Agreement. In the Dealer Agreement, the Bank has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities, including liabilities under the Securities Act, incurred by them in connection therewith.

We will pay each Dealer through which we sell Notes such commission as we and the applicable Dealer may agree at the time of sale. In addition, we may appoint Dealers in addition to the Dealers that are initially party to the Dealer Agreement. The commission will be specified in the applicable Pricing Supplement. We will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes, in whole or in part, whether placed directly by us or one of our affiliates or through the Dealers. Each Dealer will have the right, in its discretion reasonably exercised without advising us, to reject any proposed purchase of Notes through that Dealer in whole or in part. We may also sell Notes to the Dealers, as principals, at a negotiated discount, for resale to investors or to another broker-dealer — acting as principal for purposes of resale — at varying prices related to prevailing market prices at the time of resale to be determined by the Dealers, or if specified in the applicable Pricing Supplement, at a fixed offering price. Notes may be distributed on a syndicated basis, in which case the applicable Pricing Supplement will identify the Dealers constituting the syndicate, or on a non-syndicated basis. We have also reserved the right to sell Notes directly on our own behalf, in which case no commission will be payable to the Dealers. We can terminate the Program at any time.

Delivery of Notes

Under Rule 15c6-1 of the Exchange Act, trades in the secondary market are generally required to settle in one business day, unless the parties to any such trade expressly agree otherwise. The applicable Pricing Supplement may provide that the original issue date for the Notes may be more than one scheduled business day after the trade date for those Notes. Accordingly, in such a case, if you wish to trade those Notes on any date prior to the business day before the original issue date for those Notes, you will be required, by virtue of the fact that those Notes initially are expected to settle in more than one scheduled business day after the trade date for those Notes, to make alternative settlement arrangements to prevent a failed settlement.

Sales Restrictions

The distribution of this Offering Memorandum and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. If a jurisdiction requires that an offering of the Notes be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by the Dealers or such affiliates in such jurisdiction. To the extent any Dealer that is not a U.S. registered broker-dealer intends to effect any offers or sales of any Notes in the United States, it will do so through one or more U.S. registered broker-dealers in accordance with applicable U.S. securities laws and regulations. Persons into whose possession this Offering Memorandum comes are required by us and the Dealers to inform themselves about and to observe any such restrictions.

With regard to each Note, the relevant purchaser will be required to comply with the restrictions that we and the relevant purchaser will agree and as will be set out in the applicable Pricing Supplement. These restrictions may include, but are not limited to, the restrictions set forth below.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws, and the Notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the Notes are being offered and sold only:

- in the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

Mexico

The Notes have not been and will not be registered in Mexico with the RNV maintained by the CNBV and, therefore, may not be offered or sold in Mexico; the Notes may be offered or sold in Mexico, on a private placement basis, to investors that qualify as institutional or qualified investors, solely pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law and regulations thereunder. We will notify the CNBV in respect of the terms and conditions of the offering of the Notes outside of Mexico. Such notice will be submitted to the CNBV for statistical and informational purposes only, to comply with Article 7, second paragraph, of the Mexican Securities Market Law and regulations thereunder. The delivery to, and receipt by, the CNBV of such notice does not constitute or imply any certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information set forth in this Offering Memorandum. This Offering Memorandum is solely our responsibility and has not been reviewed or authorized by the CNBV, and may not be publicly distributed in Mexico.

EEA

Unless the applicable Pricing Supplement in respect of any Notes indicates "Prohibition of Sales to EEA Retail Investors" as "Not Applicable," any Notes offered hereunder are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For the purposes of this provision, the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

UK

Unless the applicable Pricing Supplement in respect of any Notes indicates "Prohibition of Sales to UK Retail Investors" as "Not Applicable," any Notes offered hereunder are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by DISC for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

For the purposes of this provision, the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Dealer has advised and each further Dealer appointed under the Program will be required to advise that:

- in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to

expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA, with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Belgium

No action has been taken or will be taken in Belgium to permit a public offer of the Notes in accordance with the Belgian Act of 16 June 2006 on the public offer of securities and admission of securities to trading on a regulated market (the "**Belgian Prospectus Act**") or a takeover bid in accordance with the Belgian Act of 1 April 2007 on takeover bids (*i.e.*, the Belgian Takeover Act) and no Notes may be offered or sold to persons in Belgium unless either such persons are qualified investors within the meaning of Article 10 of the Belgian Prospectus Act or one or more other exemptions available under Article 3 of the Belgian Prospectus Act and Article 6 (3) of the Belgian Takeover Act apply.

Brazil

The Notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the "**CVM**"). The Notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or an unauthorized distribution under Brazilian laws and regulations. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any public offer for subscription or sale of the Notes to the public in Brazil.

British Virgin Islands

The bonds may not be offered or sold in the British Virgin Islands, except in circumstances that do not constitute a public offering or distribution to the public under the laws and regulations of the British Virgin Islands.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation; provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering under this Offering Memorandum.

Chile

The Notes may not be offered or sold in Chile, directly or indirectly, by means of a "**Public Offer**" as defined under the Chilean Securities Market Law (*Ley de Mercado de Valores*) and regulations from the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, or "**CMF**"). Chilean institutional investors (such as banks, pension funds and insurance companies) are required to comply with specific restrictions relating to the purchase of the Notes. Pursuant to Chilean law, a Public Offering is an offering that is addressed to the general public or to certain specific categories and/or groups thereof. Considering that the definition of Public Offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific

category or group of the public and therefore be considered public under applicable law. On June 27, 2012, the CMF issued *Norma de Carácter General No. 336* (General Rule No. 336, hereinafter "**NCG 336**"), which is intended to govern the private offering of securities in Chile. NCG 336 provides that the offering of securities that meet the conditions described therein shall not be considered a Public Offering in Chile and shall be exempted from complying with the general rules applicable to Public Offerings.

The following information is provided to prospective investors pursuant to NCG 336:

1. Date of commencement of the offer: April 24, 2026. The offer of the Notes is subject to NCG 336.
2. The subject matter of this offer are securities not registered with the Chilean Securities Registry (*Registro de Valores*) or the Foreign Securities Registry (*Registro de Valores Extranjeros*) kept by the CMF. As a consequence, the Notes are not subject to the oversight of the CMF.
3. Since the Notes are not registered in Chile, we are not obliged to provide public information about the Notes in Chile.
4. The Notes shall not be subject to Public Offering in Chile unless registered with the relevant securities registry kept by the CMF.

Colombia

The Notes have not been and will not be registered with or approved by the Superintendence of Finance of Colombia (*Superintendencia Financiera de Colombia*) or the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Accordingly, the Notes cannot be offered or sold in Colombia except in compliance with the applicable Colombian securities regulations.

France

Neither this Offering Memorandum nor any other offering material relating to the Notes described in this Offering Memorandum has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Offering Memorandum nor any other offering material relating to the Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The Notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Hong Kong

The Notes have not been offered or sold and will not be offered or sold in Hong Kong by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571 of Laws of Hong Kong) of Hong Kong (the "**SFO**") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CO**") or which do not constitute an offer to the public within

the meaning of the CO. No advertisement, invitation or document relating to the Notes has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Ireland

The Notes will not and may not be offered, sold, transferred or delivered, whether directly or indirectly, otherwise than in circumstances which do not constitute an offer to the public within the meaning of the Irish Companies Act, 1963-2006, and the Notes will not and may not be the subject of an offer in Ireland which would require the publication of a prospectus pursuant to the Prospectus Regulation.

Italy

The Notes may not be offered, sold or distributed, nor may this Offering Memorandum or any other document relating to the Notes be distributed in the Republic of Italy ("**Italy**"). This Offering Memorandum and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason.

Japan

The Notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the Notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Luxembourg

In relation to the Grand Duchy of Luxembourg ("**Luxembourg**"), which has implemented the Prospectus Regulation, the Notes which are subject of the offering contemplated by this Offering Memorandum may not be offered to the public in Luxembourg, except that the Notes may be offered to the public in Luxembourg:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- to fewer than 100 natural or corporations (other than qualified investors as defined in the Prospectus Law); or
- any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any Notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Netherlands

In the Netherlands, this Offering Memorandum may only be directed or distributed to, and the Notes may only be offered or sold to, qualified investors (*gekwalificeerde beleggers*) within the meaning of article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Peru

The Notes and the information contained in this Offering Memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this Offering Memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*) or the SMV and the Notes have not been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**"), pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term, as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification — In connection with Section 309B(1) of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Bank has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has been made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Uruguay

The Issuer represents and agrees that it has not offered or sold, and will not offer or sell, any securities to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The sale of any series of securities hereunder is not and will not be registered with the Central Bank of Uruguay to be publicly offered in Uruguay.

Other Matters

Purchasers of Notes sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the price to investors specified in the applicable Pricing Supplement.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for such transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the Dealers or their affiliates has a lending relationship with us, certain of those Dealers or their affiliates routinely hedge, and certain other of those Dealers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes issued under the Program. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Application has been made to Euronext Dublin for the approval of this document as base listing particulars and for Notes issued under the Program to be admitted to the Official List and trading on the Global Exchange Market for a period of 12 months from the date of these base listing particulars. The Global Exchange Market is not a regulated market for the purposes of MiFID II. There is no assurance that any Series of Notes will be listed and admitted to trading on the Global Exchange Market. The Notes may be listed and traded on other non-EU regulated markets or not be listed at all.

Each Series of Notes will constitute a new issue of securities with no established trading market. The Bank cannot assure you that an active trading market for the Notes will develop. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the Notes or may be unable to sell them at all. Even if a market develops, the liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes, the ability of holders to sell the Notes or the prices at which the Notes could be sold. Because the market for any Series of Notes may not be liquid, you may have to bear the economic risk of an investment in the Notes for an indefinite period of time. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Bank's performance and business prospects and other factors.

The Dealers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the Dealers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the Dealers to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Unless otherwise provided in the applicable Pricing Supplement, we have agreed that we will not, for a period of 30 days after the date of the pricing term sheet for the applicable Series of Notes, without the prior written consent of the relevant Dealers, directly or indirectly, sell, contract to sell, grant any option to purchase, or otherwise dispose of any debt securities of similar maturity, terms and conditions as such Notes that have tenor of more than one year, or any securities that represent the right to receive any such debt securities (other than under the Bank's *Programa de Emisión de Certificados Bursátiles* (Program for the Issuance of the Certificates) Revolving Bond Program pursuant to which the Bank may issue up to Ps.150 billion of indebtedness with maturities up to 35 years or any structured securities). The Bank is currently waiting for the CNBV's approval of this Program.

GENERAL INFORMATION

Clearing Systems

We will apply to have the Notes accepted for trading in book-entry form by DTC. In addition, application may be made to have the Notes accepted for clearance through Euroclear and Clearstream.

Listing

Application has been made to Euronext Dublin for the approval of this Offering Memorandum as listing particulars.

The Notes will not be registered with RNV maintained by the CNBV and, pursuant to the Mexican Securities Market Law, may not be offered or sold publicly or otherwise be subject to brokerage activities in Mexico, except that the Notes may be offered in Mexico to investors that qualify as institutional and accredited investors pursuant to a private placement exemption set forth in Article 8 of the Mexican Securities Market Law and regulations thereunder. As required under the Mexican Securities Market Law, we will notify the CNBV of the offering of the Notes outside of Mexico. Such notice will be submitted to the CNBV to comply with a legal requirement and for statistical and informational purposes only, and the delivery to and the receipt by the CNBV of such notice does not imply any certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information included in this Offering Memorandum.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the approval of this Offering Memorandum as listing particulars and, if applicable, the application for admission of a Series of Notes to the Official List of Euronext Dublin and trading on its Global Exchange Market.

Trend Information

There has been no material adverse change in the prospects of the Bank since December 31, 2025.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the Bank's financial position or profitability.

Significant Change in Financial or Trading Position

There has been no significant change in the financial or trading position of the Bank since December 31, 2025.

Documents on Display

For so long as the Notes of any Series are listed on the Global Exchange Market, copies of the following items will be available in physical form for inspection at our principal executive offices, as well as at the corporate trust office of the Trustee, paying agent, transfer agent and registrar, as such address is listed on the inside back cover page of this Offering Memorandum:

- this Offering Memorandum;
- the applicable Pricing Supplement;
- the Bank's Bylaws and Articles of Association;
- a copy of the license of the Texas Agency issued by the State of Texas, pursuant to Section 204.103 of the Texas Finance Code;
- the Senior Notes Indenture or any Subordinated Notes Indenture, as applicable, each as may be amended or supplemented from time to time;
- our published annual audited consolidated financial statements;
- any published quarterly unaudited consolidated financial statements; and

- any other documents related to each offering of the Notes.

Administrative, Management and Supervisory Bodies' Conflicts Of Interests

Except as otherwise disclosed herein, there are no potential conflicts of interest between the duties of the members of our Board of Directors and their private interests and/or other duties.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with establishment of the Program.

LEGAL MATTERS

Unless otherwise specified in the applicable Pricing Supplement, the validity of the Notes will be passed upon for us by Galicia Abogados, S.C., Mexican counsel to the Bank, Simpson Thatcher & Bartlett LLP, New York counsel to the Bank, and Morgan, Lewis & Bockius LLP, Texas special counsel to the Bank, and certain legal matters will be passed upon for the Dealers by Cleary Gottlieb Steen & Hamilton LLP, New York counsel to the Dealers, and Ritch, Mueller y Nicolau, S.C., special Mexican counsel to the Dealers.

Cleary Gottlieb Steen & Hamilton LLP has from time to time provided, and may provide in the future, legal services to the Bank and its affiliates.

INDEPENDENT AUDITORS

The consolidated financial statements of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and its subsidiaries as of December 31, 2025, December 31, 2024 and December 31, 2023 and for the years then ended, included herein, have been audited by Mancera, S.C., Member of Ernst & Young Global Limited, independent auditors, as stated in their report appearing herein, and a member of the Mexican Institute of Public Accountants (*Instituto Mexicano de Contadores Públicos, A.C.*).

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BBVA México, S.A.,
Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024
with the independent auditors' report
(Translation from Spanish language (original))

BBVA México, S.A.,
Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Subsidiaries (hereinafter the "Institution") which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Institution, have been prepared in all material aspects in accordance with the accounting criteria for Financial Group Holding Companies ("the Accounting Criteria") established by the National Banking and Securities Commission ("the Commission" or "CNBV").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Company in accordance with the "*International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants*" ("IESBA Code") as applicable to audits of consolidated financial statements of public interest entities, together with the relevant ethical requirements applicable to our audit of the consolidated financial statements of public interest entities in Mexico under the "Código de Ética Profesional del Instituto Mexicano de Contadores Públicos" ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Integrante de Ernst & Young Global Limited

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Allowance for credit losses

Description and why matter is considered as a key audit matter

We have considered the allowance for credit losses of the loan portfolio which amounts to $63,458 million mexican pesos as a key audit matter, since its determination involves significant judgments by the Management as well as the use of the various factors established in the Institution's internal methodology approved by the Commission and the standard methodology defined by the CNBV for loan portfolio rating processes, which requires the involvement of independent specialists from the Institution's Management and internal auditor valuation specialists, such as the allocation of the collateral, guarantor’s rating, assignment of “rating” for null values and impairment flag in applicable cases. Likewise, it is considered the reliability of the documentation and the updating of the information that serves as input for the calculation of said estimate.

In notes 3 p) and 12 of the accompanying consolidated financial statements as of December 31, 2025, the disclosures on the accounting policy for recognition and analysis of allowance of credit losses are included, respectively.

How our audit addressed the key audit matter

Our audit procedures included, among others, the understanding of the key processes and control environment established by the Institution, in the process of determining the allowance of credit losses of the loan portfolio, as well as the execution of design and operational effectiveness tests of the key controls implemented by the Institution's Management.

Additionally, we assessed the key quantitative and qualitative factors used by the Institution's Management to determine the allowance of credit losses of the loan portfolio, considering the items related to debtors during the loan portfolio rating process in accordance with the accounting methodologies and criteria established by the CNBV.

We also involved our valuation specialists to assist us in evaluating the reasonableness of Management's judgments regarding the allowance of credit losses of the loan portfolio, based on a sample basis.

Finally, we assessed the adequacy of the disclosures related to determining the allowance of credit losses of the loan portfolio, which was obtained in the accompanying consolidated financial statements as of December 31, 2025.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report presented to the CNBV and the annual report presented to shareholders, but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Upon reviewing the annual report presented to the CNBV and the annual report presented to the shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and issue a statement on the annual report requested by the CNBV to describe the matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the Accounting Criteria, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institution's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that complies, in all material aspects, with the accounting regulatory framework indicated in the second paragraph of this report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
Member of
Ernst & Young Global Limited

SIGNATURE

C.P.C. Brenda Miroslava Vázquez Calderón

Mexico City,
February 26, 2026

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries
Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of financial positions

As of December 31, 2025 and 2024

(MXN millions)

Assets	2025	2024
Cash and cash equivalents (note 5)	$ 231,067	$ 270,189
Margin accounts (derivative financial instruments) (note 6)	12,128	13,379
Investments in financial instruments (note 7):		
Financial instruments held for trading	273,587	287,968
Financial instruments to collect and sell	241,997	273,722
Financial instruments to collect principal and interest (securities) (net)	147,014	96,205
	662,598	657,895
Repurchase agreements debtors (note 8)	126,693	37,753
Derivative financial instruments (note 9):		
Held for Trading	165,979	188,914
Hedging	4,789	2,701
	170,768	191,615
Valuation adjustments for hedged financial assets	(57)	(1,557)
Stage 1 loan portfolio:		
Commercial:		
Business or commercial activity	862,942	795,883
Financial entities	52,856	46,472
Governmental entities	176,928	203,876
	1,092,726	1,046,231
Consumer lending	536,785	471,531
Mortgage:		
Medium class and residential	374,264	345,332
Low income housing mortgage	2,180	2,792
	376,444	348,124
Total loan portfolio with stage 1 credit risk	2,005,955	1,865,886
Stage 2 loan portfolio:		
Commercial:		
Business or commercial activity	10,242	13,676
Financial entities	-	5
	10,242	13,681
Consumer lending	13,615	12,432
Mortgage:		
Medium class and residential	13,656	12,411
Low income	358	410
	14,014	12,821
Total loan portfolio with stage 2 credit risk	37,871	38,934
Stage 3 loan portfolio:		
Commercial:		
Business or commercial activity	8,373	8,907
Financial entities	19	16
	8,392	8,923
Consumer lending	16,811	14,361
Mortgage:		
Medium class and residential	8,810	7,810
Low income	142	156
	8,952	7,966

Liabilities and stockholders' equity	2025	2024
Deposits (note 20):		
Demand deposits	$ 1,679,511	$ 1,540,914
Time deposits:		
General public	314,181	266,837
Money market	23,635	21,855
Securities Issued	159,610	135,432
Dormant accounts	7,771	7,019
	2,184,708	1,972,057
Interbank and other borrowings (note 21):		
Short-term	7,977	6,373
Long-term	9,705	7,276
	17,682	13,649
Repurchase agreements creditors (note 8)	169,785	340,327
Securities lending	3	3
Collateral sold or pledged (note 8):		
Repurchase agreements (creditor balance)	107,846	48,236
Securities lending	75,458	87,963
	183,304	136,199
Derivative financial instruments (note 9):		
Held for trading	207,293	214,550
Hedging	7,577	15,763
	214,870	230,313
Valuation adjustments to financial liabilities hedged	(53)	(5,504)
Lease liabilities (note 16)	5,447	5,503
Other accounts payable:		
Creditors on settlement of transactions	78,705	89,837
Creditors for margin accounts	216	1,707
Creditors on cash received as collateral (note 9)	12,169	9,962
Tax payable	4,757	4,055
Sundry creditors and other accounts payable (note 18)	42,110	126,367
	137,957	231,928
Financial liabilities:		
Subordinated notes (note 23)	85,338	77,535
Income tax liability (note 25)	12,326	-
Net defined benefit obligation (note 22)	18,468	13,288
Deferred credits and early collections	7,392	6,826
Total liabilities	3,037,227	3,022,124
Stockholders' equity (note 26)		
Paid-in capital:		
Capital stock	24,143	24,143
Additional paid-in capital	15,860	15,860
	40,003	40,003

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of financial positions (continued)

As of December 31, 2025 and 2024

(MXN millions)

Assets	2025	2024
Total loan portfolio with stage 3 credit risk	$ 34,155	$ 31,250
Loan portfolio measured at fair value (note 10)	11,081	7,681
Loan portfolio (note 10)	2,089,062	1,943,751
(+/-) Deferred items	(756)	(419)
(-) Less:		
Allowance for loan losses (note 12)	(63,458)	(60,331)
Loan portfolio (net)	2,024,848	1,883,001
Collection acquire purchased (net)	-	1
Total loan portfolio (net)	2,024,848	1,883,002
Other accounts receivable (net) (note 13)	113,835	236,114
Foreclosed assets (net) (note 14)	1,841	1,560
Prepayments and other assets (net)	2,218	1,943
Property, plant and equipment (net) (note 15)	38,922	39,008
Right-of-use property, plant and equipment (net) (note 16)	4,810	5,047
Equity investments (note 17)	1,622	1,407
Deferred income tax asset (net) (note 25)	38,090	40,157
Intangible assets (net) (note 19)	7,808	6,040
Right-of-use intangible assets (net) (note 16)	170	-
Total assets	**$ 3,437,361**	**$ 3,383,552**

Liabilities and stockholders' equity	2025	2024
Earned capital:		
Statutory reserves	$ 6,901	$ 6,901
Retained earnings	367,242	328,296
Other comprehensive income:		
Valuation of financial instruments to collect and sell	1,657	(5,543)
Valuation of derivative financial instruments for cash flow hedges	-	(3)
Remeasurements of net defined benefit obligation	(15,776)	(8,337)
	(14,119)	(13,883)
	360,024	321,314
Total controlling interest	400,027	361,317
Total non-controlling interest	107	111
Total stockholders' equity	400,134	361,428
Total liabilities and shareholders' equity	**$ 3,437,361**	**$ 3,383,552**

	Memorandum accounts 2025	2024
Contingent assets and liabilities	$ 227	$ 208
Credit commitments (note 10)	1,093,731	975,666
Assets in trust or mandate:		
Trusts	783,579	645,747
Mandates	548	280
	784,127	646,027
Assets in custody or under administration	464,637	304,571
Collateral received by the Institution (note 8)	242,740	159,525
Collateral received and sold or given as security by the entity (note 8)	186,018	137,045
Investment banking transaction on behalf of third parties (net)	3,490,943	2,872,377
Accrued but uncollected interest derived from a loan portfolio with stage 3 credit risk	3,565	2,517
Other registration accounts	5,091,173	4,749,520

The historical balance of the share capital as of December 31, 2025 and 2024, is $4,248.

The accompanying notes are an integral part of the consolidated financial statements.

These consolidated financial statements of financial position were prepared in accordance with the Accounting Principles for Credit Institutions, issued by Comisión Nacional Bancaria y de Valores, pursuant to the provisions of Articles 99, 101 and 102 of Ley de Instituciones de Crédito, consistently applied and mandatory, applied consistently, reflecting the operations carried out by the Institution up to the dates mentioned above, which were carried out and valued in accordance with sound banking practices and applicable legal and administrative provisions.

These consolidated financial statements were approved by the Board of Directors under the responsibility of the undersigned directors.

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of comprehensive income

For the years ended December 31, 2025 and 2024

(MXN millions)

	2025	2024
Interest income (note 30)	$ 341,687	$ 341,114
Interest expense (note 30)	(108,173)	(123,844)
Financial margin	233,514	217,270
Allowance for loan losses (note 12)	(60,956)	(54,672)
Financial margin adjusted for Credit risk	172,558	162,598
Commissions and fees income (note 31)	92,795	83,105
Commissions and fees expense (note 31)	(43,330)	(35,698)
Trading income (note 32)	19,232	15,268
Other operating income (expense)	(7,557)	(7,172)
Administrative and operating expenses	(96,343)	(89,859)
Operating result	137,355	128,242
Interest income calculated using the effective interest method (net) (note 17)	459	406
Result before taxes	137,814	128,648
Income tax (note 25)	(38,868)	(35,502)
Result from continuing operations	98,946	93,146
Discontinued operations	-	-
Net result	$ 98,946	93,146
Other comprehensive income		
Valuation of financial instruments to collect and sell	7,200	(1,043)
Valuation of derivative financial instruments for cash flow hedges	3	541
Remeasurements of net defined benefit obligation	(7,439)	(616)
	(236)	(1,118)
Comprehensive income	$ 98,710	92,028
Net income attributable to:		
Controlling and non-controlling interest	98,980	93,186
Non-controlling interest	(34)	(40)
	$ 98,946	93,146
Comprehensive income attributable to:		
Controlling and non-controlling interest	98,744	92,068
Non-controlling interest	(34)	(40)
	$ 98,710	**92,028**
Basic earnings per common share (Mexican pesos per share)	**$ 6.52**	**$ 6.14**

The accompanying notes are an integral part of the consolidated financial statements.

These consolidated statement of comprehensive income were prepared in accordance with the Accounting Principles for Credit Institutions, issued by Comisión Nacional Bancaria y de Valores, pursuant to the provisions of Articles 99, 101 and 102 of Ley de Instituciones de Crédito, consistently applied and mandatory, showing all the income and expenses derived from the operations carried out by the Institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and applicable legal and administrative provisions.

These consolidated Statements of Comprehensive Income were approved by the Board of Directors under the responsibility of the officers who sign it.

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of changes in stockholders' equity

For the years ended December 31, 2025 and 2024

(MXN millions)

	Paid in capital		Earned capital							
	Capital stock	Additional paid-in capital	Statutory reserves	Cumulative reserves	Valuation of financial instruments to collect and sell	Valuation of derivative financial instruments for cash flow hedges	Remeasurement of defined benefits to employees	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2023	$ 24,143	$ 15,860	$ 6,901	$ 294,350	$ (4,500)	$ (544)	$ (7,721)	$ 328,489	$ 106	$ 328,595
Owner's movements:										
Declaration of dividends	-	-	-	(59,200)	-	-	-	(59,200)	-	(59,200)
Dividend payment from Adquira Mexico	-	-	-	-	-	-	-	-	(35)	(35)
Comprehensive income										
Result	-	-	-	93,146	-	-	-	93,146	40	93,186
Other comprehensive income:										
Valuation of financial instruments to collect and sell	-	-	-	-	(1,043)	-	-	(1,043)	-	(1,043)
Valuation of derivative financial instruments for cash flow hedges	-	-	-	-	-	541		541	-	541
Remeasurement of defined benefits to employees	-	-	-	-	-	-	(616)	(616)	-	(616)
Total	-	-	-	33,946	(1,043)	541	(616)	32,828	5	32,833
Balances as of December 31, 2024	24,143	15,860	6,901	328,296	(5,543)	(3)	(8,337)	361,317	111	361,428
Owner's movements:										
Declaration of dividends	-	-	-	(60,000)	-	-	-	(60,000)	-	(60,000)
Dividend payment from Adquira Mexico	-	-	-	-	-	-	-		(38)	(38)
Comprehensive income										
Result	-	-	-	98,946	-	-	-	98,946	34	98,980
Other comprehensive income:										
Valuation of financial instruments to collect and sell	-	-	-	-	7,200	-	-	7,200	-	7,200
Valuation of derivative financial instruments for cash flows hedges	-	-	-	-	-	3	-	3	-	3
Remeasurement of defined benefits to employees	-	-	-	-	-		(7,439)	(7,439)	-	(7,439)
Total	-	-	-	38,946	7,200	3	(7,439)	38,710	(4)	38,706
Balances as of December 31, 2025	**$ 24,143**	**$ 15,860**	**$ 6,901**	**$ 367,242**	**$ 1,657**	**$ -**	**$ (15,776)**	**$ 400,027**	**$ 107**	**$ 400,134**

The accompanying notes are an integral part of the consolidated financial statements.

These consolidated statements of changes in equity were prepared in accordance with the Accounting Principles for Credit Institutions, issued by Comisión Nacional Bancaria y de Valores, pursuant to the provisions of Articles 99, 101 and 102 of Ley de Instituciones de Crédito, consistently applied and mandatory, showing all the movements in the equity accounts derived from the operations carried out by the Institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and applicable legal and administrative provisions.

These consolidated statements of changes in equity were approved by the Board of Directors under the responsibility of the undersigned directors.

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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Grupo Financiero BBVA México and Subsidiaries
Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of cash flows

For the years ended December 31, 2025 and 2024

(MXN millions)

	2025	2024
Operating activities:		
Income before tax	$ 137,814	$ 128,648
Adjustments to reconcile net income to net cash provided by (used in) for items associated with investing activities:		
Losses or reversal of losses due to impairment of long-lived assets	401	636
Depreciation of property, plant and equipment	2,821	3,003
Amortization of installation expenses	2,101	2,079
Amortization of intangible assets	1,898	1,686
Equity in net income of other entities	(459)	(406)
	6,762	6,998
Changes in operating items:		
Change in margin accounts (derivative financial instruments)	157	(2,475)
Change in investments in financial instruments (securities) (net)	(4,664)	2,868
Change in repurchase agreements debtors (net)	(88,939)	53,824
Change in derivative financial instruments (assets)	22,935	(15,743)
Change in loan portfolio (net)	(182,200)	(212,852)
Change in acquired collection rights (net)	1	-
Change in other accounts receivable (net)	114,521	(135,785)
Change in foreclosed assets (net)	(281)	(416)
Change in other operating assets (net)	(46)	2,144
Change in deposits	251,564	66,591
Change in interbank and other borrowings	4,393	(26,910)
Change in repurchases agreements creditors	(170,542)	97,725
Change in securities lending (liability)	-	2
Change in collateral sold or pledged	47,105	51,136
Change in derivative financial instruments (liabilities)	(7,258)	17,791
Change in other operating liabilities	(8,111)	4,634
Change in derivative financial instruments hedged (of hedged items related to operating activities)	(7,017)	16,822
Change in assets/liabilities from employee benefits	(3,803)	858
Change in other accounts payable	(83,354)	89,220
Payments of income tax	(20,094)	(46,294)
Net cash flows from operating activities	8,943	98,786
Investment activities:		
Proceeds for disposal of property, plant and equipment	437	153
Payments for acquisition of property, plant and equipment	(5,298)	(4,896)
Proceeds from disposal of associates, joint ventures and other permanent investments	-	106
Payments for acquisition of associates, joint ventures and other permanent investments	(20)	-
Payments for acquisition of intangible assets	(4,042)	(3,276)
Net cash flows from investing activities	(8,923)	(7,913)
Financing activities:		
Cash dividend payments	(60,000)	(59,200)
Payment of dividends Adquira México (minority interest)	(38)	(35)
Proceeds from issuance of financial instruments qualifying as liabilities	18,504	15,327
Net cash flows from financing activities	(41,534)	(43,908)
Net increase or decrease in cash and cash equivalents	(41,514)	46,965
Effects from changes in the value of cash and cash equivalents	2,392	3,964
Cash and cash equivalents at the beginning of period	270,189	219,260
Cash and cash equivalents at the end of the period	**$ 231,067**	**$ 270,189**

The accompanying explanatory notes form an integral part of these consolidated financial statements.

These consolidated cash flow statements were prepared in accordance with the Accounting Principles for Credit Institutions, issued by Comisión Nacional Bancaria y de Valores, pursuant to the provisions of Articles 99, 101 and 102 of Ley de Instituciones de Crédito, of general and mandatory observance, applied consistently, reflecting the cash inflows and outflows derived from the operations carried out by the Institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated cash flow statements were approved by the Board of Directors under the responsibility of the undersigned directors.

Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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(1) Nature of operations and regulatory environment -

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Subsidiaries (hereinafter and interchangeably, the “Institution” or the “Bank”) is a direct subsidiary of Grupo Financiero BBVA México, S.A. de C.V. (the “Financial Group”) and an indirect subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”) and is regulated, among others, by Ley de Instituciones de Crédito (“LIC”), as well as by Disposiciones de Carácter General Aplicables a las Instituciones de Crédito (the “Provisions”) issued by Comisión Nacional Bancaria y de Valores de México (hereinafter and interchangeably, the “Commission” or the “CNBV”), and its purpose is to provide multiple banking services under the terms of said Law, carrying out operations that mainly include the receipt of deposits, the granting of loans, the operation with securities and derivative financial instruments, as well as the execution of trust agreements. Its address is Avenida Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, C.P. 06600.

Among the powers that correspond to the Commission in its capacity as regulator of credit institutions, is the power to carry out reviews of the financial information of the Institution and, where appropriate, require modifications to it.

The main regulatory aspects require that multiple banking institutions maintain a minimum capitalization ratio in relation to market, credit and operational risks, compliance with certain limits on the acceptance of deposits, obligations and other types of funding that may be denominated in foreign currency, as well as the establishment of minimum limits of paid-in capital and capital reserves, with which the Institution satisfactorily complies.

(2) Authorization and basis of presentation -

Authorization

On February 26, 2026, Eduardo Osuna Osuna, Chief Executive Officer; Beatriz Muñoz Villa, Chief Financial Officer, Adolfo Arcos González, Head of Internal Audit and Ana Luisa Miriam Ordorica Amezcua, Head of Corporate Accounting, authorized the issuance of the attached consolidated financial statements and their corresponding notes (hereinafter, the financial statements).

The Institution's shareholders and the Commission have the power to amend the financial statements after their issuance. The attached financial statements will be submitted for approval at the next Shareholders' Meeting.

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Basis of presentation

(a) Statement of compliance

The Institution's financial statements are prepared in accordance with the accounting criteria for credit institutions in Mexico (hereinafter "the Accounting Criteria"), established by the Commission, which is responsible for the inspection and supervision of credit institutions and reviews their financial information.

The Accounting Criteria indicate that the Commission will issue specific rules for specialized operations and that in the absence of express accounting criterion from said Commission for credit institutions, and within the broader context of the Mexican Financial Reporting Standards (Normas de Información Financiera) ("NIF") issued by the CINIF (National Council for Financial Reporting Standards), the supplementary application process established in NIF A-1 (Chapter 90 - Supplementary Application) will be observed. Only if the IFRS (International Financial Reporting Standards) referred to in NIF A-1 (Chapter 90 - Supplementary Application) do not provide a solution for accounting recognition may a supplementary standard belonging to any other regulatory framework be chosen, provided it meets all the requirements indicated in the aforementioned NIF. The supplementary application must be carried out in the following order: the generally accepted accounting principles in the United States of America (US GAAP) and any accounting standard that is part of a set of formal and recognized standards, provided that it meets the requirements of Commission criteria A-4.

(b) Use of judgments and estimates

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the financial statement date, as well as the recorded amounts of income and expenses during the period.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in the notes to the financial statements mentioned below:

— Note 7 - Investments in financial instruments: securities market values without an observable market.
— Note 9 - Valuation of derivative financial instruments: key assumptions to determine market value, especially for complex derivatives or those without an active market.
— Notes 12 and 13 - Determination of allowance for credit losses and recoverability of accounts receivable: assumptions and inputs used in its determination.

— Note 15 - Valuation of property, furniture and equipment - Impairment tests of fixed assets, including the key assumptions to determine the recoverable amount of such assets.
— Note 22 - Measurement of defined benefit obligations: key actuarial assumptions.
— Note 25 - Recognition of deferred tax assets: availability of future taxable profits and the realization of deferred taxes.

Assumptions and uncertainties in estimates

Information on estimation assumptions and uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year are included in the following notes to the financial statements:

— Note 7 - Investments in financial instruments: securities market values without an observable market.
— Note 9 - Valuation of derivative financial instruments: key assumptions to determine market value, especially for complex derivatives or those without an active market.
— Notes 12 and 13 - Determination of allowance for loan losses and recoverability of accounts receivable: assumptions and inputs used in its determination.
— Note 15 - Valuation of property, furniture and equipment - Impairment tests of fixed assets, including the key assumptions to determine the recoverable amount of such assets.
— Note 22 - Measurement of defined benefit obligations: key actuarial assumptions.
— Note 25 - Recognition of deferred tax assets: availability of future taxable profits and the realization of deferred taxes.

(c) Functional and reporting currency

The Institution's financial statements are presented in Mexican peso reporting currency, which is the same as the recording currency and its functional currency.

For disclosure purposes in notes to the financial statements, when reference is made to pesos or “$”, or ”National Currency” or “MXN” it refers to millions of Mexican pesos, and when reference is made to dollars or “USD”, it refers to millions of dollars of the United States of America.

(d) Recognition of financial assets and liabilities on their agreement date

The financial statements recognize assets and liabilities arising from foreign exchange transactions, investments in securities, repurchase agreements, securities lending, and derivative financial instruments on the date the transaction is agreed upon, regardless of its settlement date.

(3) Main accounting policies-

The main accounting policies described below have been applied uniformly in the preparation of the financial statements presented and have been consistently applied by the Institution.

(a) Recognition of the effects of inflation-

The accompanying financial statements of the Institution were prepared in accordance with the Accounting Criteria, which, as the Institution has been operating since 2008 in a non-inflationary economic environment (accumulated inflation in the last three previous years less than 26%), include the recognition of the effects of inflation in the financial information up to December 31, 2007, using for such purpose the Investment Unit (Spanish acronym UDI), which is a unit of measurement of inflation whose value is determined by the Central Bank.

The inflation rates, measured by the value of the UDI (Investment Unit), for the years ending December 31, 2025 and 2024 were 3.89% and 4.50%, respectively. Therefore, the cumulative annual inflation for the two fiscal years prior to December 31, 2025 and 2024, was 13.32% and 17.34%, respectively, thus classifying the economic environment for the last year as non-inflationary. As mentioned previously, the effects of inflation accumulated up to December 31, 2007, are maintained in the accounting records of the consolidated statement of financial position as of December 31, 2025 and 2024.

(b) Basis for consolidation-

The accompanying financial statements include the financial statements of the Institution and those of its subsidiaries over which it has control and significant influence. All significant intercompany balances and transactions have been eliminated.

As of December 31, 2025 and 2024, the subsidiaries were consolidated from the date on which the Institution obtained control to direct their relevant activities, is entitled to the variable returns from its participation and has the ability to affect such returns through its power and is exposed to the associated risks.

The consolidated financial statements were prepared using the financial statements of the subsidiaries as of December 31, 2025 and 2024, and for the periods ending on those dates. The financial statements of the subsidiary entities are prepared using the same accounting period and consistent accounting policies.

The non-controlling interest represents the share of the profit or loss, as well as the net assets, of subsidiaries that are not owned by the controlling interest. The non-controlling interest is presented separately within the consolidated stockholders equity. Acquisitions of non-controlling interests or sales of those interests, without losing control of the subsidiary, are considered shareholder transactions.

The subsidiaries consolidated with the Institution as of December 31, 2025 and 2024, are detailed below:

Company	Stake 2025	Stake 2024	Location	Activity
Fideicomiso No. 29764-8, Socio Liquidador de Operaciones Financieras Derivadas Integral	100.00%	100.00%	Mexico	Clearing and settlement of derivative contracts on behalf of third parties and own account.
Adquira México, S.A. de C.V.	50.00%	50.00%	Mexico	To build, manage, market and operate a purchasing club, as well as markets via electronic means.
Fideicomisos Empresariales Irrevocables de Administración y pago No. F/1859 y No F/1860	100.00%	100.00%	Mexico	Financing for the acquisition of the Modular Drilling Equipment, to subsequently grant it under a financial lease with option to purchase to PEMEX Exploration and Production.

On October 26, 2023, the Board of Directors approved the divestment of the company Opción Volcán, which was carried out through a purchase agreement on August 22, 2024 to BBVA Operadora México, S.A. de C.V.

At an Extraordinary General Meeting of Shareholders held on November 1, 2019, the early dissolution and liquidation of the financial institution Ayudamos was approved, effective from that same date. This action followed the company's suspension of lending to the public in September 2018 and its commencement of the orderly closure of operations and branches. The company's liquidation was completed on June 27, 2024, in accordance with the minutes of the meeting held on that date.

(c) Offsetting financial assets and financial liabilities-

The recognized financial assets and liabilities are offset so that the consolidated statement of financial position presents a debit or credit balance, as appropriate, if and only if there is a contractual right to offset the recognized amounts, and the intention to settle the net amount, or to realize the asset and cancel the liability, simultaneously.

(d) New NIFs, Interpretations and Improvements to NIFs that came into force as of January 1st, 2025

I. Improvements to NIF 2025

In December 2024, the CINIF issued the document called “Improvements to the NIF 2025”, which contains specific modifications to some existing NIFs.

The improvements that generate accounting changes are the following:

NIF A-1, “Conceptual Framework of Mexican Financial Reporting Standards”

The definition of "significant accounting policies" is incorporated; these are policies whose lack of disclosure affects users' understanding of the financial statements. Furthermore, disclosures in the financial statements should be made considering "materiality" to ensure more effective disclosure.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF B-2, “Statement of cash flows”

Information regarding supplier payment financing agreements, also known as reverse factoring, must be disclosed to provide a better understanding of an entity's financial position and liquidity. These agreements involve one or more financing providers committing to pay the amounts an entity owes its suppliers, and the entity, in turn, commits to repay the suppliers on the same date or at a later date.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF B-3, “Statement of comprehensive income”
NIF B-16, “Financial statements of non-profit entities”
NIF C-3, “Accounts receivable”

NIF B-3, B-16, and C-3 are standardized to clarify the presentation of net sales or revenue in financial statements, considering that discounts, allowances, and returns are included in these figures. The breakdown of the items and amounts comprising net sales or revenue can be disclosed in the notes to the financial statements.

NIF B-14, “Earnings per share”

The scope of this NIF is modified to align with IAS 33, Earnings per share, so that it is applicable only to entities that have equity instruments listed or to be listed on a stock exchange.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF B-15, "Foreign Currency Conversion"

It is standardized to converge with IAS 21, The Effects of Changes in Foreign Exchange Rates, to establish the mechanism for identification and the disclosures required when in foreign currency conversion it is identified that a certain currency is not interchangeable.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF C-6, "Property, plant and equipment"

The concept of "special depreciation method" is eliminated, as it is considered not to be a method but merely a practical way of applying any of the other methods mentioned in this NIF. It is also anticipated that this method may continue to be used depending on its usefulness to the entity based on its materiality.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF C-19, "Financial Instruments Payable"

Certain requirements are incorporated for derecognizing a financial liability when it is paid in cash using an electronic payment system, including: 1) that the entity does not have the ability to withdraw, stop or cancel the payment instruction, 2) that the entity does not have practical ability to access the cash that will be used to settle the transaction; and 3) that the settlement risk associated with the payment system is insignificant.

Additionally, disclosure is required when there are financial instruments payable with contingent clauses that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to compliance with an environmental, social or governance objective, which allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instrument.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF C-20, "Financial instruments for collecting principal and interest"

Information must be disclosed when there are financial instruments receivable, principal and interest, with contingent clauses that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to compliance with an environmental, social or governance objective, that allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instrument.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF D-1, "Revenue from contracts with customers"

This NIF (Mexican Financial Reporting Standard) is extended to service providers that enter into contracts that are economically similar to insurance contracts; that is, contracts in which one party accepts an insurance risk from the other, agreeing to compensate the policyholder if an uncertain future event adversely affects the policyholder, and provided certain requirements are met. Examples include towing or roadside assistance services.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The improvements to NIF that do not generate accounting changes are the following:

NIF A-1, "Conceptual framework of financial reporting standards"
NIF B-9, "Interim Financial Information"

Modifications are made to NIF A-1 and NIF B-9 to be consistent with the provisions of the Sustainability Information Standards (NIS) regarding the definition and needs of primary users and other users of financial information.

Operational risk and sustainability risk are added as some of the main risks that can affect the entity's financial statements and for which it clarifies the need to disclose information that allows users of the financial statements to understand these risks through risk management practices, qualitative and quantitative information that allows understanding how they arise, as well as the exposure to them.

Likewise, Public Interest Entities must disclose new risks that may impact interim financial statements.

Some modifications are made to specify that only important accounting policies should be disclosed.

NIF C-19, "Financial instruments payable"

It is specified that Other Accounts Payable, whose term exceeds more than one year, must be valued at their amortized cost, considering the time value of money.

Other convergence issues

Modifications are made as a result of the review carried out on the NIF in order to identify possible differences with what is established in the International Standards.

NIF B-8, "Consolidated or Combined Financial Statements"

The disclosure regarding when there is significant non-controlling participation is standardized, therefore the mention of the difference within the section on convergence with International Standards in NIF B-8 is eliminated.

NIF C-6, "Property, plant and equipment"

The disclosure of the amount of accumulated and estimated investment for the completion of constructions in progress is eliminated, thus eliminating the difference with respect to the International Standard in the convergence section of NIF C-6.

NIF C-8, "Intangible Assets"

A divergence from IAS 38 is required, excluding the option of considering as an intangible asset the price paid by the entity that reflects the probability of obtaining future economic benefits, since the payment itself is not considered to guarantee that it meets the definition of an intangible asset.

NIF C-9, "Provisions for contingencies and commitments"

NIF C-9 establishes standards applicable to onerous contracts, including those related to the costs of fulfilling the contract clauses. For a better understanding of these costs, a description of the costs to be considered in their determination is added, consistent with the International Standard.

NIF C-10, "Derivative financial instruments and hedging relationships"

A divergence with NIF 9 and NIF 7 is required, in that this NIF includes an additional criterion as a requirement to determine the effectiveness of a hedging relationship, which refers to the counterparties having the economic and operational capacity to meet the agreed commitments.

NIF D-8, "Share-based payments"

To converge with the international standard NIF 2, it is specified that the entity may retain an amount due to a counterparty's tax obligation, retaining a number of equity instruments that equals the monetary value of said obligation, considering that the gross amount must be classified in its entirety as a transaction as share-based payments settled with equity instruments.

Various Clarifications

Various clarifications are made regarding some NIFs to help with their better understanding, make the writing clearer, maintain consistency with the definitions, standardize concepts, among others.

NIF A-1, "Conceptual framework of financial reporting standards"
NIF B-1, "Accounting changes and error corrections"
NIF B-5, "Financial Information by Segments"
NIF B-9, "Interim Financial Information"
NIF B-17, "Determination of fair value"
NIF C-2, "Investments in financial instruments"
NIF C-20, "Financial instruments for collecting and selling"
NIF C-6, "Property, plant and equipment"
NIF C-15, "Impairment of long-lived assets"

The Institution's Management evaluated the effects of adopting the improvements to NIF 2025, and concluded that they were not material to the Consolidated Financial Statements as a whole.

For the improvements to NIF 2025, which will be effective for fiscal years beginning on or after January 1st, 2026, the changes are under evaluation.

II. NIFs that come into effect on January 1st, 2025

NIF A-2, "Uncertainties about the going concern"

This NIF (Mexican Financial Reporting Standard) stipulates that a continuous assessment of the going concern status must be performed at the financial statement closing date, assuming that an entity will continue to exist indefinitely unless proven otherwise. Events and conditions of uncertainty must be identified, along with mitigation actions, in order to develop an effective action plan. Furthermore, it details the valuation and disclosure standards for a going concern without uncertainties, a going concern with uncertainties, a going concern undergoing legal reorganization, and when an entity is deemed not to be a going concern.

This improvement takes effect for fiscal years beginning on or after January 1st, 2025, allowing for early implementation. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's Management assessed the effects of adopting the new standard and concluded that it is not material to the Consolidated Financial Statements as a whole.

III. Sustainability Reporting Standards (NIS)

NIS A-1, "General Standards for Sustainability Disclosure"

It establishes the conceptual framework and the foundations that support the development and application of these in the preparation and disclosure of the entity's sustainability information.

This NIS became effective for fiscal years beginning on or after January 1st, 2025.

NIS B-1, "Basic Sustainability Indicators"

It establishes the standards for determining the Basic Sustainability Indicators (IBSO) associated with environmental, social, human capital and governance factors, as well as their disclosure as part of the sustainability financial information.

This NIS became effective for fiscal years beginning on or after January 1st, 2025, allowing for early application as long as it is applied in conjunction with NIS A-1.

The Institution's Management analyzed the criteria issued by the CNBV and found no obligation to comply with the NIS, therefore, no impact of their application was identified.

On the other hand, for non-regulated entities (insignificant subsidiaries) that issue their Financial Statements under Mexican Financial Reporting Standards, it is concluded that the impacts are insignificant.

(e) New criteria and regulatory modifications issued by the CNBV

According to Note 38, the modifications issued by the CNBV in 2025 establish the effective date as January 1st, 2026, so there are no modifications to the Accounting Principles for Credit Institutions contained in the Regulations Applicable to Banks (Circular Unica de Bancos) (acronym in Spanish, CUB) applicable for the year 2025.

(f) Cash and cash equivalents-

This item comprises cash, domestic and foreign bank balances, foreign exchange trading operations at 24, 48, 72 and 96 hours, bank loans with maturities of less than three days (Call Money operations), highly liquid securities and monetary regulation deposits at the Central Bank (these latter deposits, considered restricted cash equivalents, are constituted in accordance with circular 3/2012 “Regulations applicable to the operations of credit institutions and rural finance,” issued by the Central Bank, for the purpose of regulating the liquidity of the money market and accrue interest at the bank funding rate), remittances in transit and Central Bank auctions, as well as highly liquid financial instruments, which are securities whose availability is expected within a maximum of 48 hours from their acquisition.

Cash is valued at fair value, which is its face value, and in the case of foreign currency, at the exchange rate published by the Central Bank on the same day, in accordance with the rules established by the Commission. Cash equivalents are valued at fair value.

At the date of the financial statements, interest earned on an accrual basis, as well as valuation gains or losses and foreign exchange valuations, are included in the results of the fiscal year.

Foreign currency acquired through 24, 48, 72, and 96-hour purchase and sale transactions is recognized as restricted cash equivalents (foreign currency to be received), while foreign currency sold is recorded as an outflow of available funds (foreign currency to be delivered). The rights and obligations arising from the sale and purchase of foreign currency at 24, 48, 72, and 96 hours are recorded in the accounts line items "Other accounts receivables, (net)" and "Creditors for settlement of transactions," respectively.

The amount of overdrafts on checking accounts, the offsetting balance of foreign currency to be delivered that exceeds the foreign currency to be received, or any other concept that makes up the available funds with a credit balance, are presented in the line item "Creditors for settlement of transactions ".

(g) Margin accounts-

Margin accounts consist of the collateral provided in cash and other cash equivalent assets required from entities for the purpose of carrying out transactions with derivative financial instruments carried out in recognized markets or exchanges, which are recorded at their nominal value.

For those margin accounts granted to the clearinghouse other than cash, such as debt or equity securities, where the clearinghouse has the right to sell or pledge the financial assets that make up said margin accounts, the financial asset pledged as collateral is presented as restricted, and the valuation and disclosure rules are followed in accordance with the accounting criteria that correspond according to its nature.

Income and fees affecting margin accounts, other than fluctuations in derivatives prices, are recognized in the profit or loss as they accrue within the "Interest Income" and "Fees and Charges Paid" categories, respectively. Partial or total settlements deposited or withdrawn by the clearinghouse due to fluctuations in derivatives prices are recognized within the "Margin Accounts" category, affecting a specific account as a counterparty. This account may be either a debit or credit balance, as appropriate, and represents an advance received or financing provided by the clearinghouse, reflecting the effects of the valuation of derivatives prior to settlement.

Margin accounts are intended to ensure compliance with obligations related to transactions with derivative financial instruments carried out in recognized markets and exchanges and correspond to the initial margin, contributions and subsequent withdrawals made during the term of the corresponding contracts.

(h) Determination and hierarchy of fair value

Governance and control model

The fair value determination process established in the Institution ensures that financial assets and liabilities are valued in accordance with the criterion defined in NIF B-17 as well as in the Provisions.

The company Valuación Operativa y Referencia de Mercado, S.A. de C.V. (Valmer) is the Institution's price provider.

For instruments recognized at fair value, the Market Variables Directorate is responsible for the following functions:

- Identification. This involves identifying and classifying the instruments subject to valuation in order to establish the models and inputs for determining the corresponding prices.
- Instrument modeling. This involves determining valuation models, defining inputs, and identifying price sources that accurately reflect the values for each type of instrument. Internal valuation models, modifications, methods for estimating variables, values, and other applicable instruments are approved by the Risk Committee.
- Market level validation. Ensure that the price information obtained is consistent with the market levels traded in a given period.
- Incorporation and refinement of prices. Consolidate the price vector and enter it into the different systems that serve the areas that use the information.
- Internal price dissemination. Publication of prices to different departments, via vectors on public servers, email, or internal publishing websites.

The Asset & Liability Management ("ALM") unit is responsible for calculating the fair value and hierarchy of all banking book accounted for at amortized cost, ensuring that the calculation is performed using models for managing and measuring structural interest rate risk. It ensures that the input data and assumptions are consistent with those used in measuring economic value. The calculation is performed using corporate tools.

General valuation criteria

All financial instruments, both assets and liabilities, are initially recognized at their fair value, which at that initial stage is equivalent to the transaction price, unless there is evidence to the contrary in an active market. Subsequently, and depending on the contractual characteristics and the Institution's business model for managing these assets, they may continue to be recorded at amortized cost or at fair value.

Fair value is determined as the market price that would be received to sell or transfer a financial asset or liability, respectively. However, for certain financial instruments of the Institution, especially derivatives, there is not a market price available, so their fair value is estimated through recent transactions of similar instruments and, failing that, through mathematical valuation models that are well-established within the international financial community.

When using these models, the specific characteristics of the asset or liability being valued are taken into account, and especially the different types of risks associated with it. However, the inherent limitations of the valuation models developed and the potential volatility in the assumptions and parameters required by these models may result in the estimated fair value of a financial asset or liability not exactly matching the price at which the asset or liability could be delivered or settled on the valuation date.

In general, the Institution considers an active market to be one that allows the observation of supply and demand prices representative of the levels at which one or more participants would be willing to trade a certain asset or liability, with sufficient frequency and daily volume.

The Institution applies the Direct Vector Valuation considering the updated valuation price provided by the Price Provider on the following financial instruments:

a. Securities registered in the National Securities Registry or authorized, registered or regulated in markets recognized by the Commission through general provisions.

b. Derivative financial Instruments that are traded on national derivatives exchanges or that belong to markets recognized by the Central Bank.

c. Underlying assets and other financial instruments that form part of structured operations or derivative packages, when they are Securities or financial instruments provided for in sections "a" and "b" above.

In the valuation of instruments other than those mentioned in the previous sections, Internal Valuation Models are applied to obtain the Updated Valuation Price.

In the case of a loan portfolio, the valuation rules are established in accounting criterion B-6 “Loan Portfolio” apply.

Fair value hierarchy

The fair value determination process has established a fair value hierarchy that ranks all financial assets and liabilities based on the input data used to determine their fair value, as shown below:

Level 1: Valuation using the financial instrument's own price, observable and available from independent price sources and referring to active markets accessible to the Institution on the valuation date. This level includes listed debt securities, listed equity instruments, and certain derivatives.

Level 2: Valuation through the application of commonly accepted valuation techniques that use variables obtained from observable market data.

Level 3: Valuation using valuation techniques that utilize significant variables that are not obtained from observable market data.

In some cases, the inputs used to determine fair value may fall within different levels of the fair value hierarchy, depending on whether the observable inputs are relevant. In these cases, the fair value determination is classified entirely at the same level of the fair value hierarchy as the lowest-level input that is significant to the overall valuation. Professional judgment is applied in assessing the relevance of a particular input to the overall valuation.

The Institution does not classify within the Level 1 hierarchy level the updated valuation prices that are determined through the use of Internal Valuation Models.

(i) Investments in financial instruments-

Includes debt instruments (government securities, bank paper, stock certificates, and commercial paper) and equity instruments, both listed and unlisted, which are classified as Financial instruments held for trading (IFN), Financial Instruments to be Collected and Sold (IFCV), and Financial Instruments to be Collected Principal and Interest (IFCPI). The classification depends on the business model under which they are managed by the Institution's Management, as well as on the assessment of the contractual characteristics of the cash flows.

The business model is based on how the Institution manages investments in financial instruments to generate cash flows and not on a particular intention to hold an instrument.

To determine the business model, the following factors are taken into account, among others:

- The way in which the performance of the instruments that are part of the business model is determined and reported to the entity's key personnel;

- Risks affect the performance of the business model and the way in which those risks are managed;

- The way in which business model managers are remunerated;

- The frequency, amount and timing of sales in previous years, the reasons for those sales and expectations regarding future sales.

The determination of the business model is not based on scenarios that are not reasonably expected to occur.

Based on the above, financial instruments are classified and recognized in accounting as described below:

- Financial instruments held for trading (IFN) -

These are debt and equity instruments held by the Institution, whose business model aims to generate a profit between the purchase and sale price, based on the management of the instrument's market risks. Transaction costs for acquiring these instruments are recognized in the profit or loss for the period on the transaction date. Subsequently, are valued at fair value, and the resulting valuation effect is recognized in the consolidated statement of comprehensive income under the line item "Financial Intermediation income."

- Financial instruments to collect and sell (IFCV)-

Financial instruments under a business model whose objective is to collect contractual cash flows from principal and interest payments, or to obtain a profit upon their sale, when appropriate. They are initially recognized at fair value; transaction costs are recognized as an implicit part of the amortized cost and applied to net profit or loss over the expected life of the instruments.

These are subsequently valued at their fair value, recognizing their effect on equity, in other comprehensive income, in the item "Valuation of financial instruments to collect and sell", net of deferred taxes, which is cancelled to recognize it in results at the time of sale.

- Financial instruments to collect principal and interest (IFCPI)-

These are debt instruments whose objective is to collect contractual cash flows; the contractual terms provide for cash flows on pre-established dates that correspond only to principal and interest payments on the outstanding principal amount.

They are initially recognized at their fair value, which corresponds to the agreed consideration. Transaction costs are recognized as an implicit part of the amortized cost and are applied to net profit or loss over the expected life of the instruments in accordance with the effective interest method.

- Other business models -

In general, equity financial instruments are valued at fair value, recognizing changes in net income or loss for the period. However, the effects of changes in the fair value of instruments that are not traded in the short term are irrevocably recognized within "Other Comprehensive Income." Upon realization, these effects are recycled to net income or loss for the period.

Cash dividends from shares are recognized in the results of the financial year in the same period in which the right to receive payment of them is generated.

- Reclassifications -

Financial instrument reclassifications are only carried out when the Institution decides to change its business model. In all cases, reclassifications are authorized by the Risk Committee and reported in writing to the Commission, detailing the change in the business model that justifies them.

During the years ending December 31, 2025 and 2024, the Institution did not carry out any reclassifications of financial instruments.

- Impairment in the value of investments-

Expected credit losses due to the impairment of investments classified as IFCV and IFCPI are calculated in accordance with the Internal Methodologies based on NIF C-16 and defined by the General Office of Risks, recognizing their effects on the results of the year.

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the Internal Methodologies for reserves based on NIF C-16, to determine the allowance for loan losses by credit risk level of modelable portfolios. This was done in accordance with the provisions of Article 139 Bis 3, section I of the Regulations.

The calculation of expected credit loss is based on the following components, in accordance with the minimum requirements for self-estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of default (PI or PD): An estimate of the probability of default for a given time horizon.

- Loss Given Default (SP or LGD): An estimate of the loss in the event of default, based on the difference between the contractual cash flows and those the lender would expect to receive, including those from any collateral.

- Default Exposure (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected disbursements of committed credit facilities (CCF).

- Deadline.

- Discount interest rates: Discount an expected loss to the present value at the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.

The procedures for estimating the probability of default, the loss given default, and the exposure at default, to properly allocate and modify the credit risk level of exposures, are consistent and in accordance with the criteria for recognizing a debtor's credit risk level, in stages 1, 2, or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), expected credit losses will be calculated over the asset's lifetime. Otherwise, provisions will be based on expected 12-month credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the asset's lifetime.

- Value date transactions-

Financial instruments acquired that are agreed to be settled after the date of the purchase and sale transaction are recognized as restricted securities, while instruments sold are recognized as securities to be delivered, thus reducing investments in securities. The counterparty must be a clearing account, creditor or debtor, as applicable.

When the amount of securities to be delivered exceeds the balance of securities held in the company's own position of the same nature (government, bank, stock and other debt securities), it is presented in the liability section under the line items of "collateral securities lending".

(j) Write-off of financial assets-

The Institution derecognizes a financial asset only when the contractual rights to the expected cash flows from the financial asset expire, or when the Institution transfers the financial asset in accordance with: a) the contractual rights to receive the cash flows from the financial asset are transferred, or b) the contractual rights to receive the cash flows from the financial asset are retained and at the same time a contractual obligation to pay those cash flows to a third party is assumed.

When a portion of a financial asset is written off, the Institution must:

a) Derecognize the portion of the transferred financial asset at its final carrying amount, including, where applicable, the proportionate share of any estimates and/or contra-asset accounts associated with those financial assets. Where applicable, any outstanding amortization or recognition effects associated with the financial assets should be recognized in profit or loss for the period in the corresponding proportion.

b) Recognize the consideration received or incurred in the transaction, taking into account the new financial assets and new obligations assumed, at their fair values. For this recognition, the Institution uses the appropriate accounting criteria, according to the nature of the consideration.

c) Recognize in the results of the exercise the gain or loss, for the difference that exists between the carrying amount of the portion of the financial asset written off, and the sum of (i) the consideration received or incurred (recognized at fair value) and (ii) the cumulative valuation effect (gain or loss) that has been recognized in equity, attributable to that portion.

(k) Repurchase agreements

Repurchase agreements that do not comply with the terms established in criterion C-14 “Transfer and write-off of financial assets” are treated as collateralized financing, taking into account the economic substance of said transactions and regardless of whether they are “cash-oriented” or “securities-oriented” repurchase agreements.

Acting as Reported-

On the date of contracting the repurchase agreement, with the Institution acting as the reported party, the cash inflow is recognized, or a debit settlement account, as well as an account payable under the line item of "Repurchase agreement creditors" section, initially measured at the agreed price, which represents the obligation to return said cash to the party.

The account payable is subsequently valued during the life of the repurchase agreement at its amortized cost by recognizing the repurchase agreement interest in accordance with the effective interest method in the results of the period.

With regard to the collateral provided, the Institution reclassifies the financial asset in its consolidated statement of financial position as restricted, valuing it according to the valuation, presentation and disclosure criteria in accordance with the corresponding accounting criteria, until the maturity of the repurchase agreement.

Acting as a buyer on repurchase agreements-

With the Institution acting as the reporting entity, on the date of contracting the repurchase agreement, the outflow of cash and cash equivalents is recognized, or a creditor settlement account is recorded, registering an account receivable under the line item of "Repurchase agreement debtors", initially measured at the agreed price, which represents the right to recover the cash delivered.

The receivable is subsequently valued during the life of the repurchase agreement at its amortized cost by recognizing the repurchase agreement interest in accordance with the effective interest method in the results of the period.

With regard to the collateral received, the Institution recognizes it in memorandum accounts, and when it is different from cash, it will follow for its valuation the guidelines established in accounting criterion B-9 “Custody and administration of assets”, until the expiration of the repurchase agreement.

When the reporting entity sells the collateral or gives it as collateral, the resources from the transaction are recognized, as well as an account payable for the obligation to return the collateral to the reporting entity (initially measured at the agreed price), which is valued, in the case of its sale at fair value or, in the case that it is given as collateral in another repurchase agreement, at its amortized cost (any difference between the price received and the value of the account payable is recognized in the results of the period), in addition, the control of said collateral sold or given as collateral is kept in memorandum accounts following for its valuation the rules relating to custody operations of accounting criterion B-9.

Likewise, if the reporting party becomes in turn the reported party by entering into another repurchase agreement with the same collateral received as a guarantee for the initial transaction, the repurchase interest agreed upon in the second transaction must be recognized in the results of the period as it accrues, in accordance with the effective interest method, affecting the amortized cost account mentioned above.

The memorandum accounts recognized for collateral received that in turn have been sold or given as collateral by the reporting party are cancelled when the repurchase agreement reaches its maturity or there is a default by the reporting party.

(l) Securities lending-

This is a transaction in which the transfer of securities from the lender to the borrower is agreed upon, with the obligation to return those securities or substantially similar ones on a specified date or upon request, with the lender receiving a premium in return. In this type of transaction, the lender requires collateral or a guarantee from the borrower.

Acting as a lender-

At the date the securities loan is entered into, acting as lender, the Institution records the loaned securities transferred to the borrower as restricted, following the valuation, presentation, and disclosure standards in accordance with the applicable accounting principles. The collateral received to secure the loaned securities is also recorded in memorandum accounts.

The amount of the accrued premium is recognized in the results of the period through the effective interest method during the term of the operation, in the item of "Interest income".

Acting as borrower-

At the date of the securities loan agreement, the Institution records the value of the loan received in memorandum accounts, following for its valuation the guidelines for securities recognized in accounting criterion B-9 “Custody and administration of assets”; the financial assets delivered as collateral are recognized as restricted, which will follow the valuation, presentation and disclosure standards in accordance with the corresponding accounting criterion.

On the date the Institution sells the asset subject to the transaction, it must recognize the inflow of funds from the sale, as well as an account payable for the obligation to return said asset to the lender (initially measured at the agreed price), which will be valued at fair value. This does not apply if the asset subject to the transaction is delivered as collateral in a repurchase agreement, in which case the accounting of criterion B-3 must be followed.

The amount of the accrued premium is recognized in the results of the period through the effective interest method during the term of the operation, in the item of "Interest Expenses".

(m) Clearing of settlement accounts-

Amounts receivable or payable arising from investments in securities, repurchase agreements and derivatives that reach maturity and have not been settled are recorded in settlement accounts within the line item of "Other accounts receivable, net" and "Creditors for settlement of operations", as appropriate, as well as amounts receivable or payable resulting from foreign exchange purchase and sale transactions in which immediate settlement is not agreed or in those with same-day value date.

The balances of the debit and credit settlement accounts are offset provided that there is a contractual right to offset the recognized amounts, there is an intention to settle the net amount, they arise from the same nature of the transaction, they are carried out with the same counterparty and they are settled on the same due date.

(n) Derivatives

The Institution classifies derivative transactions based on their intent into the two categories shown below:

– For trading purposes - This refers to the position the Institution assumes as a market participant for a purpose other than covering open risk positions.

– Hedging - This involves buying or selling derivative financial instruments in order to mitigate the risk of a transaction or set of transactions.

Within the Institution's internal policies and regulations, it is considered that, in order to carry out operations with derivative financial instruments, it is a requirement to qualify and, where applicable, authorize risk exposure lines for each of the counterparties in the financial system that have been authorized by the Central Bank to carry out this type of operation.

For commercial clients, prior to these transactions, a pre-authorized line of credit from the Credit Risk Committee or the provision of readily convertible collateral via a stock market guarantee agreement is required. For medium-sized businesses, small businesses, and individuals, transactions are carried out through the provision of liquid collateral via a stock market guarantee agreement.

The recognition in the financial statements of assets and/or liabilities arising from transactions with derivative financial instruments is carried out on the date the transaction is completed, regardless of the settlement or delivery date of the asset.

The Institution recognizes all derivatives it enters into (including those that form part of a hedging relationship) as assets or liabilities (depending on the rights and/or obligations they contain) in the consolidated statement of financial position, initially at their fair value, which presumably corresponds to the price agreed upon in the transaction. Transaction costs that are directly attributable to the acquisition of the derivative are recognized directly in profit or loss within the "Brokerage Profit" section.

Subsequently, all derivatives are valued at their fair value, without deducting transaction costs that may be incurred in the sale or other type of disposal, recognizing this valuation effect in the results of the period within the item "trading income".

Derivatives must be presented in a specific asset or liability category, depending on whether their fair value (resulting from the rights and/or obligations they establish) corresponds to a debit or credit balance, respectively. These debit or credit balances may be offset provided they comply with the offsetting rules established in the corresponding accounting policy.

The derivatives item in the consolidated statement of financial position must be segregated into derivatives for trading purposes and derivatives hedging.

For the determination of fair value, the data and inputs provided by a price provider authorized by the Commission, or an internal valuation process, are considered, provided that they are not derivative financial instruments that are listed on national stock exchanges or that are not traded in markets.

Transactions for trading purposes-

– Optional Titles ("Warrants")-

Optional securities are documents that represent a temporary right acquired by holders in exchange for the payment of a premium for the issuance of Shares or Indices; therefore, said right expires at the end of the validity period, so holding them implies the recognition that the intrinsic value and the market price of the optional security in the secondary market may vary depending on the market price of the reference assets.

- Forward and futures contracts -

Its balance represents the difference between the fair value of the contract and its stipulated forward price. If the difference is positive, it is goodwill and is presented as an asset; if it is negative, it is a loss and is presented as a liability.

– Options-

In options purchased, their debit balance represents the fair value of future cash flows to be received, recognizing the valuation effects in the results of the period.

In options sold, their credit balance represents the fair value of future cash flows to be delivered, recognizing the valuation effects in the results of the period.

– Swaps-

Its balance represents the difference between the fair value of the asset portion (flows to be received) and the liability portion (flows to be delivered).

Transactions for hedging purposes-

Hedging derivatives are valued at fair value and the effect is recognized depending on the type of hedge, as shown below:

a. Fair value hedges: the hedged primary position and the hedging derivative instrument are valued at their fair value, with the net effect on the period's results recorded under the line item of "financial intermediation income".

b. Cash flow hedges: the hedging derivative instrument is valued at fair value, and the valuation corresponding to the effective portion of the hedge is recorded under the line item "Valuation of derivative financial instruments for cash flow hedges " within "Other Comprehensive Income." The ineffective portion is recorded in the period's results under the line item "Financial intermediation income."

c. In hedges of a net investment in a foreign operation, which meets all the conditions, it is accounted for in a similar way to the hedge of cash flows; the effective portion is recognized in Other Comprehensive Income and the ineffective portion is recognized in profit or loss.

Embedded derivatives

The Institution segregates embedded derivatives of structured notes (liabilities), where the underlying reference are: currencies, indices, extendable term interest rate options and UMS bond price options.

For debt contracts involving loans and bonds where the underlying reference rate is an interest rate with implicit cap, floor, and collar options, the underlying contract is considered closely related to the host contract, and therefore these derivatives are not segregated. Consequently, the main contract for the loans and bonds is recorded according to the criteria applicable to each contract, in both cases at amortized cost.

Collateral given and received in derivative transactions not traded on recognized markets or exchanges-

The receivable generated by the granting of cash collateral in derivative transactions *not traded* in recognized markets or exchanges is presented in the heading line item of "Other accounts receivables, (net)", while the payable generated by the receipt of cash collateral is presented within the line item "Creditors on settlement of transactions ".

Collateral delivered in securities is recorded as securities restricted by guarantees, and collateral received in securities for derivative transactions is recorded in memorandum accounts.

Valuation adjustments for risk of default

The fair value of liabilities should reflect the entity's default risk, which includes, among other components, its own credit risk. In light of this, the Institution makes credit risk valuation adjustments to its fair value estimates of assets and liabilities.

The adjustments to be made are calculated by estimating the exposure at default, the probability of default, and the loss given default, which is based on recovery levels for all derivative products on any underlying asset, deposits, and repurchase agreements at the legal entity level (all operations under the same master agreement) to which the Institution has exposure.

Credit valuation adjustments (hereinafter “CVA”) and debit valuation adjustments (hereinafter “DVA”) are incorporated into the valuations of derivatives, both assets and liabilities, to reflect the impact on fair value of counterparty and own credit risk, respectively.

The Institution incorporates, in all exposures classified in any of the fair value categories, both counterparty credit risk and its own credit risk. In the trading portfolio, and specifically for derivatives, credit risk is recognized through these adjustments.

As a general rule, CVA is calculated as the sum of the expected positive exposure at date t, the probability of non-compliance between t-1 and t, and the severity. Similarly, DVA is calculated as the sum of the expected negative exposure at date t, the group's probabilities of non-compliance between t-1 and t, and the group's severity. Both calculations are performed over the entire period of potential exposure.

Preventive reserves percentage ranges

The calculation of expected positive and negative exposure is performed through a Monte Carlo simulation of the market variables that affect all operations grouped under the same framework agreement (legal netting).

(o) Loan portfolio-

Business model-

The entity's business model determines whether cash flows will come from obtaining contractual cash flows, from selling the loan portfolio, or from both.

If the objective of the business model for the loan portfolio is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows on predetermined dates, which correspond only to payments of principal and interest on the outstanding principal amount, then the portfolio is presented in the statement of financial position at its amortized cost.

The SPPI test (Solely Payments of Principal and Interest) is a tool that allows for the evaluation of cash flows within a loan portfolio, either for a homogeneous portfolio or for individual loan transactions. This test, through the analysis of contractual cash flows, determines whether they correspond solely payments principal and interest.

The loan portfolio is valued at the "transaction price", which corresponds to the actual amount disbursed to a borrower as financing, any financed insurance, transaction costs, fees, other items collected in advance, and accrued interest. This price represents the fair value of the portfolio at initial recognition and serves as the basis for calculating the amortized cost at subsequent recognition.

Loan portfolio valued at fair value-

Loan portfolio with a business model different from holding financial assets to receive contractual cash flows, or where contractual cash flows do not correspond solely payments principal and interest, are recognized at fair value and classified under the line items "Loan portfolio valued at fair value".

This represents the outstanding balance of the total or partial disbursement of credit lines granted to borrowers, plus accrued uncollected interest, less interest received in advance. The allowance for loan losses is calculated by deducting the outstanding balances in the loan portfolio.

The Institution classifies its portfolio under the following categories:

a. Commercial: This category includes direct or contingent loans, including bridge loans denominated in national and/or foreign currency and/or Investment Units (UDIs), as well as the interest generated, granted to legal entities or individuals engaged in business activities and intended for their commercial or financial operations; including loans granted to financial institutions other than interbank loans of less than 3 business days; loans for factoring and financial leasing operations entered into with such legal entities or individuals engaged in business activities; loans granted to trustees acting under trusts; and loan schemes commonly known as “structured” loans where there is an asset allocation that allows for individual assessment of the risk associated with the scheme. Also included are loans granted to federal entities, municipalities and their decentralized agencies, and loans to state-owned enterprises.

b. Residential mortgage: This caption includes direct loans denominated in domestic or foreign currency, in investment units (UDIs), or in minimum wage multiples (VSM), as well as the related accrued interest, granted to individuals and intended for the acquisition, construction, renovation, or improvement of residential property not held for commercial speculation. It also includes liquidity loans secured by the borrower’s residential property and loans granted for such purposes to former employees of the Institution.

c. Consumer loans: This category includes direct loans, denominated in national and/or foreign currency, as well as the interest generated, granted to individuals, derived from credit card operations, personal loans, payroll loans (other than those granted through credit cards), loans for the acquisition of durable consumer goods and capital lease operations entered into with individuals; including those loans granted for such purposes to former employees of the Institution.

d. Restricted: The Institution considers restricted any asset for which there are circumstances that restrict its disposal and/or use, such as the loan portfolio granted as collateral in securitization transactions. For these purposes, the same valuation criteria applicable to the rest of the loan portfolio are followed. Within the Institution's consolidated statement of financial position, loans considered restricted will be grouped into stages 1, 2, or 3, as applicable, and according to their nature as commercial, consumer, or mortgage loans. The breakdown of restricted loans is provided in the notes to the financial statements and not within the structure of the Institution's consolidated statement of financial position.

Undrawn credit lines are recorded in memorandum accounts, under the line item of “Loan commitments”.

At the time of contracting, operations with letters of credit are recorded in memorandum accounts, under the line item "Loan commitments", which, when exercised by the client or by their counterparty, are transferred to the credit portfolio.

The outstanding balance of the loan and associated interest are classified into risk stages ranging from stage 1 to stage 3.

Loan portfolio Stage 1-

Loans where the risk has not significantly increased from initial recognition to the date of the financial statements and which do not meet the criteria for stage 2 or 3 classification under this standard. This stage includes loans with less than 30 days of payment delinquency.

Loan portfolio Stage 2-

Loans that show a significant increase in risk from their initial recognition to the date of the financial statements in accordance with the calculation models of allowance for loan losses, the portfolio associated with this stage of deterioration is more than 30 days past due and less than 90.

Loan portfolio Stage 3-

These are loans with credit deterioration resulting from one or more events that negatively impact expected future cash flows. Loans with 90 or more days of non-payment are classified at this stage.

- Mortgage with partial periodic amortization of capital and interest, which are 90 or more days past due.

- Creditors who are declared bankrupt, with the exception of those credits that continue to receive payments and that were granted for the purpose of maintaining the ordinary operation of the company and the necessary liquidity during the bankruptcy proceedings, in accordance with the provisions of section VIII of article 43 of the Bankruptcy Law (LCM), in accordance with the provisions of article 75 in relation to sections II and III of article 224 of the LCM.

- Documents for immediate collection referred to in accounting Criterion B-1, “Availability”, of the Commission, at the time when they have not been collected within the period (2 or 5 days, as appropriate).

With regard to the expiry periods referred to in the preceding paragraphs, monthly periods may be used, regardless of the number of days in each calendar month, in accordance with the following equivalencies: (i) 30 days equivalent to one month; (ii) 60 days equivalent to two months; and (iii) 90 days equivalent to three months.

Loans classified as stage 3 that are restructured or renewed will remain within the same stage of deterioration, as long as there is no evidence of sustained payment.

Sustained payment-

Sustained payment is considered to exist when the borrower makes timely payments of the total amount due for principal and interest of three consecutive amortizations of the loan payment schedule when the amortizations are less than or equal to 60 days, or the payment of two amortizations in the case of loans with periods between 61 and 90 calendar days, and in the case of loans with amortizations that cover periods greater than 90 calendar days, the payment of one amortization.

When the amortization periods agreed upon in the restructuring or renewal are not homogeneous, the number of periods that represent the longest term must be considered for the purposes of proving sustained payment.

For restructurings in which the payment frequency is modified to shorter periods, the number of amortizations of the original credit scheme must be considered.

In the case of consolidated loans, if two or more loans have resulted in the transfer to a portfolio with credit risk stage 2 or stage 3, to determine the required amortizations, the original payment scheme of the loan whose amortizations are equivalent to the longest term must be considered.

Loans with stage 3 or stage 2 credit risk, for which the outstanding balances (principal and interest) are fully paid off, as well as restructured or renewed loans that meet the sustained payment of the loan, are reclassified to a stage 1 credit risk portfolio.

In any case, to demonstrate that there is sustained payment, the Institution must provide the Commission with evidence that justifies that the borrower has the ability to pay at the time the restructuring or renewal is carried out to meet the new conditions of the loan.

The elements that must be taken into account for the purposes of the previous paragraph are at least the following: the probability of default, the guarantees given to the restructured or renewed credit, the priority of payment in relation to other creditors and the liquidity of the borrower in the face of the new financial structure of the financing.

In the case of loans with a single principal payment at maturity, regardless of whether the interest payment is periodic or at maturity, sustained payment of the loan is considered to exist when any of the following occurs:

a) The borrower has paid at least 20% of the original loan amount at the time of restructuring or renewal, or

b) The amount of accrued interest has been covered according to the restructuring or renewal payment scheme corresponding to a period of 90 days and at least that period has elapsed.

Loans that are restructured or renewed on more than one occasion, and that have been agreed upon with a single principal payment at maturity, regardless of whether the interest payment is periodic or at maturity, will demonstrate sustained payment of the loan when:

a) The borrower must cover at least 20% of the outstanding principal as of the date of the new restructuring or renewal;

b) The amount of accrued interest under the new restructuring or renewal payment plan corresponding to a period of 90 days has been covered and at least that period has elapsed; and

c) The lender must have documentation justifying the borrower's ability to pay. In the case of commercial loans, this documentation must be properly documented and included in the loan file.

Early repayment of principal on restructured or renewed loans, other than those with a single principal payment at maturity, regardless of whether interest is paid periodically or at maturity, is not considered a sustained payment. This is the case for repayments on restructured or renewed loans made before the required number of calendar days has elapsed.

In any case, loans that, as a result of a restructuring or renewal, are transferred to a higher credit risk category, must remain in that category for a minimum of three months to demonstrate sustained payment and, consequently, be transferred to the next lower credit risk category, except in the case of restructured or renewed loans that were granted for a term of six months or less and are not restructured or renewed consecutively for the same term. The foregoing will not apply to loans with principal repayment at maturity, regardless of whether interest payments are periodic or at maturity, in which case a 90-day period will apply.

Profit or loss from renegotiations-

In credit restructurings in stages 1 and 2 of credit risk, the Institution recognizes the effect of the associated profit or loss as a deferred credit or charge within the "Deferred Items" section of the consolidated statement of financial position, which are amortized against the results of the period based on the effective interest rate.

Financial factoring operations, discounting and assignment of credit rights operations-

At the beginning of the operation, the value of the portfolio received will be recognized in the asset against the cash outflow, recording the agreed amount as other accounts payable and, where applicable, as deferred credit the financial income to be accrued that derives from factoring, discounting or assignment of credit rights operations.

The financial income to be earned, as referred to in the preceding paragraph, will be determined, where applicable, by the difference between the value of the portfolio received less the appraisal and the cash outflow. This financial income to be earned must be recognized within the deferred credits and advance payments account and amortized using the straight-line method over the life of the loan, under the "Interest Income" account.

In the event that the transaction generates interest, this will be recognized as it accrues.

The amount of any advances granted will be recognized as part of the financial factoring, discounting or assignment of credit rights operations, within the concept of commercial credits.

Special accounting criteria, derived from the events caused by Hurricane Otis

In response to the unfortunate events caused by Hurricane Otis with severe impact on the state of Guerrero, Secretaría de Seguridad y Protección Ciudadana, in accordance with applicable regulations, issued on October 26, 2023, through press release number BDE-007-2023, the “Agreement” establishing a State of Emergency for the state of Guerrero due to the occurrence of severe rain and strong winds on October 24, 2023.

In this regard, based on article 175, first paragraph of the “General provisions applicable to credit institutions”, the CNBV has determined to issue on a temporary basis through letter P-307/2023 dated October 27, 2023, the special accounting criteria for borrowers who have their domicile or credits whose source of payment is located in the areas affected by the event indicated in the “Agreement” referred to in the previous paragraph.

The support programs consist of granting borrowers a deferral of principal and/or interest payments for up to 6 months and will be applicable to consumer, residential mortgage and commercial loans, and for clients who are classified in accounting as stage 1 and 2 as of October 24, 2023, observing that the adhesion procedures end no later than April 30, 2024.

The special accounting criteria are detailed below:

1. Loans with a "single principal payment at maturity and periodic interest payments, as well as loans with a single principal and interest payment at maturity," that are restructured or renewed, will not be transferred to the next higher-risk stage as established in Paragraph 99 of Section B-6, Loan Portfolio, contained in Schedule 33 of the CUB. This applies provided that the borrowers are classified in accounting terms as Stage 1 or 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of Section B-6.

2. For loans with “periodic principal and interest payments” that are restructured or renewed, they may remain in the same risk category, without the provisions of Paragraphs 104 and 105 of B-6 being applicable. This is provided that the borrowers are classified in accounting as a portfolio in stage 1 or 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

3. Loans that are stipulated as revolving from their inception, and that are restructured or renewed no later than April 30, 2024, may not be transferred to the next higher risk stage in accordance with the provisions of Paragraph 100 of B-6. This benefit may not exceed 6 months from the original maturity date of the operations and may only be applied to disbursements authorized or agreed upon as of October 24, 2023, provided that the borrowers are classified in accounting as a portfolio in stage 1 or 2 on that date, in accordance with paragraphs 10 and 11 of B-6.

4. With regard to the loans mentioned in the preceding paragraphs, these operations will not be considered as restructured in accordance with Paragraph 35 of Criterion B-6.

5. If debt forgiveness, repayment, bonuses, or discounts are included on the outstanding loan balance to support borrowers, institutions may defer the establishment of the EPRC (Expense Reduction and Repayment Reserve). When the amount of debt forgiveness, repayment, bonuses, or discounts exceeds the EPRC, a reserve for the difference will be established for a period not exceeding 12 months.

For the application of the special accounting criteria described above, the Institution adhered to the following:

- It did not make any contractual modifications that explicitly or implicitly consider the capitalization of interest, nor the charging of any commission for the restructuring.

- In the case of revolving credits directed to individuals, the credit lines previously authorized or agreed upon as of October 24, 2023, were not restricted, reduced or cancelled by more than 50% of the undrawn portion of said lines.

- For revolving credits agreed with legal entities, the credit lines previously authorized or agreed upon as of October 24, 2023, did not restrict or cancel the previously authorized lines.

- The institution did not request additional guarantees or replacement.

- The institution documented the new conditions by providing evidence of the agreement between the parties (via email).

(p) Allowance for loan losses-

Increases or decreases in allowance for loan losses, as a result of the rating process, are recorded in results by adjusting the financial margin.

The Institution recognizes allowance for loan losses based on the following:

i) Portfolio of business or commercial activity-

Large companies and businesses-

The commercial portfolio classified in the "Companies" group comprises companies with annual sales volume between $50 and $130 million, as well as companies with annual sales volume between $130 and $60 million that belong to a corporate group. The "Large Companies" portfolio comprises large companies with annual sales volume exceeding $50 million. Clients with Specialized Lending Projects, as well as Small and Medium-sized Mortgage Developers, are excluded.

It should be noted that, within the universe of Companies, Business/Enterprise credit cards are considered, provided that it is demonstrated that the counterparty is a client with a Business rating, and the clients comply at all times with their sales being greater than or equal to $60 million and less than $50 million, and belong to a business group.

Clients belonging to the G9 group of Large Developers are excluded from the Developer Profile. Due to their business characteristics, sales volume, housing developments, and overall resource size, they differ from the general pool of developers. The G9 Large Developers client group is classified according to their annual sales volume using corporate tools and is selected primarily for their business characteristics, sales volume, housing developments, and resource size.

It should be noted that, for the Large Companies portfolio, the CNBV took note that the loans under PEMEX and CFE are no longer part of said portfolio; consequently, the capital requirements and credit risk reserves will be calculated according to the standard method and the standard general methodology, respectively.

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the Internal Methodologies for reserves based on NIF C-16, to determine the allowance for loan losses by credit risk level of modelable portfolios. This was done in accordance with the provisions of Article 139 Bis 3, section I of the Regulations.

The calculation of expected credit loss is based on the following components, in accordance with the minimum requirements for self-estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of default (PI or PD): An estimate of the probability of default for a given time horizon.
- Loss given default (SP or LGD): An estimate of the loss in the event of default, based on the difference between the contractual cash flows and those the lender would expect to receive, including those from any collateral.
- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected disbursements of committed credit facilities (CCF).
- Deadline.
- Discount interest rates: Discount an expected loss to the present value at the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prospective Scenarios: The design of prospective scenarios is considered, which complement historical experience by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market outlook, as well as the economic and financial environment of the market in which the institution operates. BBVA Research is the area within BBVA specializing in the creation of internal prospective scenarios for various institutional processes, including those used in the estimation of provisions under NIF C-16, which are updated at least annually. Descriptions of these prospective scenarios can be found in the Mexico Situation reports, which are published on the BBVA website under Corporate Information -> Economic Studies -> Publications.

The procedures for estimating the probability of loss given default, and the exposure to default, to properly allocate and modify the credit risk level of exposures, are consistent and in accordance with the criteria for recognizing a debtor's credit risk level, in stages 1, 2, or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), expected credit losses will be calculated over the asset's lifetime. Otherwise, provisions will be based on expected 12-month credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the asset's lifetime.

In accordance with the applicable regulations and given that the Institution applies internal reserve methodologies based on NIF C-16, it maintains, as part of its credit risk policies, qualitative criteria for identifying and categorizing the loan portfolio based on the increase in the level of credit risk. This accounting criterion is applied from the time of origination and throughout the life of the loan, even if it has been renewed or restructured, allowing the portfolio to be classified by credit risk level as Stage 1, Stage 2, or Stage 3.

This is in addition to the quantitative criteria for non-payment of portfolios, as defined in note 3, paragraph (m).

Small and medium-sized enterprises-

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the Internal Methodologies for reserves based on NIF C-16, to determine allowance for loan losses by credit risk level, starting in January 2022 for the "Small and Medium-Sized Enterprises" portfolio. This is in accordance with the provisions of Article 139 Bis 3, section I of the Regulations.

In November 2022, BBVA requested the CNBV to approve the update of the Implementation Plan for the Non-Revolving Consumer (CNR) and Small and Medium Enterprise (SME) portfolios, to postpone the determination of credit risk reserves under Internal Methodologies of reserves based on NIF C-16.

Therefore, as of November 2022, the SME portfolio is rated using the standard method.

Commercial portfolio different from large companies and corporations-

The Institution, in order to rate the commercial portfolio other than the groups of Large Companies and Companies, considers the PD, LGD and EAD, in accordance with the provisions.

I. The amount of allowance for loan losses for each loan in stages 1 and 3 will be the result of applying the following expression:

Reserve Stage 1 or 3i = PDi x LGDi x EADi

Where:

Reserves Stage 1 or 3i = Amount of allowance for loan losses to be established for the i-th loan that is in stage 1 or 3, as appropriate.
PDi = Probability of default of the i-th loan.
LGD = Loss given default of the i-th loan.
EADi = Exposure to Default of the i-th loan.

II. For those loans classified in stage 2, the reserve estimate for the full life of the loans will be calculated as follows:

a) For loans with periodic principal and interest payments and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

b) For loans with a single repayment at maturity of principal and interest, or a single repayment of principal at maturity and periodic interest payments:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

Full Life Reservesi = Amount of the estimate to be established for the i-th loan in stage 2.
PDi = Probability of default of the i-th loan.
LGDi = Loss given default of the i-th loan.
EADi = Exposure to Default of the i-th loan.
ri = Annual interest rate of the i-th loan charged to the customer.

n = Remaining term of the i-th loan, number of years that, according to the contractually established terms, remain to settle the loan as of the portfolio rating date.
PAYMENTi = Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1 + r_i) * \frac{(1 - (1 + r_i)^{-1})}{(1 - (1 + r_i)^{-n})}$$

The amount of reserves for stage 2 loans will be the result of applying the following formula:

Reserves Stage 2i = Max(Full Life Reservesi, PDi x LGDi x EADi)

PDi will be calculated according to the following equation::

$$PD_i = \frac{1}{1 + e^{-(500 - Total\ Credit\ Score_1)\ x\ \frac{1n(2)}{40}}}$$

For the purposes of the above:

The total credit score of each borrower will be obtained by using the following equation:

Total Credit Scorei=α x (QCSti) + (1-α) x (QCSli)

Where:

Quantitative credit scorei (QCSti) = It is the score obtained for the i-th borrower when evaluating the risk factors established in the Provisions.

Qualitative credit scorei (QCSti) = It is the score obtained for the i-th borrower when evaluating the risk factors established in the Provisions.

α= It is the relative weight of the quantitative credit score established in Schedules 21 or 22 of these provisions, as applicable.

Unsecured loans

The LGDi for commercial loans lacking coverage of real, personal or credit derivative guarantees will be:

a. 45%, for preferred positions classified under Schedule 18, 19, 20 and 22.

b. 55% for preferred positions classified under Schedule 21.

c. 75%, for subordinated positions, in the case of syndicated loans those that, for the purposes of their priority in payment, are contractually subordinated with respect to other creditors.

d. 100%, for loans that report 18 or more months of delay in the payment of the amount due under the terms originally agreed.

The EADi will be determined based on the following:

I. For outstanding balances on uncommitted lines of credit that are unconditionally cancelable or that allow in practice automatic cancellation at any time and without prior notice, the following shall be considered:

EADi = Si

II. For lines of credit that do not meet the requirements described in the previous section:

a) For loans rated under Schedule 22 that have an outstanding balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the line does not have an available balance on the qualification date:

EADi = Max (Si, 0.07 x (Authorized Credit Line))

b) For loans rated under Schedule 21 that have an outstanding balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the line does not have an available balance on the qualification date:

EAD i = Max (S i, 0.07 x (Authorized Credit Line))

Where:

Si= The outstanding balance of the i-th loan at the date of the rating, which represents the amount of credit effectively granted to the borrower, adjusted by the accrued interest, less the principal and interest payments, as well as any reductions, waivers, bonuses and discounts that may have been granted.

In any case, the amount subject to rating should not include accrued uncollected interest recognized in memorandum accounts within the consolidated statement of financial position, of loans that are in stage 3 portfolio.

Authorized credit line: Maximum authorized amount of the credit line as of the qualification date.

The Institution may recognize real guarantees, personal guarantees and credit derivatives in the SP estimate of the loans, in order to reduce the reserves derived from the portfolio rating, in accordance with the provisions.

Admissible collateral may be financial or non-financial. Furthermore, only collateral that meets the requirements established by the Commission in the Provisions will be recognized.

ii) Portfolio of federal entities and municipalities (governmental)-

The Institution for rating the credit portfolio of federal entities and municipalities considers the PD, LGD and EAD, in accordance with the provisions, as follows:

I. The amount of allowance for loan losses for each loan in stages 1 and 3 will be the result of applying the following expression:

$$Reserves\ Stage\ 1\ or\ 3i = Ri = PD\ I\ x\ LGDI\ x\ EADi$$

Where:

Reserves Stage 1 or 3i = Amount of allowance for loan losses to be established for the i-th loan that is in stage 1 or 3, as appropriate.
PDi = Probability of default of the i-th loan.
LGDi = Loss given default of the i-th credit.
EADi = Exposure to Default of the i-th loan.

II. For those loans classified in stage 2, the reserve estimate for the full life of the loans will be calculated as follows:

a) For loans with periodic principal and interest payments and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

b) For loans with a single repayment at maturity of principal and interest, or a single repayment of principal at maturity and periodic interest payments:

$$Full\ Life\ Reserves_i = \frac{PD_i \times LGD_i \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

Full Life Reservesi = Amount of the estimate to be established for the i-th loan in stage 2.
PDi = Probability of default of the i-th loan.
LGDi = Loss given default of the i-th credit.
EADi = Exposure to Default of the i-th loan.
ri = Annual interest rate of the i-th loan charged to the customer.
n = Remaining term of the i-th loan, number of years that, according to the contractually established terms, remain to settle the loan as of the portfolio rating date.

PAYMENTi = Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1+r_i) * \frac{(1-(1+r_i)^{-1})}{(1-(1+r_i)^{-n})}$$

The amount of reserves for stage 2 loans will be the result of applying the following formula:

$$Reserves\ Stage\ 2_i = Max\ (Full\ Life\ Reserves_i, PD_I\ x\ \ LGD_I\ x\ EAD_i)$$

PDi will be calculated according to the following equation::

$$PD_i = \frac{1}{1 + e^{-(500 - Total\ Credit\ Score_1)\ x \frac{1n(2)}{40}}}$$

For the purposes of the above:

The total credit score of each borrower will be obtained by applying the following expression:

Total Credit Score i=α x (QCSti) + (1-α)x(QCSli)

Where:

QCSti = Quantitative Credit Score = IA + IB + IC + ID + IE
QCSli = Qualitative Credit Score = IIA + IIB
IA = Current income to current expense.
IB = Public investment to total expenditures.
IC = Financing of total shares.
ID = Average days of delinquency with credit institutions.
IE = Percentage of balance without days of delay with the Institution in the last 7 months considering the month of calculation.
IIA = Strength and flexibility of the regulatory and institutional framework for both the approval and execution of the budget, as well as for the approval and imposition of local taxes.
IIB = Transparency in public finances and public debt.

In the case of loans from States and Municipalities, as described in Section I of Schedule 18, institutions must determine the precautionary reserves as the product of the allowance percentage and the EADi. This is regardless of the fact that institutions must estimate and report the calculation of the PIi.

A) When the credit is Guaranteed State Debt, in accordance with the provisions of the Law of Financial Discipline of the Federal Entities and Municipalities, the credit reserve will be 0.5% of the EADi.

B) When loans have as their primary source of payment a specific percentage of the General Participation Fund, of Funds corresponding to Branch 28 or of Federal Contribution Funds, including those that in addition to the aforementioned primary source have as a subsidiary source of payment income of the borrower party or other type of resources that do not come from Federal Funds, their credit reserve will be determined by applying the percentage corresponding based on the debt service coverage ratio (DSCR) according to the following table.

Range above the DSCR	Percentage
3 < DSCR	0.0050
2 < DSCR <= 3	0.0066
1.5 < DSCR <= 2	0.0082
1 < DSCR <= 1.5	0.0107
0.75 < DSCR <= 1	0.0344
DSCR <= 0.75	0.0975

C) If the primary source of repayment for the loan is the borrower's own income, the loan reserve will be the percentage applicable according to the DSCR in the following table:

Range above the DSCR	Percentage
3 < DSCR	0.0064
2 < DSCR <= 3	0.0084
1.5 < DSCR <= 2	0.0105
1 < DSCR <= 1.5	0.0137
0.75 < DSCR <= 1	0.0493
DSCR <= 0.75	0.1242

The debt service coverage ratio is calculated as:

$$Debt\ service\ coverage\ ratio = \frac{PS}{SD}$$

Where:

PS = Estimated cash flow allocated as the primary source of loan repayment for the next 12 months from the qualification date.
SD = Principal and interest payments to be made by the borrower during the following 12 months from the qualification date.

Unsecured loans -

The LGD for loans granted to federal entities and municipalities that lack coverage of real, personal or credit derivative guarantees will be:

a. 45%, for preferred positions.

b. 100%, for loans that report 18 or more months of delay in the payment of the amount due under the terms originally agreed.

The EI i will be determined based on the following:

I. For outstanding balances on uncommitted lines of credit that are unconditionally cancelable or that allow in practice automatic cancellation at any time and without prior notice, the following shall be considered:

EADi = Si

II. For lines of credit that do not meet the requirements described in the previous section:

a) For loans rated under Schedule 22 that have an outstanding balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the line does not have an available balance on the qualification date:

EADi = Max (S i, 0.07 x (Authorized Credit Line))

b) For loans rated under Schedule 21 that have an outstanding balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the line does not have an available balance on the qualification date:

EADi = Max (S i, 0.07 x (Authorized Credit Line))

Where:

Si = The outstanding balance of the i-th loan at the date of the rating, which represents the amount of credit effectively granted to the borrower, adjusted by the accrued interest, less the principal and interest payments, as well as any reductions, waivers, bonuses and discounts that may have been granted.

In any case, the amount subject to rating should not include accrued uncollected interest recognized in memorandum accounts within the consolidated statement of financial position, for loans that are in arrears.

Authorized credit line = Maximum authorized amount of the credit line as of the qualification date.

The Institution may recognize real guarantees, personal guarantees and credit derivatives in the SP estimate of the loans, in order to reduce the reserves derived from the portfolio rating, in accordance with the provisions.

Admissible collateral may be financial or non-financial. Furthermore, only collateral that meets the requirements established by the Commission in the Provisions will be recognized.

The preventive reserves for the commercial loan portfolio, established by the Institution as a result of the credit rating by the groups, are classified according to the risk levels and percentages described below:

Risk Level	Ranges of percentages of preventive reserves		
A-1	0.00%	to	0.90%
A-2	0.90%	to	1.50%
B-1	1.50%	to	2.00%
B-2	2.00%	to	2.50%
B-3	2.50%	to	5.00%
C-1	5.00%	to	10.00%
C-2	10.00%	to	15.50%
D	15.50%	to	45.00%
E	Greater than 45.00%		

iii) Mortgage loan portfolio-

The portfolio classified as "Residential Mortgage" is made up of loans granted to individuals, within the general public who had access to digital and/or physical services and met the requirements determined by the Institution, for the acquisition, construction, remodeling or improvement of residential property without the purpose of commercial speculation guaranteed by the home of the accredited, as well as liquidity loans also guaranteed by the home of the accredited.

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the internal reserves methodologies based on NIF C-16, to determine the allowance for loan losses by credit risk level for BBVA's six relevant modelable portfolios, starting in January 2022, including the Mortgage loans. This was done in accordance with the provisions of Article 139 Bis 3, section I of the Regulations. The methodology was estimated using data as of September 2019.

The calculation of expected credit loss requires a temporal structure during the term of the operation and is based on the following components, in accordance with the minimum requirements for self-estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- PI or PD: An estimate of the probability of default for a given time horizon.
- SP or LGD: An estimate of the loss in the event of default, based on the difference between the contractual cash flows and those the lender would expect to receive, including those from any collateral.
- EI or EAD: An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected disbursements of committed credit lines (CCF).
- Deadline at expiration
- Discount interest rates: Discount an expected loss to the present value at the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prepayment rates: consider the prepayment amount in the contractual future cash flows of the loans.
    - Prospective scenarios: The design of prospective scenarios is considered, which complement the historical experience, by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider the market perspectives, the economic and financial environment of the market where the institution operates. BBVA Research is the area within BBVA specializing in the creation of internal forward-looking scenarios for various processes within the Institution, including those used in estimating provisions under NIF C-16, which are updated at least annually. Descriptions of these forward-looking scenarios can be found in the Mexico Outlook reports, published on the BBVA website under Corporate Information -> Economic Studies -> Publications.

The procedures for estimating the probability of default, the loss given default, and the exposure to default, to properly allocate and modify the credit risk level of exposures, are consistent and in accordance with the criteria for recognizing a debtor's credit risk level, in stages 1, 2, or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), expected credit losses will be calculated over the asset's lifetime. Otherwise, provisions will be based on expected 12-month credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the asset's lifetime.

iv) Non-revolving consumer portfolio-

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the Internal Methodologies for reserves based on NIF C-16, to determine the allowance for loan losses by credit risk level, effective January 2022, for the "Non-Revolving Consumer" portfolio. This was done in accordance with the provisions of Article 139 Bis 3, section I of the Regulations.

In November 2022, BBVA requested the CNBV to approve the update of the Implementation Plan for the Non-Revolving Consumer (CNR) and Small and Medium Enterprise (SME) portfolios, to postpone the determination of credit risk reserves under Internal Methodologies of reserves based on NIF C-16.

Therefore, as of the closing of November 2022, the Non-Revolving Consumer portfolio is rated using the standard method.

In accordance with the Resolution issued by the Commission on January 6, 2017, the Institution determines the reserves under the methodology that considers the PD, LGD and EAD, according to what is described below:

The amount of allowance for loan losses for each loan will be the result of applying the following expression:

$$R_i = PD_i^x \; x \; LGD_i^x \; x \; EAD_i^x$$

Where:

Ri = Amount of allowance for loan losses to be established for the i-th loan.
PDix = Probability of default of the i-th loan, classified as ABCD (B), auto (A), payroll (N), personal (P), other (O).
LGDix = LGD of the i-th credit loss, classified as ABCD (B), auto (A), payroll (N), personal (P), other (O).
EADix = Exposure to Default of the i-th loan.
X = Superscript indicating the type of credit corresponds to ABCD (B), auto (A), payroll (N), personal (P), other (O).

When classifying the non-revolving consumer portfolio, the Institution considers a loss model in accordance with the following:

- PI = is determined based on the credit type classification (B, A, N, P and O) according to the arrears, incorporating in its determination risk coefficients with specific values established in the Provisions for each credit type classification, payment behavior variables of the borrower in the Institution and in other entities of the Mexican Financial System, mainly.

- SP = is determined based on the credit type classification (B, A, N, P and O) according to the arrears, incorporating in its determination percentages of SP in the arrears observed at the date of the rating.

- EI = corresponds to the principal and interest balance of each non-revolving consumer loan at the time of portfolio rating.

The preventive reserves for the consumer portfolio, excluding credit card transactions, established by the Institution as a result of credit ratings, are classified according to the following risk levels and percentages:

Risk Level	Percentage ranges of precautionary reserves		
A-1	0.00%	to	2.00%
A-2	2.01%	to	3.00%
B-1	3.01%	to	4.00%
B-2	4.01%	to	5.00%
B-3	5.01%	to	6.00%
C-1	6.01%	to	8.00%
C-2	8.01%	to	15.00%
D	15.01%	to	35.00%
E	35.01%	to	100.00%

v) Revolving consumer portfolio (credit card)-

The commercial portfolio classified as “Credit Card” is identified through operations related to credits granted to clients -natural persons- who were authorized a revolving line of credit for personal use.

By means of official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for Internal Reserve Methodologies based on NIF C-16, to determine the allowance for loan losses by credit risk level for BBVA's six relevant modelable portfolios, including the Credit Card portfolio, starting in January 2022. This was done in accordance with the provisions of Article 139 Bis 3, section I of the Regulations. The methodology was estimated using data as of September 2019.

The calculation of expected credit loss requires a temporal structure during the term of the operation and is based on the following components, in accordance with the minimum requirements for self-estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of default (PI or PD): An estimate of the probability of default for a given time horizon.
- Loss Given Default (SP or LGD): An estimate of the loss in the event of default, based on the difference between the contractual cash flows and those the lender would expect to receive, including those from any collateral.
- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected disbursements of committed credit facilities (CCF).
- Deadline.
- Discount interest rates: Discount an expected loss to the present value at the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prospective Scenarios: The design of prospective scenarios is considered, which complement historical experience by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market outlook, as well as the economic and financial environment of the market in which the institution operates. BBVA Research is the area within BBVA specializing in the creation of internal prospective scenarios for various institutional processes, including those used in the estimation of provisions under NIF C-16, which are updated at least annually. Descriptions of these prospective scenarios can be found in the Mexico Situation reports, which are published on the BBVA website under Corporate Information -> Economic Studies -> Publications.

The procedures for estimating the probability of default, the loss given default, and the exposure to default, to properly allocate and modify the credit risk level of exposures, are consistent and in accordance with the criteria for recognizing a debtor's credit risk level, in stages 1, 2, or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), expected credit losses will be calculated over the asset's lifetime. Otherwise, provisions will be based on expected 12-month credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the asset's lifetime.

vi) Restructuring-

A restructuring is an operation that results from any of the situations described below:

a) Extension of guarantees that cover the loan in question, or

b) Modifications to the original loan terms or payment schedule, including:

- Change in the interest rate set for the remaining term of the loan;

- Currency exchange or unit of account change, or

- Granting of a grace period regarding compliance with payment obligations in accordance with the original terms of the credit, unless such a grace period is granted after the originally agreed term has ended, in which case it will be a renewal.

Restructurings are not considered to be those that, at the time of the contract modifications, show compliance with payment for the total amount due of principal and interest and only modify one or more of the following original loan conditions:

Guarantees: only when they involve the extension or replacement of guarantees with others of better quality.

Interest rate: when the agreed interest rate is improved.

Currency: provided that the rate corresponding to the new currency is applied.

Payment date: only if the change does not exceed or modify the payment frequency. Under no circumstances should the change in the payment date allow for the omission of payment in any period.

A renewal is an operation in which the term of a loan is extended during or at its expiration, or it is settled at any time with proceeds from another loan obtained from the same institution, in which the same borrower or another person with whom the borrower shares common risks is a party. A loan is not considered renewed when disbursements are made during the term of a pre-established line of credit.

In the event that in a restructuring or renewal several loans granted to the same borrower are consolidated into a single loan, the total balance of the debt resulting from the restructuring or renewal is given the treatment corresponding to the worst of the loans involved in it.

Credits with credit risk stages 1 and 2, other than those with a single principal payment and periodic or maturity interest payments, that are restructured or renewed without at least 80% of the original credit term having elapsed, may remain in the same category, only when the borrower has a) covered all accrued interest, and b) covered the principal of the original credit amount, which should have been covered at the date of renewal or restructuring.

If all the conditions described in the previous paragraph are not met, the loans will be considered as overdue from the moment they are restructured or renewed, and until there is evidence of sustained payment.

Credits with credit risk stages 1 and 2, other than those with a single principal payment and periodic or maturity interest payments, that are restructured or renewed during the final 20% of the original credit term, may remain in the same category, only when the borrower has a) paid off all accrued interest, b) covered the entire original credit amount that should have been covered at the date of renewal or restructuring, and c) covered 60% of the original credit amount.

If all the conditions described in the previous paragraph are not met, the loans are transferred to the next highest credit risk category from the moment they are restructured or renewed, and until there is evidence of sustained payment.

Loans with a single principal payment and periodic or maturity interest payments, which are restructured during the loan term or renewed at any time, will be considered as a Stage 3 portfolio until there is evidence of sustained payment.

Credits that are stipulated as revolving from the beginning, and that are restructured or renewed at any time, may remain in credit risk stages 1 and 2 only when the borrower has paid all accrued interest, the credit does not have overdue billing periods, and there are elements that justify the debtor's ability to pay, that is, that the debtor has a high probability of covering said payment.

Debt forgiveness, write-offs, rebates, and discounts—that is, the amount of the loan payment forgiven, either partially or in full—are recorded against the loan loss reserve. If the amount of these exceeds the balance of the reserve associated with the loan, additional reserves are established beforehand up to the amount of the difference.

vii) Rebuttable presumption-

In the case of loans that have registered more than 30 and up to 59 days of delay in their payment of principal and interest at the time of qualification and, therefore, may be classified in stage 2, because they meet the of increase in the level of credit risk, the Institution uses the criterion of refutable presumption of the increase in the level of credit risk, to keep the loans classified in stage 1.

viii) Write-offs, write-offs (financial penalties) and loan portfolio recoveries-

A loan with a Stage 3 credit risk is periodically assessed to determine whether it should remain on the statement of financial position, be written off, or be charged off. Write-offs and write-offs are carried out by canceling the outstanding balance against the allowance for loan losses. The credit manual outlines the policies and criteria that demonstrate the practical impossibility of recovery. When the outstanding balance exceeds the associated allowance, the shortfall is added to the allowance before the write-off is applied.

In the elimination process, it is possible to choose to remove from the asset the overdue loans that are 100% provisioned, even if, after the date of their removal from the balance sheet, the conditions for being written off are met.

Any recovery derived from credits previously written off or eliminated in accordance with the Provisions, must be recognized in the results of the exercise within the item of allowance for loan losses.

When the balance of allowance for loan losses has exceeded the amount required in accordance with the provisions, the difference must be canceled in the period in which such changes occur against the results of the exercise, affecting the same concept or item that originated it, that is, allowance for loan losses.

ix) Additional reserve-

The preventive estimates for additional credit risks recognized by the Commission are those that are established to cover risks that are not foreseen in the different credit portfolio rating methodologies, and on which, prior to their establishment, the following must be reported to the Commission: i) origin of the estimates; ii) methodology for their determination; iii) amount of estimates to be established; and iv) time that they are estimated to be necessary.

(q) Other accounts receivable, net-

The Institution's miscellaneous debtors are valued at the transaction price in accordance with FRS C-3 "Accounts Receivable" or FRS C-20 "Financial Instruments for Collecting Principal and Interest," as applicable, depending on the existence of a significant financing component. Accounts receivable that are not collected within 90 or 60 days of their initial recording, depending on whether the debtors are identified or not, respectively, are fully reserved against the results of the fiscal year, following the practical solution established in FRS C-16.

Overdrafts on checking accounts of customers who do not have an authorized line of credit will be reported as “Other debtors” within this category.

This item includes the outstanding balance of employee loans. The interest accrued on these loans is presented under the line item "Other operating income (expense)" of the consolidated statement of comprehensive income.

(r) Foreclosed assets, net-

The assets acquired through legal foreclosure must be registered on the date on which the order approving the auction becomes enforceable, by which the adjudication was decreed.

Goods received through payment in kind are registered on the date the deed of payment is signed, or on the date the transfer of ownership of the property is formalized.

The recognition value of the foreclosed assets will be:

a) the lower of the gross carrying amount of the asset that gave rise to the award and the net realizable value of the assets received, when the entity intends to sell said assets to recover the amount to be collected; or

b) to the lower of the gross book value of the asset that gave rise to the award or the fair value of the asset received, when the entity's intention is to use the foreclosed asset for its activities.

On the date of registration of the foreclosed asset or received through payment in kind, the value of the asset that gave rise to the award, as well as its respective preventive estimate that may have been established, must be removed from the consolidated statement of financial position, or, for the part corresponding to the accrued or due amortizations that have been covered by the partial payments in kind in accordance with the provisions.

The difference arising from the registration of the asset and the write-off of the portfolio and credit estimate associated with the loan is recognized in results as other income (expenses) of the operation.

At the time of the sale of the foreclosed assets, the difference between the sale price and the book value of the foreclosed asset, net of estimates, must be recognized directly in the results of the exercise under the line item "Other operating income (expense)".

The foreclosed assets are valued according to the type of asset in question, and a reserve for foreclosed assets must be recorded against the results of the exercise in the item of "Other operating income (expense)".

Considering the above described and in accordance with the provisions, the determination of the reserves for possession of movable or immovable property foreclosed or received in payment over time is determined according to the tables shown below, depending on the type of property in question.

Allowance for personal property

Time elapsed since the award or payment in kind (months)	Percentage of reserve
Up to 6	0%
More than 6 and up to 12	10%
More than 12 and up to 18	20%
Over 18 and up to 24	45%
More than 24 and up to 30	60%
More than 30	100%

Allowance for real estate

Time elapsed since the award or payment in kind (months)	Percentage of reserve
Up to 12	0%
More than 12 and up to 24	10%
More than 24 and up to 30	15%
More than 30 and up to 36	25%
Over 36 and up to 42	30%
More than 42 and up to 48	35%
Over 48 and up to 54	40%
Over 54 and up to 60	50%
More than 60	100%

(s) Property, plant and equipment, net-

They are recorded at acquisition cost. Assets acquired up to December 31, 2007, were updated using factors derived from the UDI up to that date. Depreciation and amortization are recorded by applying a percentage, determined based on the estimated useful life of the assets, to the updated cost up to that date.

Depreciation is determined on the cost or the updated cost to 2007 as appropriate, on a straight-line basis, starting from the month following the purchase, applying the rates detailed below:

Asset	Depreciation percentage
Real state	2.50%
Constructions	1.30%
Construction components:	
Elevators	3.30%
Power plants	2.80%
Pipelines	2.80%
Air-conditioning	2.80%
Computer equipment	25.00%
ATMs	10.00%
Furniture and equipment	10.00%
Vehicles	25.00%
Security equipment	10.00%

The estimated useful life, residual value, and depreciation method of the buildings and their components are reviewed at the end of each year, and the effect of any change in the initially recorded estimate is recognized on a prospective basis.

Maintenance expenses and minor repairs are recognized in the results of the period when they are incurred.

Property, furniture and equipment are written off upon sale, recognizing any gain or loss generated (calculated as the difference between the net income from the sale of the asset and its carrying amount) in the statement of comprehensive income.

(t) Leases-

In its capacity as lessee, the Institution assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract transfers the right to control the use of an identified asset, the Institution uses the lease definition in NIF D-5 Leases.

The Institution recognizes a right-of-use asset and a lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made on or before the commencement date, plus initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Institution at the end of the lease term or the cost of the right-of-use asset reflects that the Institution will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as for property and equipment. The depreciation of the asset is recorded in profit or loss under the line item "Administrative and promotional expenses."

The right-of-use asset is periodically reduced by impairment losses, if applicable, and adjusted for certain new valuations of the lease liabilities such as changes in the rent amount due to inflation adjustment.

The lease liabilities is initially measured at the present value of lease payments not made at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institution's incremental borrowing rate or the risk-free rate determined with reference to the lease term.

The Institution has defined a uniform mechanism for determining the Unsecured discount rate based on financing costs in each region, considering the remaining term of each commitment and incorporating liquidity risk to reflect the lease terms (such as lease term and currency in which payments are denominated) and the type of leased asset. This is because the cost is not clearly stated directly by lessees, thus avoiding subjective differences in determination.

The lease payments included in the valuation of the lease liabilities comprise the following:

— fixed payments, including payments that are substantially fixed;
— variable lease payments that depend on an index or rate, initially valued using the index or rate at the start date;
— amounts expected to be paid under a residual value guarantee; and
— the exercise price under a purchase option that the Institution is reasonably certain to exercise, lease payments in an optional renewal period if the Institution is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Institution is reasonably certain that it will not terminate early.

The lease liabilities is valued at amortized cost using the effective interest method, and subsequently revalued according to the following conditions:

- There is a change in future lease payments that arises from a change in an index or rate;
- There is a change in the Institution's estimate of the amount expected to be paid under a residual value guarantee;
- if the Institution changes its assessment of whether it will exercise a purchase, extension, or termination option or
- if there is a payment in substance fixed modified lease.

When the lease liabilities has been revalued in accordance with the above, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

According to the negotiations with the lessors, the Institution can make advance rent payments for one, two and up to three years, which reduce the balance of the lease liabilities according to the payment frequency.

Short-term leases and leases of low-value assets

The Institution chose not to recognize the right-of-use assets and the liabilities for leases of low-value assets and short-term leases, including the lease of branches and offices.

The Institution recognizes lease payments associated with these leases as a straight-line expense over the lease term.

(u) Impairment of long-lived assets in use-

The Institution periodically evaluates the net book value of long-lived assets to determine whether there are indications that this value exceeds their recoverable amount. The recoverable amount represents the amount of potential net income that can reasonably be expected to be obtained from the use or sale of these assets.

If the net book value is determined to exceed the recoverable amount, the Institution records the necessary allowances. When assets are intended for sale, they are presented in the financial statements at the lower of their net book value or realizable value. The assets and liabilities of a group classified as available for sale are presented separately in the consolidated statement of financial position.

(v) Permanent investments in stocks-

These are represented by the Institution's permanent investments in entities over which it has significant influence, though not control. These investments are initially recorded at acquisition cost and subsequently valued using the equity method. Dividends received are deducted from the permanent investment.

Additionally, there are other permanent investments in which there is no control or significant influence, which are recorded at their acquisition cost and the dividends received from these investments are recognized in the results of the period unless they come from profits from periods prior to the acquisition, in which case they are reduced from the permanent investment.

(w) Income tax and employee profit sharing (PTU)-

Income tax ("ISR") and profit sharing are recorded in the results of the year in which they are incurred, in accordance with current tax regulations.

Deferred income tax and profit sharing are recorded according to the asset and liability method, which compares their accounting and tax values.

Deferred income tax and profit sharing (assets and liabilities) are recognized for the future tax consequences attributable to temporary differences between the values reflected in the consolidated financial statements of existing assets and liabilities and their related tax bases, and for tax losses to be amortized and tax credits to be recovered. Deferred income tax and profit sharing assets and liabilities are calculated using the rates established in the applicable law, which will be applied to taxable income in the years in which the temporary differences are expected to reverse. The effect of changes in tax rates on deferred income tax and profit sharing is recognized in the results of the period in which such changes are approved.

Income tax and profit sharing, both accrued and deferred, are presented and classified in the results of the period, except for those arising from a transaction that are recognized in "Other Comprehensive Income" (OCI) or directly in an item of equity.

Uncertain tax treatments are recognized for current and deferred income taxes and income taxes generated by a dividend distribution.

(x) Prepaid expenses and other assets (net)-

Prepaid expenses are initially recognized as an asset for the amount paid at the time they are made, provided that it is estimated that the associated future economic benefits will flow to the Institution.

Once the good or service is received, the Institution recognizes the amount related to the advance payments as an asset, in the category to which the acquired good corresponds, or as an expense of the period, depending on whether or not there is certainty that the acquired good will generate a future economic benefit.

Prepaid expenses and other assets include prepaid expenses and fees as of December 31, 2025 and 2024, the amount totaling $2,218 and $1,943, respectively.

(y) Intangible assets (net) -

Intangibles: As of December 31, 2025 and 2024, it consists of software and computer developments that are originally recorded at the cost of goods sold and the amortization of those with a defined life is calculated in a straight line at a rate of 20% and the amounts amount to $7,808 and $6,040, respectively.

(z) Deposits-

This category includes demand deposits, time deposits from the general public and those obtained through money market operations, issued credit securities and the global deposit account without transactions, which are integrated as described below:

a. Demand deposits. These include checking accounts, savings accounts, and current account deposits, among others.

b. Time deposits. These include, among others, certificates of deposit withdrawable on pre-established days, bank acceptances and promissory notes with yield payable at maturity, obtained from the general public and through operations in the money market, the latter referring to time deposits made with other financial intermediaries, as well as with treasuries of companies and government entities.

c. Issued debt securities. These include, among others, bank bonds and stock certificates. When calculating the effective interest rate, the Institution estimates the expected cash flows considering all contractual terms of the financial instrument payable (such as prepayment, extension, early redemption, and other similar options). The calculation includes all fees and other charges paid or received between the parties to the contract that form part of the effective interest rate, such as interest, commissions, and other prepaid items, as well as transaction costs and all other premiums or discounts.

d. Global deposit account with no activity. This includes the principal and interest of deposit instruments that do not have a maturity date, or those that, while having a maturity date, are automatically renewed, as well as transfers or matured and unclaimed investments. If, within three years from the date the funds are deposited into the global deposit account with no activity, and the amount per account does not exceed the equivalent of three hundred units of measurement and updating (UMAs), they become subject to forfeiture to the public charity, the Institution will be obligated to transfer the corresponding funds to the public charity within a maximum period of fifteen days from December 31 of the year in which the aforementioned condition is met.

Traditional deposit interest is recognized in results as it accrues within the "Interest Expense" category.

Issuance costs, as well as the discount or premium on placement, are recognized as a deferred charge or loan, as appropriate, which is amortized in results as it accrues as interest expenses or income, as appropriate, taking into consideration the term of the security that gave rise to it in proportion to the maturity of the securities.

The valuation of traditional deposits is at amortized cost through the effective interest rate.

(aa) Interbank and other loans-

This category records direct loans received from domestic and foreign banks. Interest is recognized in profit or loss as it accrues, under the line item "Interest expenses." It is valued at amortized cost using the effective interest rate.

(ab) Subordinated debt outstanding-

These bonds represent contractual obligations to pay periodic interest, repay the principal amount on predetermined maturity dates, and do not grant the right to participate in the risks or residual benefits of the Institution. Therefore, they are recognized as a liability within the consolidated statement of financial position. Accrued interest and costs directly attributable to the issuance are recognized in profit or loss as they accrue, using the effective interest rate method.

(ac) Labor-related obligations

Direct short-term benefits

Short-term direct employee benefits are recognized in the consolidated results of the period in which the services are rendered. A liability is recognized for the amount expected to be paid if the Institution has a legal or constructive obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Direct long-term benefits

The Institution's net obligation in relation to long-term direct benefits expected to be paid by the Institution after twelve months from the date of the most recent consolidated statement of financial position presented is the amount of future benefits that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they are earned.

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the institution has no realistic alternative but to make the payments or is unable to withdraw the offer of those benefits, or when it meets the conditions for recognizing the costs of a restructuring, whichever occurs first. If they are not expected to be settled within 12 months after the end of the fiscal year, then they are discounted.

Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized in profit or loss as the related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that the prepayment results in a reduction of future payments or a cash refund.

Defined benefit plans

The Institution's net obligation corresponding to defined benefit plans by pension plan, seniority bonus, death benefits, sports benefit and statutory indemnity benefits, is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current and previous years, discounting that amount and deducting from it, the fair value of the plan's assets.

The calculation of obligations for defined benefit plans is performed annually by actuaries using the projected unit credit method. When the calculation results in a potential asset for the Institution, the recognized asset is limited to the present value of the economic benefits available in the form of future plan reimbursements or reductions in future plan contributions. Any minimum funding requirements must be considered when calculating the present value of the economic benefits.

The current service labor cost, which represents the cost of the employee benefit period for completing an additional year of service under the benefit plans, is recognized in operating expenses. The Institution determines the net interest expense (income) on the net defined benefit liability (asset) for the period by multiplying the discount rate used to measure the defined benefit obligation by the net defined benefit liability (asset) at the beginning of the annual reporting period, taking into account changes in the net defined benefit liability (asset) during the period resulting from estimates of contributions and benefit payments. Net interest is recognized in the consolidated statement of income.

Modifications to plans that affect the cost of past services are recognized in the results immediately in the year in which the modification occurs, without the possibility of deferral to subsequent years. Likewise, the effects of settlement or reduction of obligations during the period that significantly reduce the cost of future services and/or significantly reduce the population eligible for benefits, respectively, are recognized in the results of the period.

Remeasurements (formerly actuarial gains and losses), resulting from differences between projected and actual actuarial assumptions at the end of the period, are recognized in the period in which they are incurred within the "Other comprehensive income" item in equity.

(ad) Provisions-

The Institution has as a general parameter that provisions are recognized when there is a present obligation as a result of a past event, which is likely to result in an outflow of economic resources and which can be reasonably estimated.

The accounting treatment of an item as a provision or a contingent liability depends on the degree of uncertainty regarding the future outflow of economic resources to fulfill an obligation or, in the case of contingent assets, the uncertainty of receiving economic benefits to recover the asset. Therefore, the levels of uncertainty defined in NIF A-1 as probable, possible, and remote form the basis for accounting recognition.

Finally, these long-term provisions are recognized at present value using the market rate.

(ae) Foreign currency transactions-

Transactions denominated in foreign currency are recorded in the currency of the transaction and valued at the exchange rate determined by the Central Bank. Monetary assets and liabilities denominated in foreign currency are valued in local currency at the closing exchange rate for each period, issued by the Central Bank. Exchange differences incurred in relation to assets or liabilities contracted in foreign currency are recorded in the results of the period.

The result from buying and selling foreign currency comes from the difference between the exchange rates used to buy and/or sell foreign currency, including the adjustment to the final position, valued at the exchange rate mentioned in the previous paragraph.

(af) Financial margin-

The Institution's financial margin is made up of the difference resulting from interest income less interest expenses.

Interest income-

Interest income comprises the returns generated by the loan portfolio, based on the terms established in the contracts entered into with the borrowers and the agreed interest rates, the financial income accrued in financial leasing, factoring, discounting and assignment of credit rights, the amortization of interest collected in advance, as well as premiums and interest on deposits in financial entities, interbank loans with a term of less than or equal to 3 business days, margin accounts, investments in financial instruments,

repurchase agreements and securities lending, the accrual of commissions charged for the initial granting of credit based on the effective interest rate, the profit and amortization of losses from renegotiations, dividends from equity financial instruments; as well as premiums for debt placement.

Similarly, interest income includes valuation adjustments derived from items denominated in investment units (UDIs) or in some other general price index, the valuation effect of loans in VSM or UMA, as well as the gain on exchange, provided that these items come from positions related to income or expenses that form part of the financial margin.

Interest generated by loans granted is recognized in results as it accrues.

Interest on portfolio in stage 3 is recognized in results until it is collected.

The fees charged for the initial granting of loans are recorded as a deferred loan within the "Deferred Items" section of the consolidated statement of financial position. These fees are amortized against the results of the period under the "Interest Income" section, using the effective interest rate over the life of the loan, except for those arising from the issuance of credit cards, which are recognized directly in the results. Annual fees charged on credit cards are recognized as a deferred loan and are amortized over a 12-month period, recorded under the "Fees and Charges Collected" section.

Interest expenses-

Interest expenses include discounts and interest on the Institution's deposits, interbank loans, repurchase agreements, and securities lending, as well as subordinated debt issuance and discount costs. Amortization based on the effective interest rate over the loan term of the costs and expenses associated with the initial loan origination, as well as losses and profit amortization from renegotiations, are also included in interest expenses. Additionally, expenses arising from hedging operations and derivative trading instruments, as well as premiums paid for the early redemption of financial instruments qualifying as liabilities, are also included.

Similarly, interest expenses include valuation adjustments derived from items denominated in UDIs or in some other general price index, as well as losses on changes in positions, provided that these concepts come from assets or liabilities related to expenses or income that form part of the financial margin.

Transaction costs

The amortization of costs and expenses associated with granting credit (transaction costs), the effect of renegotiating the credit portfolio, those derived from lease liabilities and the financial effect of provisions considered in Interest Expenses, (as well as the commission for granting, transaction costs must also be amortized with the effective interest rate).

(ag) Commissions and fees charged and paid-

The fees and charges collected and paid are those generated by banking services and loan portfolio maintenance operations. Fees recognized after the initial loan disbursement are those incurred as part of loan maintenance, or those charged for reasons other than loan origination; these are recognized in profit or loss when they are incurred.

Also considered are commissions for loans received, placement of bank debt (other than those associated with its issuance) and for the provision of services, among others, for the management, transfer, custody or administration of resources, fiduciary activities, and for the granting of guarantees.

This category also includes fees related to the use or issuance of credit cards, either directly, such as fees for the first and subsequent annual fees, inquiries, or issuance of the card, or indirectly, such as those charged to affiliated establishments.

Income and expenses related to commissions and similar fees are recognized against the consolidated income statement using different criteria, depending on their nature. The most significant are:

a. Those related to financial assets and liabilities valued at fair value through profit or loss are recognized at the time of the transaction.

b. Those that originate from transactions or services that extend over time are recognized during the lifetime of such transactions or services.

c. Those that respond to a singular act are recognized when the act that originates them occurs.

Performance obligations, as well as the timing of their fulfillment, are identified and determined at the inception of the contract. The Institution's income contracts do not include multiple performance obligations.

(ah) Memorandum accounts-

(i) Own account transactions:

Off-balance sheet accounts record assets or commitments that are not part of the consolidated statement of financial position of the Institution since the rights to them are not acquired or said commitments are not recognized as liabilities of the entities until such eventualities materialize, respectively.

– *Contingent assets and liabilities:*

Formal complaints received by the Institution that may entail any liability are recorded.

– *Credit commitments:*

The balance represents the amount of letters of credit granted by the Institution that are considered as irrevocable commercial credit not drawn down by the borrowers and authorized lines of credit not exercised.

The above items recorded in this account are subject to qualification.

– *Assets held in trust or mandate:*

The Institution records transactions of Assets or Trusts in memorandum accounts according to the following:

- Those that are limited to the recognition of the trust estate (assets of the contract), that is, the value of the assets received in trust net of liabilities, keeping in separate records the data related to the administration of each trust.

- Those whose assets and liabilities result from operations and whose recognition and valuation is carried out in accordance with the provisions of the specific accounting criteria applicable to the Institution.

Losses incurred by the Institution as a fiduciary are recognized in the results in the period in which they are known, regardless of when any legal action is taken to that effect.

The fiduciary unit maintains special accounts for each contract in the fiduciary system, and records in them and in its own accounting the money and other assets, securities or rights entrusted to it, as well as the increases or decreases, for the respective products or expenses, invariably the balances of the special accounts of each trust contract coincide with the balances of the memorandum accounts in which the Institution recognizes the trust assets.

Under no circumstances will these assets be subject to any liabilities other than those arising from the trust itself, or those that correspond to third parties in accordance with the Law.

When, due to the nature of the trusts established in the Institution, there are assets or liabilities in charge of or in favor of the same, these are recognized in the consolidated statement of financial position, as appropriate.

The mandate records the declared value of the assets subject to the mandate contracts entered into by the Institution.

Revenue from trust management is recognized on an accrual basis. Accrual of such revenue is suspended when the outstanding balance is 90 or more calendar days past due, and may resume accrual once the outstanding balance is paid in full.

While income earned from trust management is suspended from accrual and remains uncollected, it is tracked in memorandum accounts. If this accrued income is collected, it is recognized directly in the results of the fiscal year.

– *Assets in custody or under administration:*

Cash and securities owned by customers that are held in custody, as collateral and under administration are reflected in the respective memorandum accounts and are valued based on the price provided by the price provider.

The securities in custody and administration are deposited in S.D. Indeval, Institution for the Deposit of Securities, S.A. de C.V.

The Institution holds securities in Custody and Administration for the years 2025 and 2024, for $464,637 and $304,571, respectively; the financial products are integrated as follows:

	2025	2024
Assets in custody or under administration		
Metal Custody	$ 417	$ 281
Securities Custody	4	4
Banxico Custody	39,289	39,962
Share Administration	393,957	244,627
Warrants Administration	30,959	19,685
Administration Obligations	11	12
	$ 464,637	**$ 304,571**

– *Collateral received by the Institution:*

Its balance represents the total collateral received in repurchase and securities lending operations where the Institution acts as the reporter or borrower.

– *Collateral received and sold or given as security by the entity:*

Its balance represents the total collateral received and sold or given as collateral, when the Institution acts as a reporter or borrower.

– *Accrued uncollected interest derived from a loan portfolio in stage 3:*

Interest accrued is recorded in memorandum accounts once a loan is transferred to stage 3.

As long as the loan remains in credit risk stage 3, accrued interest is recorded in memorandum accounts. When this interest is collected, it is recognized in the income statement under theline item "Interest Income." When it is forgiven or written off, it is removed from the memorandum accounts without affecting the allowance for loan losses.

– *Other registration accounts:*

The other registered accounts are mainly comprised of guarantees received by the Institution, among other things.

(ii) Transactions on behalf of third parties:

It is represented by customer cash deposits, securities custody, and transactions executed on behalf of clients. Cash is deposited in banking institutions in accounts separate from the Institution's own accounts. The valuation of assets held in custody, relating to securities or similar instruments, is done at their fair value. In the case of transactions on behalf of third parties, these are valued according to the nature of the transaction, that is, investments in securities, repurchase agreements, securities lending, and derivatives.

(ai) Contingencies-

Significant liabilities or losses related to contingencies are recognized when their effects are probable and there are reasonable grounds for quantifying them. If these reasonable grounds do not exist, they are disclosed qualitatively in the notes to the consolidated financial statements. Contingent income, profits, or assets are recognized only when their realization is certain.

(4) Fair value of financial instruments

Fair value hierarchy-

a. Financial instruments recognized at fair value

The following table presents the hierarchy level of financial instruments recognized at fair value, as well as the valuation methods, assumptions, and inputs used in determining the fair value of instruments classified within levels 2 and 3 as of December 31, 2025 and 2024:

	2025						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Financial instruments held for trading							
Fixed income	$ 85,864	$ 178,354	$ 4,351	$ 268,569	Price provided by Valmer		
Equity	4,653	-	365	5,018	Price provided by Valmer		
Financial instruments to collect and sell							
Fixed income	235,274	5,943	780	241,997	Price provided by Valmer		
Trading derivatives							
Forwards	-	49,466	1,311	50,777	- Equity futures and forwards: Discounted cash flows - Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM - Linear interest rate products (Interest rate swaps, Call money swaps and FRAs): Discounted cash flows. - Swaptions: Black y LGM - Constant maturity swaps: SABR	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends
Options	-	7,080	1,021	8,101			
Swaps	-	105,625	1,476	107,101			
Derivatives financial instrument - hedging							
Swaps	-	4,789	-	4,789	- Discounted cash flows. - Swaptions: Black 76 y LGM	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	
Loan portfolio valued at fair value	-	6,658	4,423	11,081	To value the add-on for the effect of implied options, the methodologies and input data used for options are applied, depending on their type: Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LG	Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends

	2025						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Liabilities							
Trading derivatives							
Forwards	-	51,333	230	51,563	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends
Options	-	40,097	7,512	47,609	- Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	104,031	4,090	108,121	- Discounted cash flows. - Swaptions: Black y LGM		
Derivatives for hedging purposes							
Swaps	-	7,577	-	7,577	- Discounted cash flows. - Swaptions: Black y LGM	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	

	2024						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Financial instruments held for trading							
Fixed income	$ 139,964	$ 138,664	$ 4,324	$ 282,952	Price provided by Valmer		
Equity	4,999	2	15	5,016	Price provided by Valmer		
Financial instruments for collect and sell							
Fixed income	219,965	53,027	730	273,722	Price provided by Valmer		
Trading derivatives							
Advance contracts	-	61,627	1,028	62,655	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends

	2024						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Options	-	9,398	578	9,976	- Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	115,013	1,270	116,283	- Linear interest rate products (Interest rate swaps, Call money swaps and FRAs): Discounted cash flows. - Swaptions: Black y LGM - Constant maturity swaps: SABR		
Derivatives for hedging purposes							
Swaps	-	2,701	-	2,701	- Discounted cash flows. - Swaptions: Black 76 y LGM	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	
Loan portfolio valued at fair value	-	7,247	434	7,681	To value the add-on for the effect of implied options, the methodologies and input data used for options are applied, depending on their type: Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LG	Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends
Liabilities							
Trading derivatives							
Forwards	-	67,715	962	68,677	- Equity futures and forwards: Discounted cash flows	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	- Implicit correlations between tenors - Interest rate volatility - Volatility of volatility - Implicit correlations assets - Long-term implied volatilities - Implicit dividends

	2024						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Options	-	29,624	5,439	35,063	- Bond options: Black 76 - Equity Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	109,799	1,011	110,810	- Discounted cash flows. - Swaptions: Black y LGM		
Derivatives for hedging purposes							
Swaps	-	15,763	-	15,763	- Discounted cash flows. - Swaptions: Black y LGM	- Exchange rates - Futures prices quoted on the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Market volatility observed - Issuer credit spread levels - Listed dividends - Market-quoted correlations	

a.1. Valuation techniques

The main techniques used for the assessment of instruments classified at Level 2 and 3, as well as the main non-observable inputs, are described below:

- Comparable prices (similar asset prices): Prices of comparable instruments, benchmark indexes, or market benchmarks are used to calculate performance from the entry price or current valuation, making subsequent adjustments to account for differences between the asset being valued and the benchmark. Alternatively, the price of one instrument can simply be assumed to be equivalent to that of the other.

- Net asset value: This technique employs certain assumptions to use net present value as representative of fair value, which represents the total value of a fund's assets and liabilities and is published by the fund's management entity.

- Black 76: variant of the Black Scholes model whose main application is the valuation of bond options, Caps/floors and Swaptions of the models directly the behavior of the forward and not the spot itself.

- Black-Scholes: The Black-Scholes model postulates a log-normal distribution of security prices such that, under a risk-neutral measure, the expected return is the risk-free interest rate. Under this assumption, the price of vanilla options can be calculated analytically, so that by inverting the Black-Scholes formula for a market-quoted premium, the volatility of the price process can be obtained.

- Local volatility: In local volatility models, volatility, instead of being static, evolves deterministically over time according to the probability level that the option will have a positive value at its expiration date (a level known as "moneyness"), reproducing the so-called "volatility smiles" observed in the market. An option's volatility smile is the empirical relationship observed between its implied volatility and its strike price. These models are appropriate for options whose value depends on the historical performance of the underlying asset and which use Monte Carlo simulation for valuation.

a.2. Quantitative information on unobservable inputs

The following presents the quantitative information on the unobservable input data used in calculating the Tier 3 ratings as of December 31, 2025 and 2024:

	2025				
	Significant unobservable inputs	**Min.**	**Media**	**Max.**	**Units**
Trading derivatives					
Swaps on underlying assets of Interest Rates	Interest Rate Curves	3.04%	3.32%	3.53%	%
Swaps on underlying assets of Equity	Repo Equity Margin	0.65%	1.57%	1.90%	%
	Equity Dividends	0.15	0.68	1.72	MXP
Forwards on underlying assets de Equity	Repo Equity Margin	(0.40%)	0.62%	1.90%	%
	Equity Volatilities	12.79	20.94	24.95	vegas
Options on underlying assets de Equity	Correlaciones Equity/Equity y Equity/FX	(29.87%)	(17.44%)	(1.99%)	%
	Equity Dividends	0.04	4.25	12.48	MXP
Options on underlying assets of Interest Rates	Repo Equity Margin	(4.63%)	(0.54%)	1.90%	%
	Interest Rate Volatility	0.36	0.54	0.69	vegas

	2024				
	Significant unobservable inputs	**Min.**	**Media**	**Max.**	**Units**
Trading derivatives					
Swaps on underlying assets of Interest Rates	Interest Rate Curves	1.15%	4.28%	6.38%	%
Swaps on underlying assets de Equity	Repo Equity Margin	0.00%	1.54%	2.03%	%
Forwards on underlying assets de Equity	Repo Equity Margin	(2.26%)	0.68%	2.65%	%
	Equity Volatilities	10	10	10	vegas
Options on underlying assets de Equity	Equity/Equity correlations and Equity/FX	(39.94%)	(26.12%)	(13.73%)	%
	Equity Dividends	0.04	3.02	6.18	MXP
Options on underlying assets of Interest Rates	Interest Rate Volatility	0.36	3.9	16.01	vegas

a.3. Valuation adjustments for risk of default

The fair value of liabilities should reflect the entity's default risk, which includes, among other components, its own credit risk. In light of the above, the Institution makes credit risk valuation adjustments to the fair value of its assets and liabilities.

The adjustments are calculated by estimating the exposure at default, the probability of default, and the loss given default, which is based on the recovery levels for all derivative products on any underlying asset, deposits, and repurchase agreements at the legal entity level (all transactions under the same master agreement) to which the Institution has exposure.

In the specific case of derivative financial instruments, credit valuation adjustments (hereinafter “CVA”) and debit valuation adjustments (hereinafter “DVA”) are incorporated into the valuations of both assets and liabilities, to reflect the impact on fair value of counterparty and own credit risk, respectively.

As a general rule, CVA is calculated as the sum of the expected positive exposure at date t, the probability of default between t-1 and t, and the loss given default. Similarly, DVA is calculated as the sum of the expected negative exposure at date t, the Institution's probabilities of default between t-1 and t, and the loss given default. Both calculations are performed over the entire period of potential exposure. The calculation of expected positive and negative exposure is carried out through a Monte Carlo simulation of the market variables that affect all transactions grouped under the same legal netting agreement.

The data needed to calculate the probability of default and the severity of a counterparty's default comes from the credit markets. If a credit default swap exists for a counterparty and is liquid, it is used. For cases where this information is unavailable, BBVA has implemented a sectoral credit curve allocation process, based on the counterparty's sector, rating, and geographic location, to calculate both the probability of default andthe loss given default, calibrated directly to the market.

The amounts recorded in the consolidated statement of financial position as of December 31, 2025 and 2024, corresponding to the credit risk valuation adjustments for derivative positions, totaled ($433) and ($758) for CVA, and ($515) and ($1,120) for DVA, respectively. The impact recorded in the consolidated statement of comprehensive income as of December 31, 2025 and 2024, corresponding to these adjustments, totaled ($71), ($605), and ($362), ($606), respectively.

a.4. Reconciliation of the initial and ending balance of financial instruments classified as Level 3

The movement of the balances of financial assets and liabilities accounted for at fair value and classified at Level 3, which appear in the consolidated statement of financial position as of December 31, 2025 and 2024, is shown below:

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Opening balance	**$ 7,945**	**$ (7,411)**	**$ 5,062**	**$ (9,604)**
Changes in fair value recognized as a result of the exercise:				
Performed	(942)	(752)	(276)	(3,807)
Not performed	(184)	70	(99)	94
Changes in fair value recognized in another comprehensive result:				
Purchases	3,068	-	4,517	-
Sales	(1,568)	-	(292)	-
Lows	(2,084)	2,677	(1,253)	2,702
Emissions	2,567	(6,163)	2,127	(2,729)
Level 3 Net Inputs / (Outputs)	502	(253)	(1,841)	5,933
Others	4,423	-	-	-
Ending balance	**$ 13,727**	**$ (11,832)**	**$ 7,945**	**$ (7,411)**

Changes in fair value that affected the result of the period were recognized in the "Result from intermediation" item.

Changes in fair value that affected other comprehensive income were recognized in the "Valuation of financial instruments to be collected and sold" and "Valuation of financial instruments derived from cash flow hedging".

a.5. Transfers between levels

The amounts of financial instruments that were transferred between the different levels of hierarchy during 2025 and 2024 were as follows:

	2025					
From:	**Level 1**		**Level 2**		**Level 3**	
To:	**Level 2**	**Level 3**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Assets						
Financial instruments held for trading						
Debt	$ 471	$ -	$ 56	$ 29	$ -	$ -
Equity	-	-	-	2	-	-
Financial instruments to collect and sell						
Debt	735	-	-	-	-	-
Derivatives – Held for trading						
Advance contracts	-	-	-	423	-	-
Options	-	-	-	265	-	(138)
Swaps	-	-	-	-	-	(79)
Total	**$ 1,206**	**$ -**	**$ 56**	**$ 719**	**$ -**	**$ (217)**

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		2025					
	From:	Level 1		Level 2		Level 3	
	To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Liabilities							
Trading derivatives							
Options		$ -	$ -	$ -	$ (1,255)	$ -	$ 1,292
Swaps		-	-	-	(430)	-	140
Total		**$ -**	**$ -**	**$ -**	**$ (1,685)**	**$ -**	**$ 1,432**

		2024					
	From:	Level 1		Level 2		Level 3	
	To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Assets							
Financial instruments held for trading							
Debt		$ -	$ -	$ -	$ 518	$ -	$ 176
Capital		-	-	-	-	266	2
Financial instruments to collect and sell							
Debt		-	-	-	-	1,219	-
Derivatives – Held for trading							
Advance contracts		-	-	-	-	-	(252)
Options		-	-	-	1	-	(497)
Swaps		-	-	-	8	-	(152)
Total		**$ -**	**$ -**	**$ -**	**$ 527**	**$ 1,485**	**$ (723)**
Liabilities							
Derivatives – Held for trading							
Options		$ -	$ -	$ -	$ (1)	$ -	$ 5,692
Swaps		-	-	-	(90)	-	331
Total		**$ -**	**$ -**	**$ -**	**$ (91)**	**$ -**	**$ 6,023**

These transfers basically correspond to:

- In equity and debt instruments, reclassifications from hierarchy level 1 to 2 occur primarily when no bid or quoted price is observed on at least 90% of the trading days during the last month. An instrument that, having been classified at level 2 for this reason, meets this requirement in subsequent periods is reclassified to level 1.

- Level 2 to 3 transfers occur when the issuer of the security ceases to be traded, enters into default, there is insufficient market position or information in electronic trading media (Reuters and Bloomberg), or it presents a static updated price, that is, it is repeated for a prolonged period.

- In OTC derivatives, Level 2 to Level 3 transfers occur in transactions where the degree of unobservability in the market data used in the valuation exceeds the defined threshold (10%).

a.6 Sensitivity analysis

Sensitivity analysis is performed on derivative financial instruments with significant unobservable inputs, i.e., those included in Level 3, to have a reasonable range of possible alternative valuations according to the nature of the methods and input data used to perform the valuation.

As of December 31, 2025 and 2024, the possible variation in the "Mark to Market" (MtM) derived from the uncertainty in the unobservable parameter, considering the highest (most favorable scenario) or lowest (least favorable scenario) value obtained via the "Additional Valuation-Adjustment" (AVA) calculated for said positions, would be:

	2025		2024	
	Possible variation in MtM resulting from uncertainty in the unobservable parameter		Possible variation in MtM resulting from uncertainty in the unobservable parameter	
	Most favorable scenario	Less favorable scenario	Most favorable scenario	Less favorable scenario
Trading derivatives				
Swaps on underlying assets of interest rates	$ 4	$ (4)	$ 80	$ (80)
Swaps on underlying assets of equity	13	(13)	-	-
Forwards on underlying assets of equity	122	(122)	-	-
Options on underlying assets of equity	24	(24)	1	(1)
Options on underlying assets of interest rates	1	(1)	1	(1)

a.7 Changes in valuation models

At the Risk Committee meeting held on April 22, 2025, a new underlying reference to the Interbank Equilibrium Interest Rate was approved, which is determined based on the TIIE Funding rate for one business day, and will be used as a new underlying to determine the coupon rate for deposits and derivatives on interest rates (IRS and CCS), replacing the previous reference of the TIIE28 and TIIE91 rates that Banxico published until December 31, 2024 and December 29, 2023 respectively.

At the Risk Committee meeting held on May 20, 2025, a new underlying asset was approved for the Interbank Equilibrium Interest Rate, which is determined based on the TIIE Funding rate for one business day, and will be used as the new underlying asset to determine the coupon rate for Interest Rate Derivatives with volatility (Cap/Floor, Cap/Floor Digital, European Swaption and Bermuda Swaption), replacing the previous reference of the TIIE28 and TIIE91 rates that Banxico published until December 31, 2024 and December 29, 2023 respectively.

At the Risk Committee meeting held on August 19, 2025, a new underlying asset, the TIIE Funding fixing 'In Advance', was approved, which will be used to determine the coupon rate for Interest Rate Derivatives with volatility: Cap/Floor Digital, European Swaption and Bermuda Swaption.

At the Risk Committee meeting held on October 15, 2025, the methodology for incorporating possible changes in the TIIE Funding rate, due to changes in the target rate on the monetary policy decision dates, in the construction of the MXP TIEF interest rate curve was approved.

At the Risk Committee meeting held on May 21, 2024, the methodology for constructing the Funding TIIE curve, "MXP TIEF", was approved for use in the valuation of deposits and derivatives on Funding TIIE for coupon estimation.

At a meeting of the Risk Committee held on September 17, 2024, a new underlying asset was approved, referenced to the TIIE (Interbank Equilibrium Interest Rate) for Funding Fixing "In Advance". This underlying asset will be used to determine the coupon rate for Deposits and Interest Rate Derivatives in MXP.

At the Risk Committee meeting held on November 19, 2024, changes were approved in the construction of interest rate curves caused by market instruments on TIIE funding; the retrospective effect derived from this change was not significant.

(5) Cash and cash equivalents-

As of December 31, 2025 and 2024, the cash and cash equivalents item is comprised as shown below:

	2025	2024
Cash	$ 70,812	$ 66,400
Banks	113,045	168,095
Restricted cash in hand:		
Foreign currency purchase[1]	184,617	210,456
Foreign currency sales[1]	(172,130)	(295,158)
Deposits in the Central Bank[2]	34,659	34,034
Interbank loans (call money)[3]	-	99
Other cash and cash equivalents	64	1,561
	231,067	185,487
Reclassification to liabilities for offsetting purchases and sales foreign exchange[1]	-	84,702
Total	**$ 231,067**	**$ 270,189**

The "Banks" item below is represented by cash in national currency and US dollars converted at the closing exchange rate published by the Central Bank of $18.0080 and $20.8829 pesos per dollar at the close of December 31, 2025 and 2024, respectively.

	2025			2024		
	MXN	US dollar translated into MXN	Total	MXN	US dollar translated into MXN	Total
Deposits with Foreign credit institutions	$ 2,874	$ 71,546	$ 74,420	$ 257	$ 117,977	$ 118,234
Central Bank	34,975	3,650	38,625	47,740	2,121	49,861
$	**37,849**	**$ 75,196**	**$ 113,045**	**$ 47,997**	**$ 120,098**	**$ 168,095**

(1) Foreign exchange amounts to be received and delivered for purchases and sales to be settled from 24 to 96 hours on December 31, 2025 and 2024, are integrated as shown below:

	2025		2024	
	Balance in foreign currency converted to US dollars (millions)	Equivalent in national currency	Balance in foreign currency converted to US dollars (millions)	Equivalent in national currency
Foreign currency purchase to be received at 24, 48, 72 and 96 hours:				
USD	7,872	$ 141,761	8,673	$ 181,113
EUR	2,377	42,814	1,403	29,297
CHF	1	14	-	-
GBP	2	28	2	39
JPY	-	-	-	7
Total		**$ 184,617**		**$ 210,456**
Foreign exchange sales to be settled at 24, 48, 72 and 96 hours:				
USD	(8,382)	$ (150,951)	(13,351)	$ (278,799)
EUR	(1,176)	(21,178)	(782)	(16,342)
GBP	-	-	(1)	(13)
JPY	-	(1)	-	(4)
Total		**(172,130)**		**(295,158)**
Total		**$ 12,487***		**$ (84,702)**

(*) Balance reclassified after offsetting foreign exchange purchases and sales.

When recording foreign currency to be delivered or received for sales and purchases within the "Cash and cash equivalents" category, the settlement accounts for the counterpart of these operations are recorded in the consolidated statement of financial position within the "Other accounts receivable, net" and "Creditors for settlement of operations" categories, as appropriate.

In accordance with current regulations for credit institutions, under the line item "Cash and cash equivalents," it is established that if the offsetting balance of foreign currency to be received against foreign currency to be delivered, with a term of between 24 and 96 hours, shows a credit balance, it must be reclassified to "Miscellaneous creditors and other accounts payable." As of December 31, 2025, the net balance was a debit balance of $12,487, while as of December 31, 2024, the net balance was a credit balance of $84,702, so the reclassification was carried out in 2024 (note 18).

(2) As of December 31, 2025 and 2024, the Central Bank's single account includes the Institution's Monetary Regulation Deposits (“MRD”) at the Central Bank, amounting to $34,659 and $34,034, respectively. These Monetary Regulation Deposits will have an indefinite duration, and the Central Bank will provide advance notice of the date and procedure for withdrawing the balance. Interest in the deposits is payable every 28 days at the rate established in the regulations issued by the Central Bank.

As of December 31, 2025 and 2024, the amount of accrued uncollected interest on the DRM that was recognized amounted to $101 and $132, respectively.

On May 12, 2016, through Circular 9/2016, the Central Bank announced the rules for auctions of Reportable Monetary Regulation Bonds (BREMS R), indicating that these BREMS R can be settled with resources from the Monetary Regulation Fund (DRM). The current regulations stipulate that the DRM may consist of cash, securities, or both.

For the years ending December 31, 2025 and 2024, the Institution holds BREMS R for $32,084 and $32,765, respectively, which are part of the DRM, which are registered in the "Investments in financial instruments" category, within the Financial Instruments to Collect Principal and Interest (IFCPI) category (note 7(c)), this derived from the bond issuance prospectus which establishes that they should only be sold directly or transferred through repurchase agreements with the Central Bank, when it so determines through general provisions.

(3) For the years ending December 31, 2025 and 2024, the interest recognized in the results of the fiscal year for call money operations amounts to $101 and $86, respectively, with average rates of return of 7.4% and 10.6%.

(6) Margin accounts (Derivative Financial Instruments)-

As of December 31, 2025 and 2024, margin accounts are made up of guarantees granted in cash for derivative financial transactions in recognized markets for $12,128 and $13,379, respectively.

(7) Investments in financial instruments-

As of December 31, 2025 and 2024, investments in financial instruments are integrated as shown below:

a. Financial Instruments held for trading (IFN)

	2025				2024
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Book value	Book value
Unrestricted securities:					
Equity instruments	$ 4,026	$ -	$ 646	$ 4,672	$ 4,939
American Depositary Receipts (ADR's)	55	-	9	64	66
Eurobonds sovereign debt	3,470	78	4	3,552	1,369
Fixed-rate government bonds	41,180	195	726	42,101	13,172
Certificates from the Federal Treasury (CETES)	14,104	-	45	14,149	1,702
Federal Government Development Bonds (BONDES)	4,972	11	(1)	4,982	576
Corporate Eurobonds	322	2	-	324	-
Bank stock certificates	4,732	28	(48)	4,712	4,063
Stock certificates	15,153	141	18	15,312	12,618
Exchangeable securities (CBICS)	1,066	14	(56)	1,024	1,281
Federal Government Development Bonds in UDIS (UDIBONOS)	7,620	23	219	7,862	5,096
Savings Protection Bonds (BPAS)	1,848	31	20	1,899	7,414
Investment funds	256	-	-	256	-
Treasury notes	666	3	7	676	990
Total unrestricted securities	99,470	526	1,589	101,585	53,286
Restricted securities:					
Collateral granted (a.1.)	167,659	1,783	604	170,046	242,398
Purchases date value (a.2.)	6,985	117	7	7,109	20,181
Sales date value (a.3.)	(5,073)	(71)	(9)	(5,153)	(27,897)
Total restricted securities	169,571	1,829	602	172,002	234,682
Total	**$ 269,041**	**$ 2,355**	**$ 2,191**	**$ 273,587**	**$ 287,968**

During 2025 and 2024, the Institution recognized in its results a profit of $2,776 and a loss of $1,900, respectively, due to valuation in unrestricted securities (note 32).

During 2025 and 2024, the Institution recognized in results a profit of $476 and a loss of $460, respectively, due to the valuation of securities restricted by collateral granted (note 32).

As of December 31, 2025 and 2024, the returns associated with all of the Institution's negotiable financial instruments recognized in the results of the fiscal year amount to $23,075 and $35,132, respectively (note 30).

Furthermore, as of December 31, 2025 and 2024, the remaining terms of these unrestricted investments are as shown below:

	2025				
Instrument	**Less than a month**	**Between 1 and 3 months**	**More than 3 months**	**No fixed term**	**Total acquisition cost**
Unrestricted securities:					
Equity instruments	$ -	$ -	$ -	$ 4,026	$ 4,026
ADRS	-	-	-	55	55
Eurobonds sovereign debt	-	-	3,470	-	3,470
Fixed-rate government bonds	-	169	41,011	-	41,180
CETES	198	-	13,906	-	14,104
CBICS	-	-	1,066	-	1,066
BONDES	12	376	4,584	-	4,972
Corporate Eurobonds	-	-	322	-	322
Bank stock certificates	-	10	4,722	-	4,732
Stock certificates	830	2,274	12,049	-	15,153
UDIBONOS	-	-	7,620	-	7,620
BPSA	-	25	1,823	-	1,848
Investment funds	256	-	-	-	256
Treasury notes	-	-	666	-	666
Total	**$ 1,296**	**$ 2,854**	**$ 91,239**	**$ 4,081**	**$ 99,470**

	2024				
Instrument	**Less than a month**	**Between 1 and 3 months**	**More than 3 months**	**No fixed term**	**Total acquisition cost**
Unrestricted securities:					
Equity instruments	$ -	$ -	$ -	$ 5,298	$ 5,298
ADRS	-	-	-	47	47
Eurobonds sovereign debt	-	-	1,449	-	1,449
Fixed-rate government bonds	-	67	13,163	-	13,230
PRLV	-	-	-	-	-
CETES	51	22	1,630	-	1,703
CBICS	-	-	1,348	-	1,348
BONDES	173	55	345	-	573
Bank stock certificates	-	488	3,688	-	4,176
Stock certificates	1,045	2,541	8,969	-	12,555
UDIBONOS	-	-	5,192	-	5,192
BPSA	-	-	7,151	-	7,151
Treasury notes	74	-	920	-	994
Total	**$ 1,343**	**$ 3,173**	**$ 43,855**	**$ 5,345**	**$ 53,716**

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a.1. The collateral granted as of December 31, 2025 and 2024, is comprised as follows:

	2025				2024
Instrument	**Acquisition cost**	**Accrued interest**	**Increase (decrease) due to valuation**	**Book value**	**Book value**
Securities held as collateral for securities loans:					
Fixed-rate government bonds	$ 3,719	$ 85	$ -	$ 3,804	$ 7,163
BONDES	28,334	60	(26)	28,368	8,220
BPSA	55,618	1,155	474	57,247	21,813
CETES	9,088	-	9	9,097	74,830
Total securities held as collateral for securities loans	**96,759**	**1,300**	**457**	**98,516**	**112,026**
Securities held as collateral through repurchase agreements:					
BONDES	7,179	13	(2)	7,190	4,675
Fixed-rate government bonds	1,804	26	2	1,832	44,083
BPSA	4,756	92	54	4,902	26,950
CETES	39,032	-	42	39,074	26,541
UDIBONOS	-	-	-	-	14,923
CBICS	10,672	238	22	10,932	8,584
Stock certificates	1,312	4	(1)	1,315	100
Total securities collateralized by repurchase agreements	**64,755**	**373**	**117**	**65,245**	**125,856**
Securities in other guarantees:					
Fixed-rate government bonds	2,118	57	(3)	2,172	468
BPSA	1,572	48	11	1,631	1,651
CETES	1,533	-	21	1,554	1,401
Stock certificates	18	-	-	18	21
Eurobonds	136	2	(5)	133	37
Treasury notes	768	3	6	777	938
Total securities in other guarantees	6,145	110	30	6,285	4,516
Total securities restricted by collateral granted	**$ 167,659**	**$ 1,783**	**$ 604**	**$ 170,046**	**$ 242,398**

a.2. Purchases valued at December 31, 2025 and 2024, are integrated as follows:

	2025				2024
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Book value	Book value
Equity instruments	$ 30	$ -	$ -	$ 30	$ 16
Fixed-rate government bonds	5,810	115	4	5,929	9,981
CBICS	49	1	-	50	-
CETES	673	-	-	673	5,393
UDIBONOS	398	1	3	402	2,781
Stock certificates	-	-	-	-	5
BONDES	-	-	-	-	2,005
Eurobonds sovereign debt	25	-	-	25	-
Total	**$ 6,985**	**$ 117**	**$ 7**	**$ 7,109**	**$ 20,181**

a.3. Sales with a value date as of December 31, 2025 and 2024, are integrated as shown below:

	2025				2024
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Book value	Book value
Equity instruments	$ (3)	$ -	$ -	$ (3)	$ (5)
Streetcars	-	-	-	-	(2,005)
Cetes	(482)	-	-	(482)	(7,637)
Fixed-rate government bonds	(3,131)	(67)	(7)	(3,205)	(15,332)
Eurobonds sovereign debt	(25)	-	-	(25)	-
Bank stock certificates	-	-	-	-	(20)
UDIBONOS	(1,432)	(4)	(2)	(1,438)	(2,291)
Stock certificates	-	-	-	-	(607)
Total	**$ (5,073)**	**$ (71)**	**$ (9)**	**$ (5,153)**	**$ (27,897)**

b. Financial instruments collect and sell (IFCV)

	2025				2024
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Book value	Book value
Unrestricted securities:					
Eurobonds sovereign debt	$ 47,042	$ 733	$ (182)	$ 47,593	$ 50,762
Corporate Eurobonds	4,360	169	11	4,540	-
Fixed-rate government bonds	73,623	1,102	642	75,367	-
Stock certificates	-	-	-	-	5,431
BPSA	-	-	-	-	781
Bank stock certificates	3,193	60	(4)	3,249	2,076
Treasury	1,235	11	2	1,248	-
UMS	-	-	-	-	1,238
BREMS R (1)	-	-	-	-	32,765
UDIBONOS	3,428	8	(22)	3,414	-
Total unrestricted securities	132,881	2,083	447	135,411	93,053
Restricted (b.1.)	103,958	1,579	1,049	106,586	180,669
	$ 236,839	**$ 3,662**	**$ 1,496**	**$ 241,997**	**$ 273,722**

(1) BREMS R that are part of the Monetary Regulation Deposit (note 5).

As of December 31, 2025 and 2024, the result from the valuation of Financial Instruments to Collect and Sell is presented in OCI accumulated for the purpose of net valuation of deferred taxes of $1,657 and ($5,543), respectively, of the derivatives that partially cover said position of securities.

As of December 31, 2025 and 2024, the terms for which the financial instruments are agreed to be bought or sold without restriction are as shown below:

	2025				
Instrument	Less than a month	Between 1 and 3 months	More than 3 months	No fixed maturity	Total at acquisition cost
Unrestricted securities:					
Eurobonds sovereign debt	$ -	$ -	$ 47,042	$ -	$ 47,042
Corporate Eurobonds	162	-	4,198	-	4,360
UDIBONOS	-	-	3,428	-	3,428
Bank stock certificates	-	-	3,193	-	3,193
Treasury	-	-	1,235	-	1,235
Fixed-rate government bonds	-	3,962	69,661	-	73,623
Total unrestricted securities	**$ 162**	**$ 3,962**	**$ 128,757**	**$ -**	**$ 132,881**

	2024				
Instrument	Less than a month	Between 1 and 3 months	More than 3 months	No fixed maturity	Total at acquisition cost
Unrestricted securities:					
Eurobonds sovereign debt	$ -	$ 542	$ 52,083	$ -	$ 52,625
BPAS	-	-	748	-	748
Bank stock certificates	-	-	2,194	-	2,194
Stock certificates	200	-	5,301	-	5,501
BREMS R	-	-	32,671	-	32,671
Treasury	-	-	1,226	-	1,226
Total unrestricted securities	**$ 200**	**$ 542**	**$ 94,223**	**$ -**	**$ 94,965**

b.1. The collateral granted (restricted securities) of financial instruments to collect and sell as of December 31, 2025 and 2024, are integrated as shown below:

	2025				2024
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Book value	Book value
Fixed-rate government bonds	$ 103,308	$ 1,577	$ 1,053	$ 105,938	$ 162,281
BPAS	-	-	-	-	14,748
Udibonos	650	2	(4)	648	3,640
Guarantees for repurchase agreements	103,958	1,579	1,049	106,586	180,669
Total restricted	**$ 103,958**	**$ 1,579**	**$ 1,049**	**$ 106,586**	**$ 180,669**

As of December 31, 2025 and 2024, the profit associated with all financial instruments to be collected and sold by the Institution recognized in the results of the fiscal year amounted to $16,784 and $15,745, respectively (note 30).

During 2025 and 2024, the amount of expected credit losses from impairment of financial instruments to be collected and sold recognized in results was $7 and $13 respectively.

c. Financial Instruments to Collect Principal and Interest (IFCPI)

	2025		
Instrument	Acquisition cost	Accrued interest	Book value
Mortgage Debtors Support Program - Special CETES (note 10)	$ 2,106	$ -	$ 2,106
Fixed-rate government bonds	72,798	981	73,779
Stock certificates	823	26	849
Eurobonos	14,475	209	14,684
Treasury	5,398	36	5,434
BREMS	31,997	87	32,084
UDIBONOS	18,058	44	18,102
Total to collect principal and interest	145,655	1,383	147,038
Estimated expected credit losses for investments in financial instruments for collecting principal and interest (securities) [1]			(24)
Total to collect principal and interest, net			**$ 147,014**

	2024		
Instrument	Acquisition cost	Accrued interest	Book value
Mortgage Debtors Support Program - Special CETES (note 10)	$ 1,939	$ 1	$ 1,940
Fixed-rate government bonds	53,686	1,012	54,698
Bank stock certificates	1,323	29	1,352
Eurobonos	15,295	223	15,518
Treasury	6,245	25	6,270
UDIBONOS	16,405	38	16,443
Total to charge principal and interest	94,893	1,328	96,221
Estimated expected credit losses for investments in financial instruments for collecting principal and interest (securities) [1]			(16)
Total to collect principal and interest, net			**$ 96,205**

[1] Reconciliation between the final and opening balance of the credit risk estimate of the IFCPI

	2025	2024
Opening Balance	$ (16)	$ (21)
Impact on financial results	(8)	5
Ending balance	**$ (24)**	**$ (16)**

As of December 31, 2025 and 2024, the returns associated with all of the Financial Instruments to Collect Principal (IFCPI) and Interest of the Institution recognized in the results of the fiscal year amounted to $5,977 and $5,929, respectively (note 30).

During 2025 and 2024, the amount of expected credit impairment losses of IFCPI, recognized in results, were ($8) and $5, respectively.

d. Collateral received and delivered.

In the ordinary course of its operations, BBVA Mexico receives and provides collateral under guarantee agreements entered into with its counterparties. This collateral is established to mitigate credit risk primarily associated with repurchase agreements, securities lending, and derivatives contracts. The guarantee agreements stipulate the rights and obligations of the parties regarding the use, replacement, valuation, and enforcement of the collateral, in accordance with applicable contractual terms and current regulations. The management of this collateral is an integral part of BBVA Mexico's risk management processes.

As of December 31, 2025 and 2024, there are no investments in debt securities other than government securities from the same issuer with an exposure greater than 5% of the Institution's Net Capital, and these are within the limits established by the risk management policies.

As of December 31, 2025 and 2024, the Institution does not hold any investments originating from unobservable markets.

(8) Repurchase agreements debtors-

a. Repurchases agreements debtors

As of December 31, 2025 and 2024, repurchase agreement debtors are comprised as shown below:

	2025			2024		
	Asset	Liability		Asset	Liability	
Instrument	Repurchase agreements debtors	Collateral sold or pledged	Debit difference	Repurchase agreements debtors	Collateral sold or pledged	Debit difference
BONDES	$ 41,843	-	$ 41,843	$ 7,092	$ -	$ 7,092
Fixed-rate government bonds	44,425	-	44,425	8,494	-	8,494
BPSA	20,286	-	20,286	17,215	-	17,215
CETES	13,786	-	13,786	4,952	-	4,952
Corporate	1,150	-	1,150	-	-	-
Bank Stock Certificate	717	-	717	-	-	-
Corporate Eurobonds	285	-	285	-	-	-
UDIBONOS	4,201	-	4,201	-	-	-
Totals	**$ 126,693**	**$ -**	**$ 126,693**	**$ 37,753**	**$ -**	**$ 37,753**

b. Repurchase agreements creditors

As of December 31, 2025 and 2024, the repurchase agreement creditors are comprised as shown below:

Instrument	2025	2024
BONDES	$ 7,192	$ 4,046
Fixed-rate government bonds	106,427	226,635
BPSA	4,903	41,037
Stock certificates	1,315	100
CETES	38,386	26,555
CBICS	10,915	8,583
UDIBONOS	647	33,371
Total	**$ 169,785**	**$ 340,327**

The interest (premiums) on repurchase agreements income of the Institution for the years ending December 31, 2025 and 2024 amounted to $6,225 and $7,725, respectively, which were recorded in the consolidated statement of comprehensive income under the line item “Interest income”, while the interest (premiums) expenses by the Institution under the line item“Interest expense” for the years ending December 31, 2025 and 2024, amounted to ($30,239) and ($47,407), respectively (see note 30).

c. The collateral sold or given as security in repurchase and securities lending transactions as of December 31, 2025 and 2024, is integrated as shown below:

	2025			2024		
	Memorandum accounts		Liability	Memorandum accounts		Liability
Instrument	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral	Collateral received by the Institution	Collateral received and sold or delivered under warranty	Collateral sold or given as collateral
Securities lending:						
Fixed-rate government bonds	$ 43,177	$ 40,882	$ 39,487	$ 46,909	$ 42,867	$ 42,867
UDIBONOS	15,263	14,885	14,885	29,202	29,122	29,122
CETES	20,939	20,806	20,806	18,674	15,685	15,685
CBICS	17,578	-	-	15,311	-	-
Equity instruments	280	280	280	289	289	289
	97,237	76,853	75,458	110,385	87,963	87,963
Repurchases agreements:						
BONDES	42,022	30,885	30,890	7,091	7,890	7,893
Fixed-rate bonds	44,527	32,648	32,622	8,508	4,070	4,068
BPSA	20,328	13,335	13,336	17,240	17,231	17,235
CETES	13,805	11,007	11,011	4,939	4,337	4,338
UDIBONOS	4,203	2,361	2,359	-	80	79
Stock Certificates	1,977	68	68	-	-	-
Corporate Eurobonds	300	-	-	-	-	-
CBICS	-	17,578	17,560	-	14,626	14,623
	127,162	107,882	107,846	37,778	48,234	48,236
Other guarantees received	18,341	1,283	-	11,362	848	-
Total	**$ 242,740**	**$ 186,018**	**$ 183,304**	**$ 159,525**	**$ 137,045**	**$ 136,199**

Interest charges on collateral sold and given as security in repurchase and securities lending transactions recognized in results for the years ended December 31, 2025 and 2024, amounted to ($326) and ($649), respectively (see note 30).

As of December 31, 2025 and 2024, the Institution has outstanding repurchase agreement sales operations with an average term of 3 and 5 days, respectively; while outstanding securities lending operations have an average term of 7 and 6 days, respectively.

(9) Derivative financial instruments-

As of December 31, 2025 and 2024, securities and derivatives transactions are integrated as shown below:

a. Derivative financial instruments.- The Institution carries out derivative operations to meet the needs of our clients, manage the sensitivity of its own portfolios, as a market maker and to cover risks to its own structural balance sheet.

Held for trading:

	2025			
	Book value		Balance	
	Asset	Liability	Debtor	Creditor
Futures long position	$ 16,671	$ 16,671	$ -	$ -
short position futures	59,135	59,135	-	-
Advance contracts, long position	1,189,016	1,231,671	5,713	48,369
Advance contracts short position	1,230,796	1,188,928	45,064	3,195
Options purchased	8,101	-	8,101	-
Options sold	-	47,609	-	47,609
Swaps	2,114,848	2,115,867	107,101	108,120
$	**4,618,567**	**$ 4,659,881**	**$ 165,979**	**$ 207,293**

	2024			
	Book value		Balance	
	Asset	Liability	Debtor	Creditor
Futures long position	$ 3,499	$ 3,499	$ -	$ -
short position futures	56,874	56,874	-	-
Advance contracts, long position	1,186,357	1,143,149	56,627	13,419
Advance contracts short position	1,070,269	1,119,500	6,028	55,259
Purchased options	9,977	-	9,977	-
Sold options	-	35,062	-	35,062
Swaps	2,038,301	2,032,829	116,282	110,810
$	**4,365,277**	**$ 4,390,913**	**$ 188,914**	**$ 214,550**

Heding:

	2025				
	Nominal amount		Balance		
	Asset	Liability	Debtor	Creditor	Net position
Swaps	**$ 155,059**	**$ 157,847**	**$ 4,789**	**$ 7,577**	**$ (2,788)**

	2024				
	Nominal amount		Balance		
	Asset	Liability	Debtor	Creditor	Net position
Swaps	**$ 147,757**	**$ 160,820**	**$ 2,701**	**$ 15,763**	**$ (13,062)**

b. Futures and forward contracts. As of December 31, 2025 and 2024, the Institution conducted operations in Organized Markets (Mex-Der and Chicago) obtaining a profit of $14,934 and $1,651, distributed in Rates for ($4,446) and $1,755, Currencies for $19,752 and ($4,408) and Indices for ($372) and $4,304, respectively.

At the close of fiscal year 2025, there are open futures and forward contracts as shown below:

Held for trading:

		Sales		Purchases		
Type of operation	**Underlying**	**To receive**	**Contract Value**	**Contract Value**	**To be delivered**	**Position net**
Futures	US dollar	$ 56,747	$ 56,747	$ 16,671	$ 16,671	$ -
	Indices	2,388	2,388	-	-	-
		$ 59,135	**$ 59,135**	**$ 16,671**	**$ 16,671**	**$ -**

		Sales		Purchases		
Operation type	**Underlying**	**To receive**	**Contract Value**	**Contract Value**	**To be deliver**	**Position net**
Contracts advanced	US dollar	$ 1,107,086	$ 1,063,869	$ 1,054,698	$ 1,100,609	$ (2,694)
	Actions	123,711	125,059	134,318	131,062	1,908
		$ 1,230,797	**$ 1,188,928**	**$ 1,189,016**	**$ 1,231,671**	**$ (786)**

At the close of the 2024 fiscal year, the following contracts remained open:

		Sales		Purchases		
Operation type	**Underlying**	**To receive**	**Value contract**	**Value contract**	**To deliver**	**Position net**
Futures	US dollar	$ 56,005	$ 56,005	$ 3,499	$ 3,499	$ -
	Indices	869	869	-	-	-
		$ 56,874	**$ 56,874**	**$ 3,499**	**3,499**	**$ -**

		Sales		Purchases		
Operation type	**Underlying**	**To receive**	**Value contract**	**Value contract**	**To deliver**	**Position net**
Contracts advanced	US dollar	$ 993,511	$ 1,045,069	$ 1,107,345	$ 1,062,772	$ (6,984)
	Actions	76,758	74,431	79,012	80,377	961
		$ 1,070,269	**$ 1,119,500**	**$ 1,186,357**	**$ 1,143,149**	**$ (6,023)**

c. Options - As of December 31, 2025, the Institution has entered into option contracts as follows:

Held for trading:

	Operation type	Underlying	Reference amount	Fair value
Purchases	OTC options[1]	US dollar	$ 87,292	$ 1,900
		Interest rates	182,603	761
		Stocks and Indices	52,693	5,440
				$ 8,101
Sales	OTC options[1]	US dollar	$ 91,153	$ 3,827
		Interest rates	243,308	681
		Stocks and Indices	41,949	43,101
				$ 47,609

As of December 31, 2024, the Institution has entered into option contracts as follows:

	Type of operation	Underlying	Reference amount	Fair value
Purchases	OTC options[1]	US dollar	$ 107,257	$ 4,199
		Interest rates	192,500	1,111
		Stocks and Indices	33,145	4,667
				$ 9,977
Sales	OTC options[1]	US dollar	$ 132,648	$ 4,203
		Interest rates	260,391	1,160
		Stocks and Indices	29,411	29,699
				$ 35,062

[1] OTC (Over The Counter) equivalent to Unorganized Markets

d. Swaps.- As of December 31, 2025, the Institution has entered into swap contracts as shown below:

Held for trading:

Underlying	Currency	Contract value to be received	Contract value to be delivered	To receive	To be delivered	Position net
Foreign exchange	Peso	$ 263,384	$ 279,169	$ 265,668	$ 282,221	$ (16,553)
	US dollar	282,669	251,851	284,985	51,653	33,332
	UDIS	55,969	56,023	57,896	57,535	361
	Euro	49,931	62,167	53,280	66,154	(12,874)
	Colombian Peso	3,218	2,781	3,274	2,818	456
	GBP	1,211	1,211	1,235	1,235	-
	CLP	3,811	3,811	4,045	4,029	16
				670,383	665,645	4,738
			Notional amount			
Interest rates	Weight [1]		8,539,432	1,228,374	1,231,741	(3,367)
	Euro		173,920	9,902	9,546	356
	US dollar		2,033,099	206,514	206,921	(407)
				1,444,790	1,448,208	(3,418)
Actions	Weight		6,999	80	1,439	(1,359)
	US dollar		1,588	24	437	(413)
				104	1,876	(1,772)
CDS	US dollar	540	630	4	7	(3)
	Subtotal			2,115,281	2,115,736	(455)
CVA/DVA IFRS13				(433)	131	(564)
	Total			**$ 2,114,848**	**$ 2,115,867**	**$ (1,019)**

(1) The Institution entered into Nominal Interest Rate Swap contracts in pesos with various institutions; the current inventory shows agreed rates between 2.50% and 20.26% per annum.

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As of December 31, 2024, the swap contracts were as follows:

Held for trading:

Underlying	Currency	Contract value to be received	Contract value to be delivered	To receive	To be deliver	Position net
Foreign exchange	MXN Peso	$ 230,803	$ 258,199	$ 228,176	$ 257,319	$ (29,143)
	US dollar	314,033	259,878	312,626	254,399	58,227
	UDIS	55,259	56,555	55,206	55,341	(135)
	Euro	42,410	59,536	43,018	61,416	(18,398)
	Yen	-	19	-	19	(19)
	Colombian Peso	1,902	855	1,970	915	1,055
	GBP	1,308	1,308	1,335	1,335	-
	CLP	4,153	4,141	4,266	4,274	(8)
				646,597	635,018	11,579
			Notional amount			
Interest rates	MXN Peso[1]		11,707,704	1,148,293	1,153,216	(4,923)
	Euro		221,653	10,782	10,482	300
	US dollar		2,426,576	233,190	233,867	(677)
				1,392,265	1,397,565	(5,300)
Actions	MXN Peso		5,179	158	177	(19)
	US dollar		2,009	30	644	(614)
				188	821	(633)
CDS	US dollar	626	731	8	10	(2)
	Subtotal			2,039,058	2,033,414	5,644
CVA/DVA IFRS13				(757)	(585)	(172)
	Total			**$ 2,038,301**	**$ 2,032,829**	**$ 5,472**

(1) The institution entered into nominal interest rate swap contracts in pesos with various institutions; the current inventory shows agreed rates between 4.52% and 20.26% per year.

Hedging swaps:

As of December 31, 2025, they are integrated as follows:

Fair value coverage:

Underlying	Currency	Contract value to be received	Contract value to be delivered	To receive	To be deliver	Position net
Foreign exchange	MXN Peso	$ 80,182	$ 23,262	$ 88,919	$ 24,015	$ 64,904
	US dollar	-	29,301	-	32,778	(32,778)
	Euro	-	32,239	-	35,794	(35,794)
		$ 80,182	**$ 84,802**	**$ 88,919**	**$ 92,587**	**$ (3,668)**
			Notional amount			
Interest rates	MXN Peso[(1)]		70,075	29,230	26,941	2,289
	US dollar		101,064	36,910	38,319	(1,409)
				66,140	65,260	880
	Total			**$ 155,059**	**$ 157,847**	**$ (2,788)**

(1) As of December 31, 2025, the Institution has opened contracts for Nominal Interest Rate Swaps in pesos with various institutions at rates between 6.53% and 10.44% per annum.

As of December 31, 2024, they are integrated as follows:

Fair value coverage:

Underlying	Currency	Contract value to be received	Contract value to be delivered	To receive	To be deliver	Position net
Foreign exchange	MXN Peso	$ 80,936	$ 21,505	$ 88,058	$ 21,669	$ 66,389
	US dollar	-	35,605	-	38,423	(38,423)
	Euro	-	33,099	-	37,246	(37,246)
		$ 80,936	**$ 90,209**	**$ 88,058**	**$ 97,338**	**$ (9,280)**
			Notional amount			
Interest rates	MXN Peso[(1)]		58,072	19,708	18,216	1,492
	US dollar		103,492	39,991	45,265	(5,274)
				59,699	63,481	(3,782)
	Total			**$ 147,757**	**$ 160,819**	**$ (13,062)**

(1) As of December 31, 2024, the Institution has opened nominal interest rate swap contracts in pesos with various institutions at rates between 4.88% and 10.46% per annum.

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The collateral received in derivatives as of December 31, 2025 and 2024, is recorded under the line item "Creditors on cash received as collateral" and are shown below:

	2025			2024
Cash received in cash in derivative transactions:	**Acquisition cost**	**Accrued interest**	**Value in books**	**Value in books**
Acti gana Mas, S.A. de C.V.	$ 4	$ -	$ 4	$ -
Banca Afirme, S.A. IBM	11	-	11	-
Banco Mercantil del Norte, S.A. IBM	-	-	-	108
Banco del Bajío, S.A.	-	-	-	2
Banco Santander México, S.A. IBM	437	2	439	-
Banco Invex	-	-	-	44
BBVA Madrid	6,571	9	6,580	689
BBVA Colombia	-	-	-	22
BNP Paribas	610	2	612	1,185
Credit Agricole CIB	244	1	245	471
Banco Nacional de Comercio Exterior	-	-	-	1,074
Deutsche Bank	304	-	304	476
Goldman Sachs México Casa de Bolsa	123	-	123	-
HSBC México, S.A. IBM	127	-	127	218
Banco Base S.A. IBM	16	-	16	-
Kaluz, S.A.	396	-	396	502
Masari Casa de Bolsa, S.A. de C.V.	90	-	90	6
Consubanco S.A. IBM	56	-	56	28
Banco Inbursa	-	-	-	612
Morgan Stanley & CO	65	-	65	51
Morgan Stanley Capital	-	-	-	9
MUFG Bank México IBM	-	-	-	182
Natixis	-	-	-	875
Scotiabank Inverlat	182	1	183	423
Banca Mifel	62	-	62	198
Nacional Financiera	360	2	362	763
Actinver Casa Bolsa GFA	3	-	3	-
Societe Generale	10	-	10	-
Banco JP Morgan, S.A.	33	-	33	-
Banco Monex, S.A. IBM	147	-	147	-
Toronto Dominion Bank	9	-	9	-
BBVA Banco Continental	1	-	1	-
UBS AG (Zurich)	5	-	5	50
Wells Fargo Bank NA	-	-	-	8
Vector Casa de Bolsa	-	-	-	1
Guarantees received in cash for derivatives	9,866	17	9,883	7,997
Guarantees received in cash for transactions other than derivatives	2,286	-	2,286	1,965
	$ 12,152	**$ 17**	**$ 12,169**	**$ 9,962**

e. Counterparty and own credit risk.—The amounts recorded in the consolidated statement of financial position as of December 31, 2025 and 2024 corresponding to the credit risk valuation adjustments for derivative positions totaled ($433) and ($758) for CVA, and ($515) and ($1,120) for DVA, respectively. The impact recorded in the consolidated statement of comprehensive income as of December 31, 2025 and 2024 corresponding to these adjustments totaled ($71), ($605) and ($362), ($606), respectively.

f. Embedded derivative financial instruments.- The embedded derivatives, as of December 31, 2025 and 2024, shown below, form part of the derivatives position for trading purposes:

	2025			
	Book value		Balance	
	Asset	Liabilities	Debtor	Creditor
Purchased options	$ 16	$ -	$ 16	$ -
Sold options	-	64	-	64
Swaps	13,727	13,467	3,393	3,133
$	**13,743**	**$ 13,531**	**$ 3,409**	**$ 3,197**

	2024			
	Book value		Balance	
	Asset	Liabilities	Debtor	Creditor
Purchased options	$ 108	$ -	$ 108	$ -
Sold options	-	28	-	28
Swaps	2,778	2,674	791	687
$	**2,886**	**$ 2,702**	**$ 899**	**$ 715**

f.1. Embedded (underlying) options

Held for trading:

			2025	
		Underlying	Nominal amount	Fair value
Purchases	OTC options	US dollar	$ 2,461	$ 11
		Interest rates	1,548	5
			$ 4,009	**$ 16**
Sales	OTC options	US dollar	$ 743	$ 22
		Stocks and Indices	311	42
			$ 1,054	**$ 64**

			2024	
		Underlying	Nominal amount	Fair value
Purchases	OTC options	US dollar	$ 2,074	$ 49
		Interest rates	7,382	59
			$ 9,456	**$ 108**
Sales	OTC options	US dollar	$ 424	$ 26
		Stocks and Indices	122	2
			$ 546	**$ 28**

f.2 Embedded (underlying) swaps

Held for trading:

		2025			
Underlying	Currency	Notional amount	Market value to be received	Market value to be delivered	Fair value
Foreign exchange	MXN Peso	$ (5,455)	$ 5,494	$ 6,316	$ (822)
	US dollar	(1,341)	1,746	1,227	519
	Euro	(2,973)	3,417	2,879	538
		(9,769)	10,657	10,422	235
Interest rate	MXN Peso	6,809	3,070	3,045	25
		$ (2,960)	**$ 13,727**	**$ 13,467**	**$ 260**

		2024			
Underlying	Currency	Notional amount	Market value to be received	Market value to be delivered	Fair value
Foreign exchange	MXN Peso	$ 1,214	$ 622	$ 642	$ (20)
	US dollar	601	364	269	95
	Euro	788	385	374	11
		2,603	1,371	1,285	86
Interest rate	MXN Peso	5,389	1,407	1,389	18
		$ 7,992	**$ 2,778**	**$ 2,674**	**$ 104**

f.3 Embedded (underlying) forwards

As of December 31, 2025 and 2024, the Institution has no implied forwards.

Under the Structured Bank Bond issuance programs, as of December 31, 2025 and 2024, the Institution has registered embedded options and swaps with a nominal value of $5,063 and $10,001 and $22,580 and $7,993, respectively, with underlying Interest Rates for swaps and Currencies, Indices and Interest Rates for options.

g. Alignment of coverage with the objectives of comprehensive risk management

At the Institution, the Board of Directors approves, upon the proposal of the Risk Committee, (i) the objectives, guidelines and policies of the Comprehensive Risk Management, as well as any modifications, (ii) the overall risk exposure limits and, where applicable, the Specific Risk Exposure Limits, considering the Consolidated Risk, broken down by business unit or risk factor, as well as, where applicable, the Risk Tolerance Levels, (iii) the special cases or circumstances in which both the Overall Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded.

To monitor and control the risk of the Structural Balance (Banking Book) of interest rates and exchange rates, the Assets and Liabilities Committee adopts investment and hedging strategies within the policies and risk limits approved by the Board of Directors, the Board's delegated Risk Committee and the Risk Management Committee. Strategies, for a hedging relationship to qualify as such, must be aligned with the objectives and policies of the Integrated Risk Management, including the approved limits, and with the strategies approved by the Assets and Liabilities Committee.

A scheme of risk limits for economic value and financial margin (note 30) of the structural balance has been established, which is monitored monthly in the Risk Committee and COAP and presented quarterly to the Board of Directors; in case of exceedance, communication and control procedures have been established.

In addition to the above, for control purposes, the prospective effectiveness of hedging relationships is monitored individually and compared with the established effectiveness range (80-125). In case of ineffectiveness, the Assets and Liabilities Committee is notified to decide whether a rebalancing of any specific hedge(s) is required based on alignment with the comprehensive Risk Management strategy, since prospective measurement is not considered by itself as a predominant factor in determining whether a hedging relationship should be discontinued.

The assessment that credit risk exposure does not dominate changes in the economic relationship between the hedged item and the hedging instrument is performed globally for each counterparty. To this end, the Institution has established formal processes for continuous monitoring and oversight to ensure that this exposure remains below the authorized credit limits for each individual client or counterparty (counterparty risk), also considering credit risk mitigation factors (collateral agreements). This assessment is performed considering the cumulative credit risk for all derivative financial instrument transactions entered into with that counterparty.

In accordance with the strategy and objective defined in the COAP and CGL, Financial Management structures the hedges described below in such a way that the hedged item generally has values that move in opposite directions due to the same risk (nominal, term and rate), thus ensuring the existence of an economic relationship and mitigating the covered risk.

On the other hand, the Global Markets unit carries out interest rate hedges to eliminate the asymmetric sensitivity between fixed-rate loans granted and their variable-rate funding due to CGL transfer pricing, and the management of the risk of said sensitivity that MG carries out in the swaps market.

g.1 Fair value hedges

Fair value hedges cover exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. Through IRS or CCY, the conversion from a fixed rate to a variable rate is carried out, depending on the currency in which the position is defined and the expected rate.

The risk to be hedged is interest rate risk, both due to the sensitivity of the hedged instrument and the cost of funds attributable to acquiring the hedge. Other risks to which the hedged items are exposed, such as credit risk, contagion risk, liquidity risk, etc., are not covered by this hedge.

The carrying amount of assets and liabilities considered as hedged items under fair value hedges, which had been recorded at amortized cost, have been adjusted to reflect changes in fair value attributable to the risks being hedged under the effective hedging relationships.

g.2 Cash flow hedges

Their purpose is to offset exposure to the variability in future cash flows attributable to a particular risk associated with a recognized asset or liability that may affect the results of the period in which such flows occur, firm commitments or highly probable forecasted transactions such as variable rate deposit coupons and foreign currency-denominated expense flows. The application of the most relevant hedges is described below:

Cash flow hedging with IRS and CCY

The Monetary Regulation Deposit in MXP with a variable interest rate is covered by swaps, thus covering the variability of future cash flows up to the term of the coverage.

It is also possible to designate cash flow hedges for Eurobonds in which a fixed interest rate in USD or EUR is exchanged for a fixed rate in national currency.

Foreign Exchange Hedging with Forwards

Within this type of strategy, Financial Management may designate as its primary position the estimation of cash flows from the annual budget for expenses and investments in foreign currency, specifically dollars and euros. The objective is to hedge against the risk of potential depreciation of the national currency against the dollar or euro, currencies that affect projected cash flows.

Interest rate hedges with FX Swaps

One of the main activities of the Financial Management area is the management of excess liquidity in pesos and dollars from the structural balance sheet; therefore, it controls and monitors foreign exchange positions, seeking to cover market spreads of FX Swap (implicit forward rate) vs. short-term funding and investment rates.

The objective of FX Swap hedges is to cover the variability in expected flows from dollar investments with the Fed at the Fed Funds rate. This is achieved through the interest rate differential between the implied forward curve of the FX Swap and the investment rate of the local currency, thus ensuring a rate of return through the FX Swap instrument.

As of December 31, 2025, the Institution has entered into coverage contracts as follows:

Type of Coverage: Cash Flow Hedges

Coverage Description	Risk covered	Instrument coverage	Maximum coverage expiration date	Value reasonable instrument coverage	Periods in what Flows affect results	Amount recognized in the overall profit for the period	Amount reclassified from capital to Results	Item of the consolidated statement of comprehensive income where it is applied coverage	Consolidated state category financial position where the primary position is recorded	Recognized ineffectiveness	Amount of The Covered Departure	Fair Value of the Risk Exposure of the Covered Item	Interests Forecasts Liquidating in the fiscal year 2026 (3)
Flow coverage cash in UMS USD and EUR	Currency exchange fixed to domestic fixed	69 Sw ccs Eur / 92 Sw ccs Usd	ago-36	$ 428	129 months	$ 7,910	$ 1,022	Interest margin on investments in financial instruments	Investments in financial instruments	$ 4	$ 57,617	$ -	$ 2,789

To date, all projected transaction cash flows have occurred within the initially agreed timeframes.

Type of coverage: Fair value

Coverage description	Nature of the risks covered	Covering instrument	Maximum coverage expiration date	Value Reasonable instrument coverage	Revenue/ Loss of Instrument Coverage as of December 2025	Revenue/ Loss of item covered as of December 2025	Part of the consolidated state financial position where primary position is recorded	Recognized ineffectiveness	Item Amount Deck	Value Reasonable of the Exhibition to the Risk of the Departure Deck	Forecasted Interest Liquidating in the fiscal year 2026 (3)
Coverage of fixed-rate loans in USD and MXN, to be switched to floating rate (1)	Risk of fixed-rate loans in USD and fixed-rate loans in MXP	1. IRS Pays Fixed Interest in USD and Receives Variable Interest 2 IRS Pays Fixed Interest in MXP and Receives Variable	2040	$ 237	$ (784)	$ 785	Loan portfolio stage 1	$ -	$ 9,826	$ 38	$ (57)

Coverage description	Nature of the risks covered	Covering instrument	Maximum coverage expiration date	Value Reasonable instrument coverage	Revenue/ Loss of Instrument Coverage as of December 2025	Revenue/ Loss of item covered as of December 2025	Part of the consolidated state financial position where primary position is recorded	Recognized ineffectiveness	Item Amount Deck	Value Reasonable of the Exhibition to the Risk of the Departure Deck	Forecasted Interest Liquidating in the fiscal year 2026 (3)
Coverage of Mexican sovereign bonds in EUR/USD/GBP (1)	Fixed rate UMS bonds in EUR/USD/GBP	3 CCS V/F	2030	60	(262)	262	Investments in financial instruments	-	549	-	60
Coverage of USD subordinated note issuance (1) and (2)	Fixed rate on notes issued USD V/F	15 IRS F/V	2034	(1,344)	3,748	(3,748)	Financial instruments that qualify as liabilities	-	102,816	(1,345)	(820)
Corporate bond coverage (1) and (2)	Fixed rate in USD, EUR, UDI currency			-	(47)	47	Investments in financial instruments	-	-	-	-
Coverage of corporate bonds and M's bonds (1)	Fixed rate on USD bonds/	12 IRS V/F	2027	$ 68	$ (375)	$ 375	Investments in financial instruments	$ -	$ 7,189	$ (50)	$ 52
Stock certificate	Fixed rate in MXP to variable rate in MXP	70 IRS F/V	2033	1,243	1,667	(1,668)	Traditional intake	(1)	27,041	1,292	455
UMS UDI Bond Coverage	Risk in UMS Vento Margin Bond	23 CCS Pays Udi F and Receives Mxp F	2040	172	1,597	(1,595)	Traditional intake	2	14,772	(51)	819
UMS Eur Bonus Coverage	Risk in UMS Vento Margin Bond	63 CCS Pays Eur / Receives Fixed MXP	2033	111	4	(1)	Traditional intake	3	9,568	120	577

(1) As of December 31, 2025, the balance of interest on the open hedging derivatives position amounts to $3,316.
(2) As of December 31, 2025, there is a foreign exchange component effect amounting to ($5,381).
(3) The calculated interest to be paid in the fiscal year 2026 is $3,875 to be received.

The fair value of cross currency swaps (CCS) does not include an exchange rate component, as this is not part of the hedging relationship.

IRS – interest rate swaps CCS -cross currency swaps.

As of December 31, 2024, the Institution has entered into coverage contracts as follows:

Type of Coverage: Cash Flow Hedges

Coverage description	Risk covered	Covering instrument	Maximum coverage expiration date	Fair value of hedging instrument	Periods in that the flows affect results	Amount recognized in the overall profit for the period	Reclassified amount from capital to results	Item of the consolidated statement of results comprehensive in that applies coverage	Consolidated state category financial position where records the position primary	Recognized ineffectiveness
Partial coverage of the Monetary Regulation Deposit (DRM) (1)	Variable DRM flows	4 IRS FIXED/TIIE	one-25	$ (4)	1 month	$ 813	$ (921)	Margin of interest on available funds	Cash and cash equivalents	$ -
UMS USD and EUR cash flow hedging	Fixed currency exchange to fixed domestic exchange rate	67 CCS FIXED/FIXED EUR 109 / USD	ago-36	(7,482)	141 months	(10,492)	1,847	Interest margin on investments in financial instruments	Investments in financial instruments	(27)
Cash Flow Coverage Corporate Bonds CCS	Change from a variable rate to a fixed rate. Amortized cost.	1 CCS FIXED/VARIABLE MXP	jul-25	(3)	7 months	9	24	Financial margin	Investments in financial instruments	-

To date, all projected transaction cash flows have occurred within the initially agreed timeframes.

Type of coverage: Fair value

Coverage description	Nature of the risks covered	Instrument coverage	Maximum coverage expiration date	Fair Value instrument coverage	Revenue/ Loss on Hedging Instrument as of December 2024	Revenue/ Loss element covered as of December 2024	Part of the consolidated state of financial position where it is recorded position primary	Recognized ineffectiveness
Coverage of fixed-rate loans in USD and MXP, to be switched to floating rate(1)	Risk of fixed-rate loans in USD and fixed-rate loans in MXP	1. IRS pays fixed interest in USD and receives variable interest. 2. IRS pays fixed interest in MXP and receives variable interest.	2040	$ 1,021	$ 628	$ (629)	Loan portfolio stage 1	$ (1)
Coverage of Mexican sovereign bonds in EUR/USD/GBP(1)	Fixed rate UMS bonds in EUR/USD/GBP	5 CCS V/F	2030	322	(127)	127	Investments in financial instruments	-
Coverage of USD subordinated note issuance(1) and (2)	Fixed rate on notes issued USD V/F	15 IRS F/V	2034	(5,093)	(580)	580	Financial instruments that qualify as liabilities	-
Coverage of subordinated note issuance USD(1) and (2)	Fixed rate on USD V/F notes	0 CCS F/V	-	-	(2,238)	2,238	Financial instruments that qualify as liabilities	-
Corporate bond coverage(1) and (2)	Fixed rate in USD, EUR, UDI currency	4 CCS V/F	2025	2	(45)	45	Investments in financial instruments	-
Coverage of corporate bonds and M's bonds(1)	Fixed rate on USD bonds/	25 IRS V/F	2027	444	(90)	90	Investments in financial instruments	-
Stock certificate	Fixed rate in MXP to variable rate in MXP	14 IRS F/V	2031	(424)	(501)	501	Traditional intake	-
UMS UDI Bond Coverage	Risk in UMS Vento Margin Bond	22 CCS Pays Udi / Receives Fixed MXp	2035	(1,425)	(1,236)	1,237	Traditional intake	1
UMS Eur Bonus Coverage	Risk in UMS Vento Margin Bond	64 CCS Pays Eur / Receives Fixed MXP	2033	(617)	(1,637)	1,642	Traditional intake	5

(1) As of December 31, 2024, the balance of interest on the open hedging derivatives position amounts to $2,609.
(2) As of December 31, 2024, there is a foreign exchange component effect amounting to ($9,273).

The fair value of cross currency swaps (CCS) does not include an exchange rate component, as this is not part of the hedging relationship.

IRS - interest rate swaps. CCS - cross currency swaps.

h. Cash flows not discounted from derivative financial transactions as of December 31, 2025

Type: Negotiation

As of the close of December 2025, the trading derivative financial instruments and implicit trading derivatives, by breakdown of products, present the following balances in national currency of their undiscounted flows, between assets and liabilities, reflecting the nominal amount of the agreed value of the investments, and present the periodicity in which the rights and obligations must correspond in the short, medium and long term.

As of December 31, 2025, the Institution has undiscounted cash flows for:

	2025			
	Up to 1 year	From 1 year to 5 years	Greater than 5 years	Total
Financial instrument held for trading				
Assets				
Derivatives for trading purposes:				
Advance contracts	$ 2,221,648	$ 87,460	$ 29,072	$ 2,338,180
Options	227,251	179,160	23,572	429,983
Swaps	6,800,254	4,295,766	336,709	11,432,729
	$ 9,249,153	**$ 4,562,386**	**$ 389,353**	**$ 14,200,892**

	2025			
	Up to 1 year	From 1 year to 5 years	Greater than 5 years	Total
Liabilities				
Derivatives for trading purposes:				
Forwards	$ (2,216,599)	$ (81,213)	$ (33,975)	$ (2,331,787)
Options	(274,251)	(185,803)	(20,777)	(480,831)
Swaps	(6,801,062)	(4,294,710)	(333,865)	(11,429,637)
	$ (9,291,912)	**$ (4,561,726)**	**$ (388,617)**	**$ (14,242,255)**

As of December 31, 2024, the Institution has undiscounted cash flows of:

	2024			
	Up to 1 year	From 1 year to 5 years	Greater than 5 years	Total
Financial instrument held for trading				
Assets				
Derivatives for trading purposes:				
Advance contracts	$ 2,145,002	$ 53,227	$ 31,309	$ 2,229,538
Options	270,743	199,566	18,786	489,095
Swaps	12,942,709	1,661,853	515,496	15,120,058
	$ 15,358,454	**$ 1,914,646**	**$ 565,591**	**$ 17,838,691**
Liabilities				
Derivatives for trading purposes:				
Forwards	$ (2,143,999)	$ (49,222)	$ (40,579)	$ (2,233,800)
Options	(324,533)	(206,408)	(14,391)	(545,332)
Swaps	(12,938,844)	(1,658,558)	(510,781)	(15,108,183)
	$ (15,407,376)	**$ (1,914,188)**	**$ (565,751)**	**$ (17,887,315)**

(10) Loan portfolio-

The Institution's business model determines whether cash flows will come from obtaining contractual cash flows, from selling the loan portfolio, or from both.

If the objective of the loan portfolio's business model is to hold it to collect contractual cash flows, and the contract terms provide for cash flows on predetermined dates that correspond solely to principal and interest payments on the outstanding principal amount, then the portfolio is presented in the consolidated statement of financial position at its amortized cost. However, if the above does not apply, it must be treated in accordance with NIF C-2, "Investment in Financial Instruments."

Therefore, it is determined that the loan portfolio should be presented in the consolidated statement of financial position at its amortized cost.

On the other hand, the SPPI (Solely payments of principal and interest) test is a tool that allows for the evaluation of cash flows within a loan portfolio, either for a homogeneous portfolio or for individual loan transactions. This test, through the analysis of contractual cash flows, determines whether they correspond solely to principal and interest payments.

The loan portfolio by loan type as of December 31, 2025, is shown below:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans-				
Denominated in pesos:				
Commercial	$ 611,970	$ 6,869	$ 6,805	$ 625,644
Rediscounted portfolio	10,072	138	179	10,389
Leasing portfolio	2,001	1	6	2,008
Denominated in UDIs (equivalent to pesos):				
Commercial	1	-	3	4
Denominated in foreign currency (equivalent to pesos):				
Commercial	234,561	3,234	1,373	239,168
Rediscounted portfolio	1,241	-	7	1,248
Leasing portfolio	3,459	-	-	3,459
Business or commercial activity	$ 863,305	$ 10,242	$ 8,373	$ 881,920
Denominated in pesos:				
Loans to financial institutions	$ 51,441	$ -	$ 19	$ 51,460
Loans to government entities	167,879	-	-	167,879
Loans to government entities, leasing	1,058	-	-	1,058
Denominated in foreign currency (equivalent to pesos):				
Loans to financial institutions	1,415	-	-	1,415
Loans to government entities	7,991	-	-	7,991
Interest collected in advance	(363)	-	-	(363)
Total trade credits	**$ 1,092,726**	**$ 10,242**	**$ 8,392**	**$ 1,111,360**

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	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
Denominated in pesos:				
Credit card	$ 220,431	$ 6,469	$ 6,929	$ 233,829
Other consumer goods	316,758	7,146	9,882	333,786
Interest collected in advance	(404)	-	-	(404)
Total consumer loans	**$ 536,785**	**$ 13,615**	**$ 16,811**	**$ 567,211**
Mortgage loans-				
Denominated in pesos:				
Media and residential	$ 373,164	$ 13,488	$ 8,750	$ 395,402
Of social interest	2,180	358	142	2,680
Denominated in UDIs (equivalent to pesos):				
Media and residential	1,099	168	60	1,327
Denominated in foreign currency (equivalent to pesos):				
Media and residential	1	-	-	1
Total mortgage loans	**$ 376,444**	**$ 14,014**	**$ 8,952**	**$ 399,10**
Total loan portfolio	**$ 2,005,955**	**$ 37,871**	**$ 34,155**	**$ 2,077,981**

The loan portfolio by loan type as of December 31, 2024, is shown below:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans-				
Denominated in pesos:				
Commercial	$ 514,200	$ 9,061	$ 7,914	$ 531,175
Rediscounted portfolio	7,333	121	58	7,512
Leasing portfolio	3,470	-	17	3,487
Denominated in UDIs (equivalent to pesos):				
Commercial	1	-	3	4
Denominated in foreign currency (equivalent to pesos):				
Commercial	266,102	4,494	907	271,503
Rediscounted portfolio	1,173	-	8	1,181
Leasing portfolio	4,115	-	-	4,115
Business or commercial activity	**$ 796,394**	**$ 13,676**	**$ 8,907**	**$ 818,977**
Denominated in pesos:				
Loans to financial institutions	$ 45,796	$ 5	$ 16	$ 45,817
Loans to government entities	189,485	-	-	189,485
Denominated in foreign currency (equivalent to pesos):				
Loans to financial institutions	676	-	-	676
Loans to government entities	14,391	-	-	14,391
Interest collected in advance	(511)	-	-	(511)
Total trade loans	**$ 1,046,231**	**$ 13,681**	**$ 8,923**	**$ 1,068,835**
Consumer credits				
Denominated in pesos:				
Credit card (TDC)	$ 193,224	$ 5,953	$ 6,293	$ 205,470
Other consumer goods	278,593	6,479	8,068	293,140
Interest collected in advance	(286)	-	-	(286)
Total consumer loans	**$ 471,531**	**$ 12,432**	**$ 14,361**	**$ 498,324**

	Stage 1	Stage 2	Stage 3	Total
Mortgage loans-				
Denominated in pesos:				
Media and residential	$ 343,871	$ 12,224	$ 7,733	$ 363,828
Of social interest	2,792	410	156	3,358
Denominated in UDIs (equivalent to pesos):				
Media and residential	1,459	187	77	1,723
Denominated in foreign currency (equivalent to pesos):				
Media and residential	2	-	-	2
Total mortgage loans	**$ 348,124**	**$ 12,821**	**$ 7,966**	**$ 368,911**
Total loan portfolio	**$ 1,865,886**	**$ 38,934**	**$ 31,250**	**$ 1,936,070**

The loan portfolio valued at fair value as of December 31, 2025 and 2024, is shown below:

	2025	2024
Commercial loans-		
Denominated in pesos:		
Business or commercial activity	$ 5,440	$ 3,502
Denominated in foreign currency (equivalent to pesos):		
Business or commercial commercial activity	2,070	837
Financial institutions	936	1,505
Fair value valuation of prepaid loans:		
Business activity	15	27
Self-employed	8	-
Multiple banking	33	-
Consumer loans		
Denominated in pesos:		
Personal	1,790	1,174
Denominated in foreign currency (equivalent to pesos) :		
Personal	766	633
Fair value valuation of prepaid loans:		
Private activities	23	3
Total loan portfolio valued at fair value	**$ 11,081**	**$ 7,681**

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The following section breaks down commercial loans as of December 31, 2025 and 2024, identifying the non-performing and performing portfolio, classified by risk stages, respectively.

	2025						
	Non-performing			Performing			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Business or commercial activity	**$ -**	**$ -**	**$ 7,782**	**$ 833,599**	**$ 9,841**	**$ -**	**$ 851,222**
Ordinary portfolio:							
National currency	-	-	4,532	546,007	4,404	-	554,943
Foreign currency	-	-	500	200,810	888	-	202,198
UDIS	-	-	1	-	-	-	1
Portfolio on extension:							
National currency	-	-	1,866	48,331	2,204	-	52,401
Foreign currency	-	-	881	38,451	2,345	-	41,677
UDIS	-	-	2	-	-	-	2
Loans to financial institutions	**-**	**-**	**19**	**52,856**	**-**	**-**	**52,875**
Ordinary portfolio:							
National currency	-	-	16	51,441	-	-	51,457
Foreign currency	-	-	-	1,415	-	-	1,415
Portfolio on extension:							
National currency	-	-	3	-	-	-	3
Loans to government entities	**-**	**-**	**-**	**176,928**	**-**	**-**	**176,928**
Ordinary portfolio:							
National currency	-	-	-	117,972	-	-	117,972
Foreign currency	-	-	-	7,991	-	-	7,991
Portfolio on extension:							
National currency	-	-	-	50,965	-	-	50,965
Credit card business	**-**	**-**	**591**	**29,706**	**401**	**-**	**30,698**
Ordinary portfolio:							
National currency	-	-	591	29,706	401	-	30,698
Interest collected in advance	**-**	**-**	**-**	**(363)**	**-**	**-**	**(363)**
Total	**$ -**	**$ -**	**$ 8,392**	**$ 1,092,726**	**$ 10,242**	**$ -**	**$ 1,111,360**

	2024						
	Non-performing			Performing			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Business or commercial activity	$ -	$ -	$ 8,349	$ 770,224	$ 13,363	$ -	$ 791,936
Ordinary portfolio:							
National currency	-	-	4,386	458,429	3,483	-	466,298
Foreign currency	-	-	780	232,417	1,371	-	234,567
UDIS	-	-	1	-	-	-	-
Portfolio on extension:							
National currency	-	-	3,044	40,405	5,386	-	48,835
Foreign currency	-	-	135	38,972	3,123	-	42,230
UDIS	-	-	3	1	-	-	4
Loans to financial institutions	**-**	**-**	**16**	**46,472**	**5**	**-**	**46,493**
Ordinary portfolio:							
National currency	-	-	16	45,575	-	-	45,591
Foreign currency	-	-	-	676	-	-	676
Portfolio on extension:							
National currency	-	-	-	221	5	-	226
Loans to government entities	**-**	**-**	**-**	**203,876**	**-**	**-**	**203,876**
Ordinary portfolio:							
National currency	-	-	-	144,731	-	-	144,731
Foreign currency	-	-	-	14,391	-	-	14,391
Portfolio on extension:							
National currency	-	-	-	44,754	-	-	44,754
TDC Business	**-**	**-**	**558**	**26,170**	**313**	**-**	**27,041**
Ordinary portfolio:							
National currency	-	-	558	26,170	313	-	27,041
Interest collected in advance	**-**	**-**	**-**	**(511)**	**-**	**-**	**(511)**
Total	**$ -**	**$ -**	**$ 8,923**	**$ 1,046,231**	**$ 13,681**	**$ -**	**$ 1,068,835**

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The restructured and renewed portfolio as of December 31, 2025 and 2024, is as follows:

	Amount of the restructured and renewed portfolio during 2025
	Credits Commercials
Stage 1 loans restructured or renewed (d)	$ -
Stage 2 loans restructured or renewed	-
Stage 3 loans restructured or renewed	1,962
Restructured or renewed bullet loans transferred to stage 3 (a)	11,039
Credits maintained stage 1 with repayment capacity (c)	89,438
Credits maintained stage 2 with payment capacity (c)	2,770
Consolidated loans transferred to stage 3 (b)	7,393
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-
	Government Entities
Stage 1 loans restructured or renewed (d)	$ -
Stage 2 loans restructured or renewed	-
Stage 3 loans restructured or renewed	-
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	52,514
Credits maintained stage 2 with payment capacity (c)	-
Consolidated loans transferred to stage 3 (b)	-
Restructured loans in stage 1 that were not transferred due to compliance paid (e)	-
Restructured loans in stage 2 that were not transferred due to compliance Paid (e)	-
	Consumer Credits
Stage 1 loans restructured or renewed (d)	$ 1,621
Stage 2 loans restructured or renewed	496
Stage 3 loans restructured or renewed	2,774
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	207
Credits maintained stage 2 with payment capacity (c)	151
Consolidated loans transferred to stage 3 (b)	-
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-
	Credits Mortgages
Stage 1 loans restructured or renewed (d)	$ 4,431
Stage 2 loans restructured or renewed	1,218
Stage 3 loans restructured or renewed	2,894
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	11,572
Credits maintained stage 2 with payment capacity (c)	3,606
Consolidated loans transferred to stage 3 (b)	-
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-

a) Bullet loans are loans with a single principal payment at maturity.
b) In accordance with the provisions of paragraph 110 of accounting criterion B-6.
c) In accordance with paragraphs 100 to 108 of accounting criterion B-6.
d) Loans that have already made sustained payments and are currently in stage 1
e) In accordance with paragraph 112 of accounting criterion B-6 and in addition to compliance with payment for the total amount due of principal and interest and modify the following original conditions of the credit such as: guarantees, the interest rate, currency, payment date and/or extension of the credit line.

	Amount of the restructured and renewed portfolio during 2024
	Commercial Loans
Stage 1 loans restructured or renewed (d)	$ -
Stage 2 loans restructured or renewed	-
Stage 3 loans restructured or renewed	2,267
Restructured or renewed bullet loans transferred to stage 3 (a)	11,193
Credits maintained stage 1 with repayment capacity (c)	94,093
Credits maintained stage 2 with payment capacity (c)	6,276
Consolidated loans transferred to stage 3 (b)	4,075
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-
	Government Entities
Stage 1 loans restructured or renewed (d)	$ -
Stage 2 loans restructured or renewed	-
Stage 3 loans restructured or renewed	-
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	44,079
Credits maintained stage 2 with payment capacity (c)	-
Consolidated loans transferred to stage 3 (b)	-
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-
	Consumer Credits
Stage 1 loans restructured or renewed (d)	$ 1,338
Stage 2 loans restructured or renewed	519
Stage 3 loans restructured or renewed	1,425
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	435
Credits maintained stage 2 with payment capacity (c)	46
Consolidated loans transferred to stage 3 (b)	1,079
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-

	Amount of the restructured and renewed portfolio during 2024
	Mortgage Loans
Stage 1 loans restructured or renewed (d)	$ 4,331
Stage 2 loans restructured or renewed	2,143
Stage 3 loans restructured or renewed	2,203
Restructured or renewed bullet loans transferred to stage 3 (a)	-
Credits maintained stage 1 with repayment capacity (c)	13,580
Credits maintained stage 2 with payment capacity (c)	2,292
Consolidated loans transferred to stage 3 (b)	-
Restructured loans in stage 1 that were not transferred due to payment compliance (e)	-
Restructured loans in stage 2 that were not transferred due to payment compliance (e)	-

a) Bullet loans are loans with a single principal payment at maturity.
b) In accordance with the provisions of paragraph 110 of accounting criterion B-6.
c) In accordance with paragraphs 100 to 108 of accounting criterion B-6.
d) Loans that have already made sustained payments and are currently in stage 1
e) In accordance with paragraph 112 of accounting criterion B-6 and in addition to compliance with payment for the total amount due of principal and interest, and modify the following original conditions of the credit such as: guarantees, the interest rate, currency, payment date and/or extension of the credit line.

As of December 31, 2025 and 2024, the Institution maintains real estate guarantees of $4,333 and $9,792, respectively, for restructured commercial loans.

As of December 31, 2025 and 2024, the fees to be accrued for initial granting by type of credit and for the average amortization period are integrated as shown below:

	2025				2024			
	Per amortization period				Per amortization period			
	1 to 5 years	6 to 15 years	More than 15 years	Total	1 to 5 years	6 to 15 years	More than 15 years	Total
Business activity or commercial	$ 1,084	$ 132	$ 138	$ 1,354	$ 1,021	$ 156	$ 134	$ 1,311
Consumer loans	1,730	273	-	2,003	1,552	251	-	1,803
Mortgage loans	2	27	504	533	1	28	508	537
Total	**$ 2,816**	**$ 432**	**$ 642**	**$ 3,890**	**$ 2,574**	**$ 435**	**$ 642**	**$ 3,651**

The amount of transaction costs associated with the loan portfolio corresponds to commissions and incentives paid for loan origination, as well as credit evaluation expenses. The outstanding balance as of December 31, 2025 and 2024 is $3,729 and $3,483, respectively.

As of December 31, 2025 and 2024, the fully reserved and removed stage 3 loan portfolio balances from the consolidated statement of financial position are comprised as follows:

	2025	2024
Commercial or business activity	$ 6,182	$ 7,713
Consumer loans:		
TDC	471	2,249
Other consumption	1,686	4,249
	2,157	6,498
Mortgage	1,456	2,215
Total	**$ 9,795**	**$ 16,426**

As of December 31, 2025 and 2024, the portfolio of loans recognized at their fair value amounts to $11,081 and $7,681, respectively; which is made up of capital of $10,932 and $7,608, accrued but uncollected interest of $70 and $43, and a valuation of $79 and $30, respectively.

As of December 31, 2025 and 2024, the amount of undrawn lines of credit and letters of credit recorded in memorandum accounts totals $1,093,731 and $975,666, respectively. The allowance associated with undrawn lines of credit amounts to $102 and $83, respectively.

The lines of credit and letters of credit recorded in memorandum accounts are detailed below:

	2025	2024
Irrevocable lines and letters of credit	$ 40,501	$ 28,643
Revocable lines and letters of credit	1,053,230	947,023
Total	**$ 1,093,731**	**$ 975,666**

The credits migrated to stage 3 in the 2025 and 2024 fiscal years are detailed below:

	Amount	
	2025	2024
Opening balance	**$ 31,250**	**$ 28,104**
Tickets:		
Transfer from stage 1 or 2 to stage 3	75,218	67,463
Restructured	5,835	4,807
	81,053	72,270
Departures:		
Transfer from stage 3 to stage 1 or 2	(14,267)	(13,836)
Cash settlements	(3,581)	(2,078)
Restructured	(249)	(225)
Removes	(7,094)	(5,987)
Punishments	(52,957)	(46,998)
	(78,148)	(69,124)
Ending balance	**$ 34,155**	**$ 31,250**

The guarantees received are detailed below:

Nature of the guarantee	2025	2024
Guarantors	$ 2,695,918	$ 2,570,709
Mortgages	1,335,899	1,245,086
Government guarantees	234,803	209,421
Pledges	146,181	144,041
Documentaries	282,350	219,982
Vehicles	146,645	127,954
Other Nafin Credit Institutions	62,496	47,704
Money deposit	21,890	18,928
Values	22,443	15,697
Comfort letters	30,115	14,659
Sociedad Hipotecaria Nacional	6,307	6,462
Other Bancomext Credit Institutions	10,343	7,110
Fondos de Fomento FIRA	6,392	6,149
Warrants	576	650
Monetary Investment	63	254
Documents in collection	5	-
Total	**$ 5,002,426**	**$ 4,634,806**

In addition to the table above, the terms and conditions associated with the collateral are detailed below:

The guarantees or collateral associated with the various transactions carried out by the Institution must be duly documented and formalized, safeguarded, and registered with the corresponding official bodies, in order to ensure the necessary legal certainty for their effective execution if required. The accepted guarantees must be appropriate to the type of transaction being carried out and must be free of present and/or future limitations (non-seizable assets, limitations on prior encumbrances, liability for personal guarantees), etc.

Interest and fee income recorded in the financial margin for the years ending December 31, 2025 and 2024, segmented by loan type, is composed as follows:

	2025			2024		
	Interests	Commissions	Total	Interests	Commissions	Total
Type of credit						
Commercial loans-						
Denominated in pesos:						
Commercial	$ 68,363	$ 1,682	$ 70,045	$ 70,747	$ 1,586	$ 72,333
Rediscounted portfolio	5,257	-	5,257	1,309	-	1,309
Leasing portfolio	317	-	317	335	-	335
Denominated in foreign currency (valued in pounds):						
Commercial	13,579	-	13,579	14,346	-	14,346
Rediscounted portfolio	136	-	136	151	-	151
Leasing portfolio	246	-	246	132	-	132
Business or commercial activity	87,898	1,682	89,580	87,020	1,586	88,606
Loans to financial institutions	5,404	23	5,427	4,322	6	4,328
Loans to government entities	18,412	47	18,459	22,514	29	22,543
Total trade loans	111,714	1,752	113,466	113,856	1,621	115,477
Consumer loans						
TDC	110,705	953	111,658	101,107	1,194	102,301
Other consumer goods	9,770	401	10,171	7,996	176	8,172
Total consumer loans	120,475	1,354	121,829	109,103	1,370	110,473
Mortgage loans	36,528	117	36,645	33,478	126	33,604
Total, see note 30	**$ 268,717**	**$ 3,223**	**$ 271,940**	**$ 256,437**	**$ 3,117**	**$ 259,554**

The loans granted, grouped by economic sectors as of December 31, 2025 and 2024, are shown below:

	2025		2024	
	Amount	Percentage of concentration	Amount	Percentage of concentration
Sector				
Private (companies and individuals)	$ 890,060	42.61%	$ 824,337	42.41%
Credit cards and consumption	569,788	27.27%	500,134	25.73%
Mortgage	399,410	19.12%	368,911	18.98%
Loans to government entities	176,928	8.47%	203,876	10.49%
Financial	52,732	2.52%	43,729	2.25%
External (financial entities of the foreign)	143	0.01%	2,764	0.14%
Other overdue debts	1	0.00%	-	0.00%
Total	**$ 2,089,062**	**100.00%**	**$ 1,943,751**	**100.00%**

The written-off loans that were in stage 3 for the fiscal years 2025 and 2024 amount to $6,354 and $41,564, respectively, of which there are no loans granted to related parties.

Related credits - As of December 31, 2025 and 2024, the credits granted to related parties in accordance with the provisions of Article 73 of Ley de Instituciones de Crédito, total $48,507 and $50,231, which include $16,634 and $17,337 of letters of credit, respectively, which are recorded in memorandum accounts.

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Loan defaults - The following details loan defaults with a payment frequency of less than 30 days (weekly, bi-weekly):

	2025					
	Stage 1		Stage 2		Stage 3	
No Defaults	**No Contracts**	**Amount**	**No Contracts**	**Amount**	**No Contracts**	**Amount**
Daily amortization	**2,023**	**$ 287**	**154**	**$ 21**	**329**	**$ 29**
COMMERCIAL	**2,023**	**287**	**154**	**21**	**329**	**29**
1	1,495	252	-	-	-	-
2	207	12	-	-	-	-
3	105	5	-	-	-	-
>=4	216	18	154	21	329	29
Bi-weekly amortization	**48,127**	**2,904**	**65,917**	**4,918**	**93,038**	**6,293**
CONSUMER PAYROLL	**32,960**	**1,609**	**46,228**	**2,990**	**69,532**	**3,892**
1	20,769	989	639	45	66	4
2	11,993	620	1,381	110	141	5
3	198	-	13,030	733	172	8
>=4	-	-	31,178	2,102	69,153	3,875
PERSONAL CONSUMPTION	**15,167**	**1,295**	**19,689**	**1,928**	**23,506**	**2,401**
1	9,994	827	341	28	110	19
2	5,138	467	977	110	121	21
3	35	1	5,053	482	116	17
>=4	-	-	13,318	1,308	23,159	2,344
Total	**50,150**	**$ 3,191**	**66,071**	**$ 4,939**	**93,367**	**$ 6,322**

	2024					
	Stage 1		Stage 2		Stage 3	
No Defaults	**No Contracts**	**Amount**	**No Contracts**	**Amount**	**No Contracts**	**Amount**
Daily amortization	**1,094**	**$ 209**	**84**	**$ 9**	**218**	**$ 29**
COMMERCIAL	**1,094**	**209**	**84**	**9**	**218**	**29**
1	880	187	-	-	-	-
2	104	7	-	-	-	-
3	18	3	-	-	-	-
>=4	92	12	84	9	218	29
Bi-weekly amortization	**40,642**	**2,516**	**66,149**	**4,595**	**81,780**	**5,535**
CONSUMER PAYROLL	**27,303**	**1,336**	**46,333**	**2,651**	**59,249**	**3,301**
1	16,661	798	815	51	87	4
2	10,460	537	1,679	123	123	5
3	182	1	12,041	659	162	7
>=4	-	-	31,798	1,818	58,877	3,285
PERSONAL CONSUMPTION	**13,339**	**1,180**	**19,816**	**1,944**	**22,531**	**2,234**
1	8,736	762	520	48	94	14
2	4,547	417	1,059	105	102	12
3	56	1	5,176	504	113	11
>=4	-	-	13,061	1,287	22,222	2,197
Total	**41,736**	**$ 2,725**	**66,233**	**$ 4,604**	**81,998**	**$ 5,564**

As of December 31, 2025, the remaining balance of the special CETES and special CETES “C” is comprised as follows:

	Special CETES			Special CETES "C"		
Origin Trust	**Number of securities**	**Amount**	**Maturity date**	**Number of securities**	**Amount**	**Maturity date**
423-9	10,656,993	$ 2,079	01/07/2027	468,306	$ 27	01/07/2027
Total (note 7c)		**$ 2,079**			**$ 27**	

Loan Granting Policies and Procedures - The granting, monitoring, and recovery of loans are regulated in the Institution's Credit Manual, authorized by the Board of Directors. The Credit Manual establishes the framework for the actions of the officials involved in the loan process and is based on the regulations of the LIC, the prudential provisions on credit established by the Commission, and sound banking practices.

The authorization of loans, a responsibility of the Board of Directors, is centralized in the committees and authorized officials. For loan management, the overall process, from origination to recovery, is defined, specifying, by business unit, the policies, procedures, responsibilities of the officials involved, and the tools they must use at each stage of the process.

The credit process is based on a rigorous analysis of loan applications to determine the overall risk of the borrower. Most loans require at least one alternative source of repayment. The main policies and procedures for determining credit risk concentrations, which are part of the Credit Manuals, are shown below:

Common risk

– To know the criteria for determining the natural or legal persons that represent a common risk for the Institution.

– To understand the criteria for determining when individuals and/or legal entities act in a concentrated manner and are integrated into the same business group or consortium, in order to identify the accumulated potential risk and the maximum financing limit to be granted.

Maximum financing limit

– To publicize the rules issued by the authorities regarding the maximum legal credit limit.

– Report the updated maximum limit for the Institution, as well as the handling of exceptions.

Risk diversification

The Institution maintains the following credit risk operations, in compliance with the general rules for risk diversification in the performance of active and passive operations of the Provisions.

As of December 31, 2025, the Institution registered seven groups that meet the criteria for Large Exposure, exceeding 10% of Core Capital, in accordance with applicable regulations. Of these, six groups are exempt from the regulatory limit, pursuant to Article 56, sections I to X, of the General Provisions applicable to Credit Institutions. The seventh group presented an exposure equivalent to 13.77% of Core Capital, falling within the 100% regulatory limit.

Potential risk

- That credit applications be sanctioned in terms of the amount of risk.

- Avoid exposure to risk above the legal limit and other established institutional limits.

In consumer loans, mortgages, and in the small and microenterprise segment, automated evaluation and monitoring mechanisms have been implemented, based on certain standard factors that, in the Institution's opinion, are significant for decision-making, allowing for more efficient handling of high volumes of applications.

(11) Restructured loans denominated in UDIs-

As of December 31, 2025 and 2024, the amount of restructured loans denominated in UDIs is $692 and $853, respectively.

(12) Allowance for loan losses-

As of December 31, 2025 and 2024, the Institution's credit portfolio rating, which includes the amounts for irrevocable credit lines and letters of credit recorded in memorandum accounts, the basis for recording allowance for loan losses made in accordance with note 3, is shown below:

	2025				
		Allowance for loan losses			
Risk category	Exposure used for rating	Commercial	Consumer	Mortgage	Total allowances for loan losses
A1	$ 1,592,986	$ 2,680	$ 3,819	$ 223	$ 6,722
A2	112,318	706	2,134	23	2,863
B1	115,398	276	4,042	10	4,328
B2	61,417	242	2,792	27	3,061
B3	57,383	774	2,413	33	3,220
C1	51,735	378	3,662	286	4,326
C2	41,985	233	6,049	297	6,579
D	21,729	2,029	5,277	268	7,574
E	34,804	3,524	16,537	4,724	24,785
Total	**$ 2,089,755**	**$ 10,842**	**$ 46,725**	**$ 5,891**	**$ 63,458**

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	2024				
		Allowance for loan losses			
Risk category	Exposure used for rating	Commercial	Consumer	Mortgage	Total allowances for loan losses
A1	$ 1,589,380	$ 2,316	$ 3,197	$ 214	$ 5,727
A2	108,697	733	1,811	34	2,578
B1	97,881	144	3,525	14	3,683
B2	48,276	167	2,183	15	2,365
B3	49,242	589	2,083	32	2,704
C1	46,886	410	3,105	277	3,792
C2	37,492	154	5,148	289	5,591
D	21,207	1,753	4,792	381	6,926
E	31,344	4,072	14,176	4,105	22,353
	2,030,405	10,338	40,020	5,361	55,719
Additional allowance	-	910	3,702	-	4,612
Total	**$ 2,030,405**	**$ 11,248**	**$ 43,722**	**$ 5,361**	**$ 60,331**

The total base portfolio balance for rating includes amounts for opening irrevocable credits and letters of credit, which are recorded in memorandum accounts.

The balance of the estimate as of December 31, 2025 and 2024, is determined based on the portfolio balances as of those dates.

The precautionary estimates include reserves that cover 100% of the interest due as of December 31, 2025 and 2024.

The amount of the estimate as of December 31, 2025 and 2024, includes the rating of loans granted in foreign currency valued at the exchange rate on those dates.

As of December 31, 2025 and 2024, allowance for loan losses represents 185.79% and 193.06% respectively, of the stage 3 portfolio.

Allowance for loan losses as of December 31, 2025 and 2024, amounts to $63,458 and $60,331, which includes $63,458 and $55,719, respectively, of estimate calculated according to the methodologies approved by the Commission under the General Standard Methodology and Internal Methodologies of reserves based on NIF C-16, and $0 of additional reserves created as part of the modification during 2025 and $4,612 during 2024 to the variables Delay (ATRi), Probability of Default (PI), Severity of Default (SP), (%PAGOiA) and “amount due”.

As of December 31, 2025 and 2024, allowance for loan losses by portfolio type is comprised as follows:

	2025	2024
Commercial:		
Business or commercial activity	$ 9,644	$ 10,385
Financial institutions	333	193
Government entities	865	670
	10,842	11,248
Consumer loans	46,725	43,722
Mortgage loans	5,891	5,361
Total loan allowances	**$ 63,458**	**$ 60,331**

Movements in the preventive allowance for credit risks - Below is an analysis of the movement of the preventive allowance for credit risks for the years ending December 31, 2025 and 2024.

	2025		
	Stage 1-3	**Additional**	**Total**
Opening balance	$ 55,719	$ 4,612	$ 60,331
Estimates charged to results of the year [(1)]	67,567	(4,612)	62,955
Applications and write-offs of the year	(59,584)	-	(59,584)
Exchange rate effect	(244)	-	(244)
Ending balance	**$ 63,458**	**$ -**	**$ 63,458**

	2024		
	Stage 1-3	**Additional**	**Total**
Opening balance	$ 48,277	$ 6,918	$ 55,195
Estimates charged to results of the year [(1)]	58,950	(2,306)	56,644
Applications and write off the year	(51,872)	-	(51,872)
Exchange rate effect	364	-	364
Ending balance	**$ 55,719**	**$ 4,612**	**$ 60,331**

(1) The amount of recoveries of previously written-off or eliminated credit portfolio as of December 31, 2025 and 2024 amounts to $1,999 and $1,972, respectively, and are presented in the "allowance for loan losses" item in the consolidated statement of comprehensive income, so the net movement in results for the years ended December 31, 2025 and 2024, is ($60,956) and ($54,672), respectively.

Cancellation of allowance for loan losses -

The preventive cancellation for credit risks for 2025 and 2024 amounts to ($59,584) and ($51,872), respectively.

The reasons that led to this cancellation are described below:

A. award;
B. elimination;
C. write offs;
D. early repayment of the loan; etc.

(13) Other accounts receivable, net-

The balance of other accounts receivable as of December 31, 2025 and 2024, is comprised as follows:

	2025	2024
Debtors for settlement of operations (a)	$ 68,015	$ 181,365
Loans to officials and employees (b)	27,066	25,475
Miscellaneous debtors	8,176	9,045
Collateral provided by OTC derivatives (c)	7,044	11,194
Income tax (net)	-	5,925
Others	4,397	3,836
	114,698	**236,840**
Allowance for credit losses	(618)	(516)
Allowance of employee loans	(245)	(210)
	$ 113,835	**$ 236,114**

Movements of the allowance for unrecoverable debts - The following is an analysis of the movement of the allowance for unrecoverable debts for the years ending December 31, 2025 and 2024, excluding reserve for loans used.

	2025	2024
Opening balance	$ (516)	$ (443)
Change-offs	(4,522)	(7,068)
Reversals of allowance	4,420	6,995
Ending balance	**$ (618)**	**$ (516)**

(a) Debtors for the liquidation of operations as of December 31, 2025 and 2024, are integrated as shown below:

	2025	2024
Currencies[(a1)]	$ 47,242	$ 138,108
Investments in securities	16,141	40,029
Derivatives	4,632	3,228
	$ 68,015	**$ 181,365**

(a1) As of December 31, 2025 and 2024, the settlement balance of operations is netted by the purchase and sale of foreign currency for $61,015 and $109,977, respectively.

(b) As of December 31, 2025 and 2024, it corresponds to officials and employees belonging to the Institution.

(c) Debtors for collateral provided by OTC derivatives as of December 31, 2025 and 2024, are integrated as follows:

	2025			2024
	Acquisition cost	Accrued interest	Value in books	Value in books
Collateral provided by derivatives:				
Actinver Casa Bolsa, S.A. de C.V.	$ 68	$ -	$ 68	$ 157
MUFG Bank Mexico, S.A.	49	-	49	-
Banco Actinver S.A. IBM	-	-	-	37
Banco Afirme	-	-	-	3
Banco Base, S.A. IBM	-	-	-	8
Multiva S.A.	23	-	23	-
Banco Intercam, S.A. IBM	-	-	-	56
Banco Invex, S.A. IBM	99	-	99	-
Banco JP Morgan, S.A. IBM	-	-	-	189
Banco J Aron	5	-	5	286
Banco Mercantil del Norte, S.A. IBM	192	1	193	-
Banco Inbursa S.A.	436	1	437	-
Banco Nacional de Comercio Exterior, S.N.C.	1,174	7	1,181	29
Banco Nacional de Obras	449	2	451	2,771
Banco Nacional de México, S.A.	1,183	4	1,187	2,514
Banco Regional del Norte	-	-	-	117
Banco Santander, S.A. IBM	-	-	-	1,224
Citi Bank Mexico SA	665	3	668	-
Banco Ve por más, S.A. IBM	14	-	14	45
Bank of America México, S.A. IBM	882	3	885	1,169
Barclays Bank PLC	252	1	253	695
Bofa Charlotte Ibf	-	-	-	13
Casa de Bolsa Finamex, S.A.B. de C.V.	2	-	2	29
Goldman Sachs	283	1	284	985
Natixis SA	32	-	32	-
Merril Lynch Capital	779	2	781	216
Morgan Stanley	118	-	118	471
Deutsche Bank	238	1	239	-
Societe Generale	-	-	-	164
Standard Chartered Bank	3	-	3	16
Mizuho Bank Mexico	53	-	53	-
BBVA Colombia	19	-	19	-
	$ 7,018	**$ 26**	**$ 7,044**	**$ 11,194**

(14) Foreclosed assets, net-

The balance of assets foreclosed as of December 31, 2025 and 2024, is comprised as follows:

	2025	2024
Constructions	$ 2,425	$ 2,200
Land	489	639
	2,914	2,839
Allowance for impairment	(1,073)	(1,279)
Total	**$ 1,841**	**$ 1,560**

During the fiscal years 2025 and 2024, there were no assets foreclosed for the use of the Institution.

For the years ending December 31, 2025 and 2024, the movements of the reserve for the reduction of value of foreclosed assets are summarized below:

	2025	2024
Opening balance	**$ 1,279**	**$ 1,691**
Establishment of reserve in results in:		
"Other operating income"	111	125
Reserve application for foreclosure sales and others	(317)	(537)
Ending balance	**$ 1,073**	**$ 1,279**

As of December 31, 2025 and 2024, the foreclosed assets reserved in their entirety are presented below:

	2025	2024
Constructions – Award Value	$ 691	$ 798
Land – Award value	210	304
Total	**$ 901**	**$ 1,102**

(15) Property, plant and equipment (net)-

As of December 31, 2025 and 2024, the property, furniture and equipment are analyzed as shown below:

	2025		2024	
	Investment	Accumulated depreciation	Investment	Accumulated depreciation
Components subject to depreciation				
Furniture and equipment	$ 27,583	$ (19,566)	$ 27,357	$ (18,902)
Office furniture and equipment	18,844	(6,159)	19,226	(6,115)
Installation costs	30,700	(18,379)	26,874	(16,938)
	$ 77,127	**$ (44,104)**	**$ 73,457**	**$ (41,955)**

	2025		2024	
	Investment	Accumulated depreciation	Investment	Accumulated depreciation
Components not subject to depreciation				
Land	$ 5,202		$ 5,414	
Ongoing installation costs	697		2,092	
	5,899		7,506	
Property, plant and equipment, net	**$ 38,922**		**$ 39,008**	

The total depreciation for the fiscal years 2025 and 2024 was recorded in the results for an amount of $2,821 and $3,003, respectively; and the amortization for $2,101 and $2,079, respectively; which were recorded in the "administration and promotion expenses" category.

Movements of Property, Furniture and Equipment - The following is an analysis of the movement of Property, Furniture and Equipment for the years ended December 31, 2025 and 2024.

	2025	2024
Opening balance	$ 39,008	$ 39,405
Additions	5,298	4,902
Disposals	(462)	(218)
Depreciation / Amortization	(4,922)	(5,081)
Exchange rate effect	(1)	1
Ending balance	**$ 38,922**	**$ 39,008**

(16) Assets for rights of use of property, plant and equipment (net), intangible assets (net) and lease liabilities-

The Institution leases properties to house its branches. Leases are generally for a period of five-years, of which, as specified in the contract, between 1 and 3 years are binding on both parties, and the remaining years are the responsibility of the lessor. At the end of the term, there is an option to renew the lease. Lease payments are renegotiated at the end of the lease agreement. The amount of the rental payments is mostly adjusted annually based on the National Consumer Price Index (INPC).

The following information pertains to leases for which the Institution is a lessee.

Leasehold assets (right-of-use assets)

Right-of-use assets related to leased property and software that do not meet the definition of investment property consist of the following:

	Estate	
	2025	2024
Opening balance	$ 5,050	$ 5,519
Accumulated depreciation	(2,488)	(2,442)
Additions	2,305	1,970
Right-of-use assets (ROU assets)	(57)	-
Ending balance	**$ 4,810**	**$ 5,047**

	Software	
	2025	2024
Opening balance	$ -	$ -
Amortization of the year	(41)	-
Additions	211	-
Ending balance	**$ 170**	**$ -**

Lease liabilities

The amount of their commitments as of December 31, 2025 and 2024, amounts to $5,447 and $5,503, respectively.

Amounts recognized in results:

	2025	2024
Financial Margin:		
Interest in lease liabilities	$ 454	$ 472
Overheads:		
Depreciation of the right-of-use asset	(2,488)	(2,521)
Expenses related to short-term leases	(41)	-
Expenses related to leases of low value assets, excluding short term	272	255
Others	511	466

Total cash outflows for leases during 2025 and 2024 amounted to $3,052 and $2,937, respectively.

(17) Permanent investments-

As of December 31, 2025 and 2024, investments in associated companies were valued using the equity method, and there are other permanent investments without significant influence that are recorded at their acquisition cost, the main ones being detailed below:

	Stake %		Amount	
	2025	2024	2025	2024
Fideicomiso No.1729 INVEX - Disposal of Portfolio [1]	32.25%	32.25%	$ 105	$ 188
Servicios Electrónicos Globales, S.A. de C.V.	46.14%	46.14%	1,187	926
Compañía Mexicana de Procesamiento, S.A. de C.V.	50.00%	50.00%	113	122
Fideicomiso FIMPE	28.50%	28.50%	33	31
Other investments recognized at cost	Several	Several	184	140
Total			**$ 1,622**	**$ 1,407**

The investment in shares of associated companies was determined in some cases based on unaudited financial information, which is adjusted if there are differences, once it is available.

For the years ending December 31, 2025 and 2024, the Institution recognized the participation in results of associates for $459 and $406, respectively.

(1) In October 2013, Trust 1729 Invex Portfolio Disposal (Trust 1729) was established between the banks that had a problematic factoring portfolio with Corporación GEO, with Banco Invex, S.A. acting as trustee. The trustors contributed the collection rights and cash for expenses, and Corporación GEO exchanged the collection rights subject to the trust for real estate located in different parts of the Mexican Republic.

As of December 31, 2025 and 2024, the basic condensed information on the financial position of the associated companies is as follows:

	2025			
	Asset	Liabilities	Equity	Net income
Fideicomiso No.1729 INVEX - Portfolio Disposal[1]	$ 1,197	$ -	$ 1,197	$ 127
Servicios Electrónicos Globales, S.A. de C.V.	4,402	1,830	2,573	553
Compañía Mexicana de Procesamiento, S.A. de C.V.	290	64	226	(19)
Fideicomiso FIMPE	162	46	115	14
Ciberentidad, S.A. de C.V.	96	1	95	(5)
Total	**$ 6,147**	**$ 1,941**	**$ 4,206**	**$ 670**

	2024			
	Asset	Liabilities	Equity	Net income
Fideicomiso No.1729 INVEX - Disposal of Portfolio [1]	$ 1,195	$ -	$ 1,195	$ -
Servicios Electrónicos Globales, S.A. de C.V.	3,508	1,501	2,007	503
Compañía Mexicana de Procesamiento, S.A. de C.V.	293	49	244	(30)
Fideicomiso FIMPE	144	35	109	40
Ciberentidad, S.A. de C.V.	N/A	N/A	N/A	N/A
Total	**$ 5,140**	**$ 1,585**	**$ 3,555**	**$ 513**

The value of the Institution's contribution and the movement of its reserve, in Trust 1729 as of December 31, 2025 and 2024, is shown below:

Concept	2025	2024
Total contributions	$ 422	$ 644
Associated reservation	210	(270)
Net value	632	374
Allowance for derecognition	(526)	(186)
Net value	**$ 106**	**$ 188**

As a result of updates to the appraisals and the various recovery advances by the Trust, the Institution recorded during the year ended December 31, 2025 and 2024, movements in the reserve on the participation of Trust 1729 for ($139) and ($70), respectively.

(18) Sundry creditors and other accounts payable-

For the years ending December 31, 2025 and 2024, they are integrated as follows:

	2025	2024
Foreign currency to be delivery (note 5)	$ -	$ 84,702
Other deposits and obligations	13,011	17,052
Provisions for administrative and personnel expenses	11,616	10,016
Legal, tax and labor contingencies	4,099	2,940
Others	13,384	11,657
Total	**$ 42,110**	**$ 126,367**

(19) Intangible assets (net)-

As of December 31, 2025 and 2024, intangible assets are comprised as follows:

	2025	2024
Opening balance	**$ 6,040**	**$ 5,021**
Additions	4,042	3,280
Disposals	(376)	(575)
Amortization of the year	(1,898)	(1,686)
Ending balance	**$ 7,808**	**$ 6,040**

The software in progress as of December 31, 2025 and 2024, is $814 and $886, respectively.

For the years ending December 31, 2025 and 2024, the amount of amortization charged to the results of the fiscal year is $1,898 and $1,686, respectively.

(20) Deposits-

As of December 31, 2025 and 2024, traditional deposits is integrated as follows:

	2025	2024
Demand deposits (a):		
Demand deposits	$ 1,679,511	$ 1,540,914
Time deposits:		
General public	314,181	266,837
Money market	23,635	21,855
Issued credit instruments (b)	159,610	135,432
Dormant accounts	7,771	7,019
Total	**$ 2,184,708**	**$ 1,972,057**

(a) As of December 31, 2025, the average rates in local currency for demand deposits (unaudited) according to their short-term and long-term maturity are 1.60% and 5.90%, respectively. As of December 31, 2024, the average rates in local currency for demand deposits (unaudited) according to their short-term and long-term maturity are 2.22% and 8.42%, respectively.

(b) As of December 31, 2025 and 2024, the Institution has short-term and long-term debt placed with a market value of $159,610 and $135,432, respectively, which are comprised as follows:

	2025			2024		
	Amount	Average term (days)	Average rate	Amount	Average term (days)	Average rate
Long term bank bonds	$ 5,115	3,623	7.41%	$ 1,247	3,079	10.16%
Short term bank bonds	14,559	58	5.47%	10,519	94	8.66%
Securitized debt certificates in MXN	102,612	1,285	8.41%	77,142	1,155	10.18%
Securitized debt certificates in UDIs	19,825	190	4.36%	19,080	555	4.36%
Securitized debt certificates in USD	6,519	828	4.56%	4,214	1,025	4.77%
Subordinated and Senior Notes	10,980	1,349	5.25%	23,230	988	3.56%
Total	**$ 159,610**			**$ 135,432**		

Liquidity ratio (unaudited) - The provisions of the "Regime for the admission of liabilities and investment for foreign currency operations" issued by the Central Bank for credit institutions establish the mechanism for determining the liquidity ratio on liabilities denominated in foreign currency.

In accordance with the aforementioned regime, as of December 31, 2025 and 2024, the Institution generated an additional liquidity requirement of US$892 million and US$2,786 million, respectively. As of December 31, 2025 and 2024, investment in liquid assets amounted to US$8,282 million and US$9,433 million, respectively, resulting in a surplus of US$7,390 million and US$6,647 million, respectively.

(21) Interbank and other borrowings-

The loans received as of December 31, 2025 and 2024, are as follows:

	National Currency		Average % rate *		Average term (days)	
	2025	2024	2025	2024	2025	2024
Loans from other organizations:						
Short term:						
Trusts established in relationship with Agriculture (FAIR)	$ 6,984	$ 4,590	10.24	12.11	174	147
					Average term (years)	
					2025	2024
Long term:						
FIRA	$ 6,760	$ 6,435	10.33	11.99	3	3
Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI)	9	12	8.84	9.21	25	25
	$ 6,769	**$ 6,447**				

	US dollar strengthens		Average % rate *		Average term (days)	
	2025	2024	2025	2024	2025	2024
Loans from other organizations:						
Short term:						
FIRA	$ 972	$ 1,515	6.62	7.33	173	122
Instituto de Crédito Oficial (ICO)	21	268	4.73	-	182	-
	$ 993	**$ 1,783**				
			Average % Rate *		Average term (years)	
			2025	2024	2025	2024
Long term:						
FOVI	$ 1,651	$ -	4.73	-	5	-
FIRA	1,285	829	5.83	6.84	3	3
	$ 2,936	**$ 829**				

	Total amounts	
	2025	2024
Short term	$ 7,977	$ 6,373
Long term	9,705	7,276
	$ 17,682	**$ 13,649**

* The rate shown corresponds to the contractual terms, considering the fixed component plus the reference rate as of December 31, 2025.

The Institution has a liquidity line at the Central Bank up to the amount of the DRM (see note 5) which as of December 31, 2025 and 2024, amounted to $34,558 and $33,902 respectively, the provisioned but unliquidated interest is $101 and $132 respectively, totaling $34,659 and $34,034. As of December 31, 2025 and 2024, it did not use said line.

(22) Employee benefits-

The balance as of December 31, 2025 and 2024 is comprised as follows:

	2025	2024
Employee participation in profits	$ 5,362	$ 5,046
Net defined benefit liabilities	13,149	8,570
Recoveries to be collected Plan Porvenir	(43)	(328)
Total	**$ 18,468**	**$ 13,288**

Net defined benefit liabilities

As of December 31, 2025, the information on the net defined benefit (liability) is integrated as follows:

		Other retirement benefits					
	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Obligations for benefits defined	$ (27,275)	$ (34,971)	$ (3,338)	$ (108)	$ (589)	$ (3,424)	$ (69,705)
Plan Assets	17,493	36,124	2,527	-	412	-	56,556
(Liabilities) Net by defined benefits defined	**$ (9,782)**	**$ 1,153**	**$ (811)**	**$ (108)**	**$ (177)**	**$ (3,424)**	**$ (13,149)**

As of December 31, 2025, the defined benefit obligations are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Opening balance	$ 20,542	$ 25,813	$ 2,429	$ 91	$ 526	$ 2,980	$ 52,381
Labor cost of the service	156	258	5	2	24	351	796
Financial cost	2,332	3,046	283	10	61	329	6,061
Actuarial losses and (gains) for the period	6,963	7,636	662	13	55	83	15,412
Paid benefits	(2,718)	(1,782)	(41)	(8)	(77)	(319)	(4,945)
Ending balance	**$ 27,275**	**$ 34,971**	**$ 3,338**	**$ 108**	**$ 589**	**$ 3,424**	**$ 69,705**
Average remaining working life	**16.75**	**6.80**	**18.50**	**18.50**	**15.77**	**6.43**	

As of December 31, 2025, the Plan Assets ("AP") are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
AP at the beginning of the year	$ 13,405	$ 28,812	$ 1,979	$ -	$ 363	$ -	$ 44,559
Contributions made by the entity	3,607	2,238	177	-	65	-	6,087
Expected performance of APs	1,467	3,409	229	-	41	-	5,146
Actuarial gains generated in the period	1,732	3,447	183	-	20	-	5,382
Paid benefits	(2,718)	(1,782)	(41)	-	(77)	-	(4,618)
Transfer of plan assets	-	-	-	-	-	-	-
AP at the end of the year	**$ 17,493**	**$ 36,124**	**$ 2,527**	**$ -**	**$ 412**	**$ -**	**$ 56,556**

As of December 31, 2025, the net income (cost) for the period is comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Labor cost of the service:							
Current service	$ (156)	$ (258)	$ (5)	$ (2)	$ (24)	$ (351)	$ (796)
Interest costs of obligations for benefits defined	(2,332)	(3,046)	(283)	(10)	(60)	(329)	(6,060)
Interest income from AP	1,467	3,409	229	-	41	-	5,146
Recycling of remediation Net asset (liability) for profit defined by recognizing in ORI:							
Gains (losses) from the obligations for benefits defined	(543)	1,778	(12)	3	(1)	(222)	1,003
AP Gains (Losses)	(201)	(1,087)	(14)	-	(5)	-	(1,307)
Net income (cost) for the period	**$ (1,765)**	**$ 796**	**$ (85)**	**$ (9)**	**$ (49)**	**$ (902)**	**$ (2,014)**

As of December 31, 2025, the remeasurements of the (liability), net defined benefit asset recognized in OCI, are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Reconciliation of actuarial (losses) gains:							
Beginning balance (losses) gains in the obligation	$ 8,836	$ (12,069)	$ 232	$ (54)	$ 16	$ 1,432	$ (1,607)
(Losses) gains in the obligation	6,963	7,636	662	13	55	82	15,411
Recycling of remeasurements in the obligation	(543)	1,778	(12)	3	(1)	(222)	1,003
Ending balance (losses) gains in the obligation	15,256	(2,655)	882	(38)	70	1,292	14,807
Beginning balance (losses) gains in the return on assets	3,361	7,385	225	-	73	-	11,044
Gains (losses) on the return of the AP	(1,732)	(3,447)	(183)	-	(20)	-	(5,382)
Recycling of remeasurements in the return of the AP	(201)	(1,087)	(14)	-	(5)	-	(1,307)
Ending balance (losses) gains in the return of the AP	1,428	2,851	28	-	48	-	4,355
Ending balance (losses) gains net recognized in ORI	**$ 16,684**	**$ 196**	**$ 910**	**$ (38)**	**$ 118**	**$ 1,292**	**$ 19,162**

As of December 31, 2024, the information on the net defined benefit (liability) is comprised as follows:

	Other retirement benefits						
	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Obligations for benefits defined	$ (20,542)	$ (25,813)	$ (2,430)	$ (91)	$ (525)	$ (2,984)	$ (52,385)
Plan Assets	13,405	28,812	1,978	-	364	-	44,559
(Liabilities) Net from benefits defined	(7,137)	2,999	(452)	(91)	(161)	(2,984)	(7,826)
Service accreditation reservation medical beneficiaries	-	(744)	-	-	-	-	(744)
(Liabilities) Net from benefits defined	**$ (7,137)**	**$ 2,255**	**$ (452)**	**$ (91)**	**$ (161)**	**$ (2,984)**	**$ (8,570)**

In the 2024 fiscal year, an additional reserve was established in the Comprehensive Medical Services Plan due to the accreditation of beneficiaries at the end of December subject to this benefit, which amounts to $744, leaving a net liability for defined benefits of $2,255 in this plan.

As of December 31, 2024, the defined benefit obligations are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Opening balance	$ 20,231	$ 31,422	$ 2,288	$ 101	$ 507	$ 2,621	$ 57,170
Labor cost of the service	156	334	5	3	25	309	832
Financial cost	1,994	3,211	231	10	51	250	5,747
Actuarial losses and (gains) of the period	373	(7,667)	(60)	(16)	(6)	202	(7,174)
Paid benefits	(2,212)	(1,487)	(34)	(7)	(52)	(398)	(4,190)
Obligations for benefits defined at year-end	**$ 20,542**	**$ 25,813**	**$ 2,430**	**$ 91**	**$ 525**	**$ 2,984**	**$ 52,385**
Average remaining working life	17.35	7.85	16.7	16.7	15.29	6.46	

As of December 31, 2024, the Plan Assets (“PA”) are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
AP at the beginning of the year	$ 15,166	$ 31,950	$ 2,018	$ -	$ 366	$ -	$ 49,500
Contributions made by the entity	1,333	296	46	-	51	-	1,726
Expected performance of APs	1,466	3,266	203	-	37	-	4,972
Actuarial gains generated in the period	(2,348)	(5,213)	(255)	-	(38)	-	(7,854)
Paid benefits	(2,212)	(1,487)	(34)	-	(52)	-	(3,785)
AP at the end of the year	**$ 13,405**	**$ 28,812**	**$ 1,978**	**$ -**	**$ 364**	**$ -**	**$ 44,559**

As of December 31, 2024, the net income (cost) for the period is comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Labor cost of the service:							
Current service	$ (156)	$ (334)	$ (5)	$ (3)	$ (25)	$ (309)	$ (832)
Interest costs of obligations for benefits defined	(1,994)	(3,211)	(231)	(10)	(51)	(250)	(5,747)
Interest income from AP	1,466	3,266	203	-	37	-	4,972
Recycling of remediation Net asset (liability) for profit defined by recognizing in ORI:							
Gains (losses) from the obligations for benefits defined	(543)	641	(18)	2	(1)	(226)	(145)
AP Gains (Losses)	(63)	(315)	1	-	(2)	-	(379)
Net income (cost) for the period	**$ (1,290)**	**$ 47**	**$ (50)**	**$ (11)**	**$ (42)**	**$ (785)**	**$ (2,131)**

As of December 31, 2024, the remeasurements of the (liability), net defined benefit asset recognized in OCI, are comprised as follows:

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Reconciliation of actuarial (losses) gains:							
Beginning balance (losses) gains in the obligation	$ 9,006	$ (5,045)	$ 311	$ (41)	$ 22	$ 1,457	$ 5,710
(Losses) gains in the obligation	373	(7,667)	(60)	(16)	(6)	202	(7,174)
Recycling of remeasurements in the obligation	(543)	641	(18)	2	(1)	(226)	(145)
Ending balance (losses) gains in the obligation	**$ 8,836**	**$ (12,071)**	**$ 233**	**$ (55)**	**$ 15**	**$ 1,433**	**$ (1,609)**

	Pension plan and seniority bonus	Comprehensive medical services	Death benefit	Sports club for retirees	Plan Porvenir bonus	Statutory severance	Total
Beginning balance (losses) gains in the return on assets	$ 1,076	$ 2,489	$ (32)	$ -	$ 37	$ -	$ 3,570
Gains (losses) on the return of the AP	2,348	5,213	255	-	38	-	7,854
Recycling of remeasurements in the return of the AP	(63)	(315)	1	-	(2)	-	(379)
Ending balance (losses) gains in the return of the AP	3,361	7,387	224	-	73	-	11,045
Ending balance (losses) gains net recognized in ORI	**$ 12,197**	**$ (4,684)**	**$ 457**	**$ (55)**	**$ 88**	**$ 1,433**	**$ 9,436**

In fiscal year 2024, the remeasurements were affected by an additional reserve in the Comprehensive Medical Services Plan, for $744, which was applied in 2025.

The plan called sports for retirees originates from the right of employees to continue receiving sports services once they retire; in this scheme the Institution covers part of the fees and the retiree the other part.

As of December 31, 2025 and 2024, the severance plan and the sports plan for retirees do not hold assets to fund defined benefit obligations.

As of December 31, 2025 and 2024, the assets of the various plans were primarily invested in government securities.

The main actuarial assumptions used in 2025 and 2024 are mentioned below:

	2025	2024
Nominal discount rate used to calculate the value present of the obligations	10.72%	12.11%
Expected rate of return on plan assets	10.72%	12.11%
Salary increase rate	4.50%	4.50%
Pension increase rate	7.70%	3.70%
Rate of increase in medical services	8.04%	8.04%
Nominal rate of increase in salary levels	4.50%	4.50%
Long-term inflation rate	3.50%	3.50%
Rate of increase for the minimum wage	12.00%	12.00%

(23) Subordinated obligations outstanding-

As of December 31, 2025 and 2024, they are analyzed as follows:

	2025	2024
Preferred capitalization notes for USD 1,000 million, issued in February 2025, at an interest rate of 7.625% payable semi-annually, beginning on August 11, 2025, with a maturity date of February 11, 2035, the number of securities in circulation is 1,000,000 with a nominal value of 1,000 dollars each.	$ 18,008	$ -
Preferred capitalization notes for USD 1,000 million, issued in January 2018, at an interest rate of 5.125% payable semi-annually, beginning on July 17, 2018, with a maturity date of January 18, 2033; the number of securities in circulation is 1,000,000 with a nominal value of 1,000 dollars each.	18,008	20,883
Preferred capitalization notes for USD 750 million, issued in September 2019, at an interest rate of 5.875% payable semi-annually, beginning on March 13, 2020, with a maturity date of September 13, 2034; the number of securities in circulation is 750,000 with a nominal value of 1,000 dollars each.	13,506	15,661

	2025	2024
Preferred capitalization notes for USD 1,000 million, issued in June 2023, at an interest rate of 8.45% payable semi-annually, beginning on December 26, 2023, with a maturity date of June 29, 2038; the number of securities in circulation is 1,000,000 with a nominal value of 1,000 dollars each.	18,008	20,883
Preferred capitalization notes for USD 900 million, issued in January 2024, at an interest rate of 8.125% payable semi-annually, beginning on July 8, 2024, with a maturity date of January 8, 2039; the number of securities in circulation is 900,000 with a nominal value of 1,000 dollars each.	16,207	18,795
Accrued but unpaid interest	1,830	1,508
Issuance Fees	(229)	(195)
Total	**$ 85,338**	**$ 77,535**

(24) Related parties-

The balances and significant transactions with related parties in accordance with NIF C-13 “Related Parties” are as follows:

	2025	2024
Banco Bilbao Vizcaya Argentaria, S.A.:		
Derivative financial instruments [1]	$ 466	$ (2,047)
Repurchase agreement creditors [1]	289,697	1,877
BBVA Seguros México, S.A. de C.V.:		
Fees collected [2]	$ 4,486	$ 4,249
Insurance premiums paid [2]	(263)	(259)
BBVA Pensiones México, S.A. de C.V.:		
Investments in Securities [1]	$ 3,424	$ 2,322
BBVA Asset Management México, S.A. de C.V.:		
Fees collected [2]	$ 8,265	$ 6,747
BBVA Technology América, S.A. de C.V. (formerly BBVA Axial Tech, S.A. de C.V.):		
Deposits [1]	$ 205	$ 685
Income:		
Interest [2]	34	24
Fees for administrative services [2]	31	23

	2025	2024
Expenses:		
Systems processing and development [2]	$ 5,523	$ 5,026
Interest [2]	68	88
Commissions [2]	15	13
BBVA Leasing México, S.A. de C.V.:		
Deposits [1]	$ 30	$ 63
Loan portfolio [1]	6,371	7,476
Income:		
Interest [2]	504	451
Fees for administrative services [2]	45	52

[1] This corresponds to the debit or (credit) balance as of December 31, 2025 and 2024.

[2] It corresponds to the income or (expense) in the consolidated statement of comprehensive income for the years ended December 31, 2025 and 2024.

As of December 31, 2025 and 2024, there are other transactions and operations with related parties that are not considered significant and, therefore, have not been disclosed.

(25) Income tax (ISR) and employee profit sharing (PTU)-

The current law establishes an income tax rate of 30%.

Main items that affected the determination of the Institution's fiscal result were the annual inflation adjustment, the provisions for expenses, the result from market valuation, the pre-maturity of derivative financial operations, the difference between accounting and tax depreciation and amortization, the deduction for written-off loan portfolio and the application of write-offs.

The reconciliation for the years ending December 31, 2025 and 2024, of the statutory income tax rate and the effective rates expressed as a percentage of profit before profit sharing of non-consolidated subsidiaries and associates and income tax, which is the tax incurred by the Institution, is:

	2025		2024	
	Tax	Rate	Tax	Rate
Legal rate	$ 41,206	30.00%	$ 38,472	30.00%
Increase (reduction) from:				
Effect of non-deductible differences / Non-deductible expenses	919	0.67%	476	0.37%
Annual inflation adjustment	(4,418)	(3.22%)	(4,657)	(3.63%)
Tax payments and provisions agreed with tax authorities during the year, net	1,800	1.31%	1,736	1.35%
Other effects	(639)	(0.46%)	(525)	(0.41%)
Effective rate	**$ 38,868**	**28.30%**	**$ 35,502**	**27.68%**

Other tax matters:

As of December 31, 2025 and 2024, the following balances exist:

	2025	2024
Net taxable profit account	$ 281,312	$ 251,898
Contribution capital account	99,505	96,012

The Institution has recognized deferred income tax arising from the temporary differences resulting from the comparison of the accounting and tax values of the assets and liabilities detailed below:

	2025		2024		
	Temporary differences		Temporary differences		
	Base	Deferred income tax	Base	Deferred income tax	Movement of the year
Deferred tax assets:					
Allowance for loan losses (not deducted)	$ 74,251	$ 22,275	$ 70,678	$ 21,203	$ 1,072
Fees and interest charged in advance	12,262	3,679	11,542	3,463	216
Provisions	15,713	4,714	12,507	3,752	962
Other assets	10,319	3,096	10,353	3,106	(10)
Foreclosed assets	1,766	530	2,078	623	(93)
Market valuation (results)	-	-	6,074	1,822	(1,822)
Valuation of financial instruments to collect and sell (shareholders' equity)	-	-	7,934	2,380	(2,380)
Valuation of derivative financial instruments cash flow hedging (equity)	-	-	4	1	(1)
Pre-expiration of financial transactions derivatives	487	146	84	25	121
Pension reserve	8,106	2,432	5,546	1,664	768
Deferred employee profit sharing	111,727	4,254	118,625	4,387	(133)
Total DTA	234,631	41,126	245,425	42,426	(1,300)
Deferred tax liabilities:					
Valuation of financial instruments to collect and sell (shareholders' equity)	$ 1,614	$ 484	$ -	$ -	$ 484
Market valuation (results)	862	258	-	-	258
Other liabilities	7,641	2,294	7,566	2,269	25
Total DTL	10,117	3,036	7,566	2,269	767
Net deferred assets	**$ 224,514**	**$ 38,090**	**$ 237,859**	**$ 40,157**	**$ (2,067)**
Movement in the year's results		$ (73)		$ 1,292	
Net charge (credit) in OCI		$ (1,994)		$ 478	

To determine the accrued and deferred profit-sharing (PTU) resulting from the labor reform of July 1, 2021, compliance with the Federal Labor Law (LFT) and the Income Tax Law (ISR) is required. Therefore, the following should be considered in its determination:

a) The Institution shall apply 10% to the taxable profit base of PTU, pursuant to the provisions of the Income Tax Law.

b) The amount determined in the previous paragraph must be assigned to each employee pursuant to the provisions of the LFT; however, the amount assigned to each employee may not exceed the greater of the following amounts: the equivalent of three months of the employee's current salary or the average PTU received by the employee in the previous three years.

c) If the profit-sharing amount determined in section (a) is greater than the sum of the profit-sharing amounts allocated to each and every employee according to section (b), the latter shall be considered the profit-sharing amount accrued for the period. Based on the Federal Labor Law, the difference between these two amounts is considered not to generate a payment obligation in either the current or future periods.

d) If the PTU determined in subsection (a) is less than or equal to that determined in subsection (b), the PTU in subsection (a) must be the PTU accrued for the period.

For the fiscal years ending December 31, 2025 and 2024, the amount of the profit-sharing accrued amounted to $5,012 and $4,829, respectively, which was recognized in the consolidated statement of results within the item of “administration and promotion expenses”.

According to Technical Report 53 issued by the CINIF in June 2021, the factor to be used in calculating deferred profit sharing (PTU) is determined by dividing the accrued PTU by the PTU calculated at 10% of taxable income. The resulting quotient is then multiplied by the legal PTU rate of 10% to obtain the factor to be applied in determining and calculating deferred employee profit sharing. For the fiscal years ending December 31, 2025 and 2024, the factor derived from the aforementioned method was 3.81% and 3.69%, respectively.

The Institution has recognized deferred profit-sharing derived from temporary differences that give rise to significant portions of the deferred PTU assets and liabilities as of December 31, 2025 and 2024, which are detailed below:

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	2025		2024	
	Temporary differences		Temporary differences	
	Base	Deferred PTU	Base	Deferred PTU
Deferred tax assets:				
Allowance for loan losses (not deducted)	$ 74,251	$ 2,826	$ 70,678	$ 2,613
Fees and interest charged in advance	12,262	467	11,542	427
Provisions	15,713	598	12,507	462
Other assets	5,019	190	5,370	198
Foreclosed assets	1,766	67	2,078	77
Market valuation (results)	-	-	6,074	225
Valuation of financial instruments to collect and sell (shareholders' equity)	-	-	7,934	293
Valuation of derivative financial instruments cash flow hedging (equity)	-	-	4	-
Pre-maturity of derivative financial transactions	487	19	84	3
Pension reserve	8,106	309	5,546	205
Total DTA	117,604	4,476	121,817	4,503
Deferred tax liabilities:				
Valuation of financial instruments to collect and sell (shareholders' equity)	$ 1,614	$ 61	$ -	$ -
Market valuation (results)	862	33	-	-
Other liabilities	3,401	128	3,192	116
Total liabilities	5,877	222	3,192	116
Net deferred assets	**$ 111,727**	**$ 4,254**	**$ 118,625**	**$ 4,387**
Movement in the year's results		$ 134		$ (973)
Net credit in the ORI		$ (267)		$ (22)

To assess the recoverability of deferred assets, management considers the probability that some or all of them will not be recovered. The eventual realization of deferred assets depends on the generation of taxable income in the periods to which temporary differences are deductible or non-taxable. In carrying out this assessment, management considers the expected reversal of deferred liabilities, projected taxable income, and planning strategies.

Other considerations:

Current tax legislation establishes that the authorities have the power to review up to five tax years prior to the last income tax return filed.

According to the Income Tax Law, companies that carry out operations with related parties residing in the country or abroad are subject to limitations and tax obligations regarding the determination of agreed prices, since these must be comparable to those they would use with or between independent parties in comparable operations.

In accordance with the OECD's administrative and technical guidance on global anti-erosion rules known as Pillar II, as of December 31, 2025, the Institution has deferred tax assets for tax losses not recorded in its accounting, originating from the Houston, Texas branch, amounting to $621 of ISR quota.

(26) Stockholders' Equity-

(a) Structure of capital stock-

The Institution share capital as of December 31, 2025 and 2024, is comprised as follows:

	Number of shares at par value of $0.28 pesos		
	Capital stock	**Issued Shares (unsubscribed)**	**Capital paid**
Series "F"	9,107,142,859	(1,370,063,922)	7,737,078,937
Serie “B”	8,749,999,999	(1,316,335,923)	7,433,664,076
	17,857,142,858	**(2,686,399,845)**	**15,170,743,013**

	Historical amounts		
	Capital stock	**Issued Shares (unsubscribed)**	**Capital paid**
Series "F"	$ 2,550	(384)	$ 2,166
Serie “B”	2,450	(368)	2,082
Subtotal	$ 5,000	(752)	4,248
Reordering of updates capital			10,971
Adjustment to pesos as of December 2007			8,924
Total			**$ 24,143**

On February 28, 2025, through the Ordinary General Meeting of Shareholders, the distribution of dividends up to the amount of $60,000 was authorized, coming from “Results from previous years,” of which of which $60,000 were declared and paid to the shareholders as follows: $15,000, $15,000, $15,000 and $15,000 on March 25, June 25, September 26 and December 18, 2025 at a rate of $0.988745243864873, $0.988745243864873, $0.988745243864873 and $0.988745243864873 pesos per share, respectively.

On February 28, 2024, through the Ordinary General Meeting of Shareholders, the distribution of dividends up to the amount of $60,000 was authorized, coming from “Results from previous years,” of which of which $59,200 were declared and paid to the shareholders as follows: $15,000, $14,200, $15,000 and $15,000 on March 26, June 26, September 27 and December 19, 2024 at the rate of $0.988745243864873, $0.93601216419208, $0.988745243864873 and $0.988745243864873, pesos per share, respectively.

(b) Comprehensive utility-

Comprehensive profit for the years ended December 31, 2025 and 2024 amounted to $98,710 and $92,028, net of deferred taxes, respectively, which is presented in the consolidated statement of changes in equity and represents the result of the Institution's total activity during the year, and includes items that, in accordance with applicable accounting criteria, are recorded directly in equity (valuation of financial instruments to be collected and sold, Valuation of derivative financial instruments for cash flow hedging, accumulated effect of conversion and remeasurements for defined employee benefits).

(c) Restrictions on equity-

The Banking Law requires the Institution to set aside 10% of its profits annually to establish capital reserves, up to the amount of its paid-in share capital. As of December 31, 2025 and 2024, the Institution has reached the required reserve amount with respect to its historical paid-in share capital.

If the Institution distributes profits that were not subject to the applicable tax, the tax must be paid when the dividend is distributed. Therefore, the Institution must keep track of the profits subject to each tax rate.

(d) Capitalization index (unaudited)-

The Capitalization Index (ICAP) represents an institution's financial strength to withstand unexpected losses due to the risks it incurs. The regulatory framework is described in Title One Bis of Disposiciones de Carácter General Aplicables a las Instituciones de Crédito. The ICAP is calculated as the ratio of Net Capital to Risk-Weighted Assets (weighted by credit, market, and operational risk).

- *Capital requirement for credit risk*

The Institution is authorized by the Commission to calculate the capital requirement for credit risk for its Commercial, Large Commercial, Credit Card, and Mortgage portfolio. For all other credit risk assets, it uses the standard method. Under the standard method, transactions are classified into twelve different groups according to the counterparty and weighted according to their corresponding risk level.

- *Capital requirement for operational risk*

To calculate the capital requirement for operational risk, the Institution, starting in January 2023, uses the Business Indicator Method. The Business Indicator Component is composed of: a) an interest, lease, and dividend component; b) a services component; and c) a financial component. Complementing the calculation is an Internal Loss Multiplier, which is 15 times the average annual losses due to operational risk incurred during the ten years prior to the calculation of the corresponding capital requirements.

- *Capital requirement for market risk*

In accordance with the method established by the Provisions, the market risk requirement is calculated by adding the requirements of the following sections: I. Transactions in local currency, with a nominal interest rate or with a return linked to it. II. Transactions in UDIs, UMA, as well as in local currency with a real interest rate or with a return linked to it. III. Transactions in foreign currency or indexed to exchange rates, with an interest rate. IV. Transactions in UDIs, UMA, as well as in local currency with a return linked to the INPC (National Consumer Price Index). V. Transactions in foreign currency or indexed to exchange rates. VI. Transactions with shares and securities. VII. Transactions with commodities. VIII. Transactions with options and warrants.

The Institution's Capitalization Index as of December 31, 2025 amounted to 20.15%, which is 1.65 percentage points higher than the minimum required, including the Capital Conservation Supplement of 4.00% and the Net Capital Supplement pursuant to Article 2 bis 117 ñ of 6.5%.

The amount of Net Capital, made up of Basic and Supplementary capital, is broken down below (the figures shown may differ in their presentation from the consolidated financial statements).

- *Core capital:*

Concept		Amount
Stockholders' equity, excluding the cumulative effect translation adjustment	$	400,027
Stock investment deductions	(	949)
Organization expenses and other intangibles	(	11,548)
Deduction of deferred taxes and tax loss carryforwards	(	5,200)
Allowance for loan losses	(	2,997)
Total core capital	**$**	**379,333**

- *Supplementary capital:*

Concept		Amount
Obligations and capitalization instruments	$	83,737
Preventive estimates for credit risks		743
Total supplementary capital		84,480
Net capital	**$**	**463,813**

Concept	Amount	Maturity date	Compute percentage	Weighted average (core capital)
Computable capitalization instruments	$ 18,008	18/01/2033	100%	$ 18,008
Computable capitalization instruments	18,008	13/09/2034	100%	18,008
Computable capitalization instruments	13,506	29/06/2038	100%	13,506
Computable capitalization instruments	18,008	08/01/2039	100%	18,008
Computable capitalization instruments	16,207	08/01/2039	100%	16,207
Total	**$ 83,737**			**$ 83,737**

The assets at risk are broken down below:

– *Assets subject to market risk:*

Concept	Risk-weighted assets	Capital requirement
Transactions in national currency, with nominal rate	$ 418,063	$ 33,445
Transactions in local currency, with real rate or denominated in UDIS	8,924	714
Rate of return relative to the general minimum wage	1,851	148
Interest rate for foreign currency transactions with a nominal rate	31,191	2,495
Positions in UDIs or with performance linked to the INPC	78	6
Operations related to the SMG	126	10
Foreign exchange positions with returns indexed to the exchange rate	823	66
Positions in stocks or with returns indexed to the price of a share or group of shares and gold	3,013	241
Surcharge	7,377	590
Gamma	2,444	196
Vega	258	21
Total market risk	**$ 474,148**	**$ 37,932**

– *Assets subject to credit risk:*

Concept	Risk-weighted assets	Capital requirement
Weighted at 0%	$ -	$ -
Weighted at 10%	811	65
Weighted at 11.5%	1,857	149
Weighted at 20%	23,162	1,853
Weighted at 23%	10	1
Weighted at 25%	265	21
Weighted at 50%	5,021	402
Weighted at 57.5%	1,974	158
Weighted at 60%	5	-
Weighted at 75%	290,106	23,208
Weighted at 85%	24,951	1,996
Weighted at 90%	-	-
Weighted at 100%	228,319	18,266
Weighted at 115%	6,127	490
Weighted at 120%	-	-
Weighted at 150%	396	32
Weighted at 1250%	127	10
Securities	260	21
Internal Methodology	882,199	70,576
-C V A (RC06 B)	22,071	1,766
-E C C (RC06 C)	30	2
-Counterpart derivatives	24,094	1,928
-Related derivatives	14,652	1,172
Total credit risk	**$ 1,526,437**	**$ 122,116**
Operational risk	**$ 301,078**	**$ 24,086**

For further reference on this section, as well as the breakdown required in Schedule 1-O, 1-O bis and 1-O bis 1 of the Provisions, please consult the document "BBVA Mexico Quarterly Report" published on the page https://investors.bbva.mx/es/inf_financiera/ in the section "Information for Regulators and Relevant Events".

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Capital Management in the Institution

1. Identification, measurement, monitoring, control and mitigation of the risks to which the Institution is exposed

In compliance with the provisions issued by Comisión Nacional Bancaria y de Valores (CNBV) in Article 2 bis 117 a, the Institution conducts an annual Capital Adequacy Assessment (CAA) as part of its Comprehensive Risk Management process. This assessment aims to identify, measure, monitor, control, and mitigate credit, market, operational, and liquidity risks.

The risk assessment is conducted considering internal economic and financial scenarios, as well as supervisory scenarios defined by the CNBV (National Banking and Securities Commission). Through this process, the Institution evaluates the potential impact of these risks on its capital level, allows for the timely detection of vulnerabilities, and defines preventive and corrective actions for their appropriate management, contributing to preserving the Institution's financial stability and solvency.

2. Disclosure and reflection of risks in financial reports

The Institution's financial reports clearly and accurately reflect the risks identified in the preceding section. They detail significant variations in risk-weighted assets, the evolution of capitalization ratios, and the impact of adverse macroeconomic scenarios on capital adequacy. This information is approved by various governing bodies. Furthermore, the Comprehensive Risk Assessment (CRA) serves as a tool for evaluating the adequacy and application of the resources, policies, processes, and procedures involved in Comprehensive Risk Management, ensuring proactive and effective risk management.

3. Managing potential risks in stress scenarios

The Institution employs a robust methodology for identifying, measuring, monitoring, controlling, and mitigating potential risks in stress scenarios. This methodology includes conducting stress tests that simulate adverse economic and financial conditions to assess their impact on the Institution's capital adequacy and liquidity position. The scenarios considered incorporate significant variations in the structure of the statement of financial position, the composition of risk assets, and impacts on the statement of comprehensive income, allowing the Institution to evaluate its capacity to anticipate, prepare for, and respond promptly and effectively to stressful or critical situations.

Credit risk

The evolution of credit risk is analyzed under different macroeconomic scenarios, considering the probability of default, the severity of the loss and its effects on portfolios with models based on internal ratings and under standard models. Similarly, concentrations and sensitivities are identified for the main types of exposures, their capital consumption and effects on the ICAP.

Market Risk

Operations subject to consumption are monitored for variations in interest rates, currencies, and stock indices, tracking their evolution in response to the impacts of macroeconomic variables and portfolio movements. Stress scenarios include market shocks that affect the trading portfolio, and the impact on capital requirements due to market risk is assessed.

Operational Risk

The Business Indicator Method is used to assess the impact of macroeconomic scenarios on operational risk, quantifying the effects of each scenario on its future consumption.

Liquidity Risk

Regulatory indicators such as the Liquidity Coverage Ratio and the Net Stable Funding Ratio are analyzed under different scenarios, as well as the funding structure, ensuring the Institution's ability to maintain adequate levels of liquidity at all times.

4. Ability to operate under stressful scenarios

The Institution has demonstrated a strong capacity to obtain resources and maintain business continuity under stressful scenarios, in compliance with applicable minimum regulatory requirements. Furthermore, in accordance with current regulations, the Institution has a Contingency Plan that establishes the actions and measures to be implemented in the event of adverse scenarios, including the adoption of additional measures aimed at preserving the required levels of solvency and liquidity. This plan contributes to ensuring the Institution's operational continuity and financial stability even under conditions of significant stress.

Methodology and Conclusions of the Evaluation

The Institution's Capital Analysis (CSA) was conducted in full compliance with the guidelines established by the CNBV (National Banking and Securities Commission). The results of the CSA confirm that the institution has sufficient regulatory capital to continue managing its business activities in the short and medium term, meeting the minimum capital requirements stipulated in Ley de Instituciones de Crédito in all scenarios considered. Therefore, it is not necessary to develop a Preventive Action Plan or an additional Capitalization Plan. Furthermore, the institution has established appropriate response strategies to adverse macroeconomic conditions, ensuring its solvency and long-term viability.

(27) Foreign currency position-

The Central Bank's regulations establish rules and limits for banks to maintain long or active (short or borrowing) foreign currency positions equivalent to a maximum of 15% of the Institution's core capital. As of December 31, 2025 and 2024, the Institution maintained a foreign exchange risk position within the aforementioned limit.

As of December 31, 2025 and 2024, the Institution has assets and liabilities in foreign currency, mainly in US dollars, converted at the closing exchange rate of $18.0080 and $20.8829 pesos per US dollar, respectively, issued by the Central Bank, as shown below:

	Figures in millions	
	2025	**2024**
Assets	$ 24,370	$ 24,552
Liabilities	(23,932)	(24,626)
Net active (liabilities) position in foreign currency	$ 438	$ (74)
Net active (liabilities) position valued in pesos	**$ 7,882**	**$ (1,538)**

As of February 25, 2026, the closing exchange rate determined by the Central Bank was $17.1700 pesos per dollar.

According to the provisions of the Central Bank, the position as of December 31, 2025 and 2024, was 30 million short dollars and 279 million long dollars respectively (unaudited), which includes the foreign currency options position, and excludes non-computable assets and liabilities.

The Institution conducts transactions in foreign currency, primarily in US dollars, euros, and pounds sterling. The Institution does not disclose its position in other currencies besides the US dollar, as these positions are insignificant. The exchange rates of other currencies against the peso are referenced to the US dollar in compliance with Central Bank regulations; therefore, the Institution's foreign currency position for all currencies is consolidated in US dollars at the end of each month.

(28) Position in UDIs-

As of December 31, 2025 and 2024, assets and liabilities denominated in UDIs have been converted to national currency considering their current equivalent of 8.665387 and 8.340909 pesos per UDI, respectively, as shown below:

	Millions of UDIs	
	2025	2024
Assets	$ 4,911	$ 6,392
Liabilities	(6,746)	(8,290)
Net (liabilities) position in UDIs	$ (1,835)	$ (1,898)
Net (liabilities) position in local currency (nominal value)	**$ (15,904)**	**$ (15,832)**

As of February 26, 2026, the last known peso-to-UDI exchange rate was 8.715710

(29) Preventive and savings protection mechanism-

On January 19, 1999, the Bank Savings Protection Law was approved and the Institute for the Protection of Bank Savings (“IPAB”) was established, whose purpose is to establish a system of protection for bank savings in favor of people who carry out any of the guaranteed operations and to regulate the financial support given to Multiple Banking Institutions for the protection of the interests of the saving public up to the equivalent of 400,000 UDIs.

The IPAB has resources derived from mandatory contributions from financial institutions, which are based on the risk to which they are exposed, determined by their capitalization level and other indicators established by the IPAB's internal regulations. These contributions must be paid monthly and will be equivalent to one-twelfth of four per thousand, calculated on the monthly average of the daily balances of their passive operations for the month in question.

During 2025 and 2024, the amount of contributions to IPAB by the Institution for deposit insurance amounted to $8,864 and $7,883, respectively.

(30) Financial margin-

As of December 31, 2025 and 2024, the main components of the financial margin are shown below:

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	2025		
	UD Dollars		
	MXN	MXN equivalent	Total
Interest income:			
Interest and returns on loan portfolio (note 10)	$ 253,597	$ 15,120	$ 268,717
Interest and returns on financial instruments (note 7(a), 7(b) and 7(c))	40,892	4,944	45,836
Interests on availability	6,257	5,026	11,283
Interest and premiums on repurchase agreements (note 8(b))	6,225	-	6,225
Interest on margin accounts	204	-	204
Interest on hedging financial instruments	5,455	225	5,680
Fees charged for the initial granting loans (note 10)	3,223	-	3,223
Others	519	-	519
Total interest income	**$ 316,372**	**$ 25,315**	**$ 341,687**
Interest expense:			
Interests deposits	$ (54,158)	$ (4,179)	$ (58,337)
Interest on interbank and other borrowings	(1,310)	(80)	(1,390)
Interest on derivative financial instruments held for trading	(3,474)	-	(3,474)
Interest on hedging financial instruments	(2,045)	-	(2,045)
Interest on subordinated debt	(1,484)	(4,750)	(6,234)
Interest and premiums on repurchase agreements and securities lending (note 8(b) and 8(c))	(30,565)	-	(30,565)
Expenses for the initial granting of loan	(3,012)	-	(3,012)
Others	(3,114)	(2)	(3,116)
Total interest expenses	**$ (99,162)**	**$ (9,011)**	**$ (108,173)**
Financial margin	**$ 217,210**	**$ 16,304**	**$ 233,514**

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

	2024		
	MXN	UDS Dollars to MXN equivalent	Total
Interest income:			
Interest and returns on loan portfolio (note 10)	$ 241,703	$ 14,734	$ 256,437
Interest and returns on financial instruments (note 7(a), 7(b) and 7(c))	51,877	4,929	56,806
Interests on availability	6,492	4,686	11,178
Interest and premiums on repurchase agreements (note 8(b))	7,725	-	7,725
Interest on margin accounts	189	-	189
Interest on hedging financial instruments	4,653	942	5,595
Fees charged for the initial granting of loans (note 10)	3,116	1	3,117
Others	67	-	67
Total interest income	**$ 315,822**	**$ 25,292**	**$ 341,114**
Interest expense:			
Interests on deposits	(55,129)	(4,879)	(60,008)
Interest on bank and other borrowings	(2,443)	(24)	(2,468)
Interest on derivative financial instruments held for trading	(2,141)	-	(2,141)
Interest on hedging financial instruments	(1,884)	(160)	(2,044)
Interest on subordinated debt	(1,394)	(3,456)	(4,850)
Interest and premiums on repurchase agreements and securities lending (note 8(b) and 8(c))	(48,056)	-	(48,056)
Expenses for the initial granting of the loan	(1,919)	-	(1,919)
Others	(2,358)	-	(2,358)
Total interest expenses	**$ (115,324)**	**$ (8,519)**	**$ (123,844)**
Financial margin	**$ 200,498**	**$ 16,773**	**$ 217,270**

(31) Commissions and fee received and paid-

As of December 31, 2025 and 2024, the main components of the commissions and fees charged are shown below:

	2025	2024
Credit and debit cards	$ 58,121	$ 51,705
Banking fees	9,308	9,126
Investment funds	8,265	6,747
Insurance	4,141	3,896
Credit operations	3,473	3,229
Others	9,487	8,402
Total	**$ 92,795**	**$ 83,105**

During 2025 and 2024, the amount of income received by the Institution in trust operations amounted to $788 and $563, respectively.

As of December 31, 2025 and 2024, the main components of the commissions and fees paid are shown below:

	2025	2024
TDC	$ (23,788)	$ (19,636)
Rewards points effective credit card	(6,650)	(5,463)
Guarantees for the development fund	(2,609)	(2,212)
Cash management and funds transfer	(1,683)	(1,653)
Placement of loans	(1,634)	(1,406)
Appraisals	(408)	(231)
Buying and selling securities	(107)	(72)
Correspondents	(2,536)	(2,256)
Others	(3,915)	(2,769)
Total	**$ (43,330)**	**$ (35,698)**

(32) Financial intermediation income-

As of December 31, 2025 and 2024, the main concepts that make up the result from intermediation are:

	2025	2024
Valuation result:		
Trading derivatives	$ (13,614)	$ 8,938
Derivatives for hedging purposes	(39)	38
Embedded derivatives	48	(821)
Currencies	7,304	1,785
Investments in financial instruments (note 7a)	3,252	(2,360)
	(3,049)	7,580
Result from buying - selling:		
Trading derivatives	15,262	(6,826)
Derivatives for hedging purposes	329	312
Embedded derivatives	(1,040)	(120)
Currencies	11,174	11,720
Investments in financial instruments	(3,444)	2,602
	22,281	7,688
Total	**$ 19,232**	**$ 15,268**

(33) Information by segments-

The Institution participates in various activities within the Financial System, such as lending, treasury operations, international fund transfers, and the distribution and management of investment funds, among others. Performance evaluation and risk assessment for these activities are based on information generated by the Institution's business units, rather than on the legal entities where the resulting financial results are recorded.

The following presents the income obtained during the years 2025 and 2024, in which the different segments are distinguished as indicated in the previous paragraph.

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

	2025				
Concept	**Total**	**Commercial banking**	**Corporate Banking and Government**	**Treasury operations**	**Other segments**
Financial margin	$ 233,514	$ 177,321	$ 52,405	$ 235	$ 3,553
Allowance for loan losses	(60,956)	(53,306)	(7,650)		
Financial margin adjusted for loan losses	172,558	124,015	44,755	235	3,553
Commissions and fees, net	49,465	36,037	15,612	249	(2,433)
Financial intermediation income	19,232	4,580	2,134	9,785	2,733
Other operating income (expense)	(7,557)	(201)	325	15	(7,696)
Total income (expenses) of the operation	233,698	164,431	62,826	10,284	(3,843)
Administrative and promotional expenses	(96,343)				
Operating income	137,355				
Interest income calculated using the effective interest method (net)	459				
Result before taxes	137,814				
Income tax	(38,868)				
Result before non-controlling participation	98,946				
Non-controlling interest	-				
Net result	**$ 98,946**				

	2024				
Concept	**Total**	**Commercial banking**	**Corporate Banking and Government**	**Treasury operations**	**Other segments**
Financial margin	$ 217,270	$ 154,671	$ 59,743	$ (2,663)	$ 5,519
Allowance for loan losses	(54,672)	(51,364)	(3,308)	-	-
Financial margin adjusted for loan losses	162,598	103,307	56,435	(2,663)	5,519
Commissions and fees, net	47,407	30,889	14,318	311	1,889
Financial intermediation income	15,268	3,886	1,840	9,745	(203)
Other operating income (expense)	(7,172)	(4,046)	(2,591)	(759)	224
Total income (expenses) of the operation	218,101	134,036	70,002	6,634	7,429
Administrative and promotional expenses	(89,859)				
Operating income	128,242				
Interest income calculated using the effective interest method (net)	406				
Result before taxes	128,648				
Income tax	(35,502)				
Result before non-controlling participation	93,146				
Non-controlling interest	-				
Net result	**$ 93,146**				

(34) Risk management and derivatives transactions (unaudited)-

Organizational Structure

The General Risk Directorate of the Institution reports directly to the General Directorate of the Institution, thus guaranteeing its independence from the Business Units, allowing the necessary autonomy for the development of its activities.

In general, and considering national and international best practices, three specialized Credit Risk teams have been integrated. The first focuses on the Wholesale portfolio, with the functions of loan origination, monitoring, and recovery. The second team focuses on the SME sector, and the last on the Retail sector, both performing loan origination and monitoring functions. These three teams are supported and complemented by an area dedicated to the management of recovered Non-Financial Assets (NFA). There is also a specific area for the SME and Retail sectors that centralizes recovery functions, given the shared characteristics and synergies involved in performing this function for these sectors. Furthermore, the management of Market, Structural, and Fiduciary Risks is integrated into a single unit, in addition to other specialized units for risk management in non-banking businesses and asset management.

Additionally, there are the Advanced Analytics, Risk Transformation, and Risk Strategy & Performance units, which support the units mentioned above. Advanced Analytics addresses the specialized methodological and technological needs of the Risk areas. Risk Transformation leads the project portfolio in this area. Risk Strategy & Performance ensures that the areas have the necessary technological resources to perform their functions and seeks the efficient execution and continuous improvement of Risk processes.

The Portfolio Management, Capital & Expected Losses Unit has been implemented. Its purpose is to integrate, monitor, and generate reports for the management of the various areas, as well as for measuring operational risk and managing losses. Furthermore, this Unit is responsible for disclosing risk-related information in strict compliance with national and international regulations.

In accordance with the regulatory requirements of the CNBV, relating to the disclosure of the policies and procedures established by credit institutions for the Comprehensive Risk Management, the measures that the management of BBVA Mexico has implemented for this purpose are presented below, as well as the corresponding quantitative information.

Qualitative information:

-Participation of the governing bodies:

The risk governance model at BBVA Mexico is characterized by the direct involvement of its corporate bodies, both in establishing the risk strategy and in continuously monitoring and supervising its implementation.

The Board of Directors of BBVA Mexico approves, as proposed by the Risk Committee: (i) the objectives, guidelines, and policies of the Comprehensive Risk Management, as well as any subsequent modifications; (ii) the overall risk exposure limits and, where applicable, the Specific Risk Exposure Limits, considering the Consolidated Risk, broken down by business unit or risk factor, as well as, where applicable, the Risk Tolerance Levels; (iii) the special cases or circumstances in which both the Overall Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded; (iv) the Capital Adequacy Assessment, including the capital estimate and, where applicable, the capitalization plan; and (v) the Contingency Plan and Contingency Financing Plan, as well as any modifications thereto.

The Risk Committee, acting on behalf of the Board of Directors of BBVA Mexico, approves: (i) the Specific Risk Exposure Limits and Risk Tolerance Levels, as well as the liquidity risk indicators, (ii) the methodologies and procedures for identifying, measuring, monitoring, limiting, controlling, reporting, and disclosing the different types of risk to which BBVA Mexico is exposed, as well as any subsequent modifications, (iii) the models, parameters, scenarios, and assumptions, including those related to stress tests, used to perform the Capital Adequacy Assessment and which will be used to carry out the valuation, measurement, and control of the risks proposed by the Comprehensive Risk Management Unit, which must be consistent with BBVA Mexico's technology, (iv) the methodologies for the identification, valuation, measurement, and control of the risks of new operations, products, and services that BBVA Mexico intends to offer to the market, (v) the corrective action plans proposed by the CEO, (vi) the evaluation of the aspects of the Comprehensive Risk Management, and (vii) the level of effectiveness that the validation mechanisms of the security elements of the identifications presented by potential clients must have, as well as the technology to carry out the biometric recognitions contemplated in the legislation.

It also approves other activities in accordance with applicable regulations and those delegated to it by the Board of Directors of BBVA Mexico.

-Policies and Procedures:

There are risk manuals that outline the strategy, organization, operational framework, technological framework, methodological framework and regulatory processes according to the needs of each procedure or policy of the Comprehensive Risk Management of BBVA Mexico.

A risk training program and dissemination of regulations is carried out, including the defined and delimited responsibility of third parties.

-Tactical decision-making:

BBVA Mexico's management model guarantees the independence of the Comprehensive Risk Management Unit. It establishes monitoring processes through reports and alerts to promptly detect deterioration and deviations from business objectives and the risk limit structure defined for each risk type.

Regarding risk appetite, the different risk units participate in the preparation of the Risk Appetite that BBVA Mexico is willing to assume to achieve its business objectives, and which must be submitted in general terms and specific exposures and sub-limits by the Risk Committee to the Board of Directors, if applicable, for its approval.

Appropriate authorization processes are carried out for new products and/or services that involve risk for BBVA Mexico, including ratification of the new product and/or service by the Risk Committee.

-Tools and analytics:

Continuous measurement of credit, market, and liquidity risks using consistent methodologies and parameters. Budgets are developed based on these metrics, which serve as the guiding principle for risk management.

The reports analyze and monitor the risks incurred by the different business units of BBVA Mexico. This monitoring considers Risk Metrics, Risk Appetite, Main Concentrations, Compliance with Regulatory Limits, Credit Stress Analysis, Calculation of Regulatory Capital Requirements, Structural Risks, Market Risks, Liquidity Risk, Operational Risk, and Legal Risk.

The methodologies and parameters used to measure risks are calibrated periodically and submitted for approval to the authorized bodies.

Periodic sensitivity analysis processes are established, tests are carried out under extreme conditions, and models are reviewed and calibrated.

Likewise, methodologies are established for the monitoring and control of operational and legal risks in accordance with international standards.

-Information:

Information, as an essential pillar in risk management, is used to carry out proactive management, through the definition and establishment of early warning indicators and metrics that allow for anticipating movements – positive and negative – in the risk profile (clients, portfolios, products, asset classes), preventing deterioration and pointing out deviations and potential threats, in all risks, by all the defined axes, in all their phases (current, deteriorated and in recovery), at all organizational levels of the risk function (risk units in the business areas, corporate area and specialist areas) and to the corporate bodies, ensuring compliance and consistency with the regulatory requirements in this matter.

It is ensured that the data used in the preparation of the reports comes from sources unified by type of risk, reconciled, traceable, automated to a greater extent (or if manual, that they have controls), with a unique definition, guaranteeing the frequency, distribution and confidentiality of the reporting, among other aspects.

-Technological Platform:

The source and calculation systems for risk measurements are periodically reviewed, and a continuous improvement process is carried out to ensure the quality and sufficiency of data, aiming, where possible, to automate processes.

-Audit:

Each year, Internal Audit, in compliance with the obligations outlined in the CUB, conducts a Comprehensive Risk Management Audit, adhering to the applicable legal provisions, for subsequent submission to the CNBV (National Banking and Securities Commission). The recommendations from each audit are reviewed periodically by the Audit Committee, which is delegated by the Board of Directors.

Similarly, audits of compliance with Ley de Instituciones de Crédito, the CUB and other legal provisions applicable to BBVA Mexico are carried out by independent experts, through which it has been concluded that the models, systems, methodologies, assumptions, parameters and risk measurement procedures fulfill their functionality in consideration of the characteristics of the operations, instruments, portfolios and risk exposures of BBVA Mexico.

BBVA Mexico believes that, to date, it fully complies with risk management regulations. It also continues to work on projects to improve its measurement and limitation processes, automate processes, and refine its methodologies.

Methodological framework:

The consolidated statement of financial position of the Institution, for risk purposes, is visualized as follows:

a) Market Risk:

Portfolios of operations and investments. - Negotiable financial instruments, repurchase agreements, and transactions with derivative financial instruments for trading purposes

Structural Balance Sheet. - Financial instruments to collect or sell, financial instruments to collect principal and interest, and derivative financial instruments for hedging purposes for managing structural interest rate and exchange rate risk, as well as other bank balance sheet positions such as loans, deposits, issues, among others.

Counterparty Risk – This quantifies the potential loss that would result from a counterparty default, given a certain level of confidence, from the present moment until the maturity of all transactions with that counterparty. Counterparty risk measurement includes identifying products subject to counterparty risk (derivatives, securities-backed financing, and interbank deposits).

b) Credit risk

Internal Models and Methodologies, 4 approved portfolios:

Revolving Consumption. - Credit card

Mortgage. - Mortgage loans.

Large Companies or Corporations. - This includes individuals with business activity and excludes clients of Investment Projects and Mortgage Developers, while a closed group called Large Developers G9 are qualified by business or corporate tools according to their characteristics and resources.

It should be noted that, for the Large Companies portfolio, the CNBV took note that the loans under PEMEX and CFE are no longer part of said portfolio; consequently, the capital requirements and credit risk reserves will be calculated according to the standard method and the standard general methodology, respectively.

Companies – Provided they belong to a group identified as companies under wholesale management. This includes self-employed individuals and excludes promoters from the corporate portfolio. Additionally, sovereigns, governments and public administrations, and financial institutions are excluded from both portfolios.

These portfolios of Companies and Large Companies or Corporations consider the following annual sales volumes:

Sales volume	Segment
Greater than 60 million pesos and less than 50 million dollars	Companies
Over $50 million	Large Companies (Corporates)

c) Liquidity Risk:

Banking business - with on- and off-balance sheet positions, including loans, traditional deposits, investments in financial instruments, derivatives, wholesale financing, etc.

Likewise, in the event of a contractual obligation, the monitoring and control of the liquidity risk of the banking business includes the liquidity that may be required by its subsidiaries, entities belonging to the same financial group or relevant related persons, and the liquidity that the banking business itself may require from any of the aforementioned entities or related persons.

d) Concentration Risk:

This type of risk applies to Negotiable Financial Instruments (NFI), Financial Instruments to Buy and Sell (FICS), and Financial Instruments to Collect Principal and Interest (FICPI) when a significant part of an entity's operations is carried out with one or more counterparties, which are similarly affected by economic changes and other conditions.

e) Interest Rate Risk:

Investments in financial instruments.- This risk applies to Financial Instruments to Buy and Sell (IFCV) and Financial Instruments to Collect Principal and Interest (IFCPI) and implies that the fair value or future cash flows of a financial instrument may fluctuate due to changes in the market interest rate.

f) Currency Risk:

Investments in financial instruments.- This type of risk applies to Negotiable Financial Instruments (IFN), Financial Instruments to Buy and Sell (FICS) and Financial Instruments to Collect Principal and Interest (IFCPI) and occurs when the value or future cash flows of a financial instrument may be modified by fluctuations in the exchange rate as they are denominated in foreign currency.

Credit risk

Methodological information

The measurement of credit risks is associated with the volatility of expected income and has two basic measures: Expected Loss (EL) and Unexpected Loss (UL).

The PE of a portfolio represents the average outstanding loan balance plus the net costs incurred for its recovery and is considered an unavoidable loss in the lending business over time. Calculating the overall PE of each portfolio requires first determining the PE for each borrower; therefore, the model initially focuses on an individual level.

Standard Model Wallets

$$Reserva\ Etapa\ 1\ o\ 3 = PD \times LGD \times EAD$$

Where the full life reserve, for loans with periodic principal and interest payments and revolving loans, is:

$$Reserva\ vida\ completa = \frac{PD \times LGD \times EAD}{(1+r)} \times \left[\frac{1-(1-PD)^n}{PD}\right] - \frac{PD \times LGD \times PAGO}{r(1+r)} \times \left[\frac{1-(1-PD)^n}{PD}\right] + \frac{PD \times LGD \times PAGO}{r(r+PD)} \times \left[1 - \left(\frac{1-PD}{1+r}\right)^n\right]$$

And for loans with a single repayment at maturity of principal and interest, or a single repayment of principal at maturity and periodic interest payments:

$$Reserva\ vida\ completa = \frac{PD \times LGD \times EAD}{(r+PD)} \times \left[1 - \left(\frac{1-PD}{1+r}\right)^n\right]$$

Where: PD: Probability of customer default. LGD: contract loss given default EAD: Exposure to contract default. r: Annual interest rate charged to the customer, greater than zero (when the annual interest rate is equal to zero, a fixed value of 0.00001% should be used). n: Remaining term, the number of years remaining to pay off the loan as of the qualification date. [n = max ((number of days remaining/365.25),1)], (when the maturity date is before the qualification date and there is still a remaining balance, then n = 1 year). PAYMENT: Theoretical annual amortizable payment. [PAYMENT = EAD x (1+r) x [(1-((1+r)^(-1))) / (1-((1+r)^(-n)))].

NIFC 16 Model Wallets

Expected Loss Stage 1 (NIFC 16 Model Portfolios) =[Probability of Default (Marginal) x Loss given default (Marginal) x Exposure (Marginal)] / [(1 + annual interest rate /100)^(6/12)]Expected Loss Stage 2 (NIFC 16 Model Portfolios) =[Probability of Default (Marginal) x Loss given default (Marginal) x Exposure (Marginal)] / [(1 + annual interest rate /100)^((12*(t-1)+6) / 12)]Expected Loss Stage 3 (NIFC 16 Portfolios) = Probability of Default x Severity of Loss x Exposure.

Portfolio *	Expected loss percentage
Commercial	0.52%
Consumption	4.81%
Mortgage	0.23%

Portfolio *	PD	LGD
Commercial	2.97%	41.73%
Consumption	9.79%	83.13%
Mortgage	1.39%	13.09%

* The parameters are weighted, based on the current portfolio of each portfolio and are calculated under internal models of the Institution, for the portfolios for which these models have been approved (TDC, Companies, Large Companies and Mortgages) and under the standard method for the rest.

Probability of default implies the possibility that a client will fail to meet their obligations. The elements that determine this factor are the client's risk rating, credit quality migration, and the status of past-due accounts.

Loss given default is the net economic loss from the recovery of financing; the elements that allow determining this factor are recovery expenses (adjudication and sale) and type of guarantee.

Exposure refers to the maximum balance amount at the time of default; the elements that allow determining this factor are line size, line utilization, and product type.

Once the expected loss level is determined, its volatility dictates the amount of capital needed to cover the identified risks. Since credit losses can vary significantly over time, it can be inferred that creating a fund equal to the average loss will cover credit risk in the long term. However, in the short term, fluctuations, and therefore the risk, persist, generating uncertainty. This also requires a second fund to serve as a guarantee against losses exceeding the average.

From this perspective, average losses can be mitigated by creating a precautionary reserve, which should be considered a cost of the lending business. Meanwhile, a second fund to cover unexpected losses must be secured by setting aside a specific amount of capital. This capital may or may not be used, but it ensures the institution's solvency in the event of above-average losses. This allocated capital depends on the volatility of credit losses over time and is called Economic Capital, to reflect its risk-related nature.

In calculating the economic capital required to back the loans, the institution's desired solvency level must be established. The allocated amount must cover a specific number of times the volatility of losses, ensuring a certain credit quality for the institution at a given probability level. This solvency probability is determined using the desired risk rating, so the economic capital must equal the amount necessary to meet this probability. Furthermore, origination models (scorings or ratings) are defined for use at all transaction and portfolio levels. Behavioral models are also available for the most important portfolios: credit cards, mortgages, and non-revolving consumer loans. These models, in addition to supporting the lending decision, are linked to the specified default probability.

For more information on credit risk and details of article 88 of the CUB, please consult the website (BBVA.mx) where a file with all the requirements is published (within the investor information section).

Capital requirement by Standard Method

The calculation of the capital requirement using the standard method is performed in the Finance area. This is done using the methodology described in Section Two of Chapter III of Title One Bis of Disposiciones de Carácter General Aplicables a las Instituciones de Crédito. Under the standard method, transactions are classified into twelve different groups according to the counterparty, and these groups are weighted according to the degree of risk corresponding to each group. For risk groups II, III, and VI, the external ratings from S&P, Moody's, Fitch, HR Ratings, A.M. Best, and DBRS, provided by the Market Risk area, are used. The rating selection algorithm is performed in accordance with the provisions described in Section E and Schedule 1-B of said regulations.

External ratings issued by S&P, MOODY'S, FITCH, HR RATINGS, A.M. Best and DBRS apply to transactions subject to credit risk such as loans, derivatives, spots and fixed income in accordance with Section D "External Credit Ratings" of these Provisions.

No public issuance ratings are assigned to comparable assets.

Scope and nature of risk information and measurement systems and their reporting

The information systems reside in a system developed internally for the Institution, which runs in an IBM Mainframe environment (Host), within the unified banking management platform ALTAMIRA, DB2 databases and is developed in COBOL language.

The Institution ensures that the data used in the preparation of the reports comes from sources unified by type of risk, reconciled, traceable, automated to a greater extent (or if manual, with controls), with a unique definition guaranteeing the frequency, distribution and confidentiality of the reporting among other aspects.

Models based on internal ratings for calculating Capital

The Institution applies internal methodologies to homogeneous portfolios, that is, it does not partially adopt internal methods within the portfolios.

The Commission first authorized the use of advanced internal models on June 22, 2009 for the Credit Card portfolio, on April 21, 2014 for Businesses and Large Companies, and on November 16, 2018 for the Mortgage Portfolio.

The most recent authorizations for updating parameters to apply to capital requirement calculations were given on December 17, 2024 for Credit Cards, November 28, 2025 for Businesses, August 8, 2024 for Large Businesses, and May 30, 2025 for the Mortgage Portfolio.

The description of each of these portfolios corresponds to what is defined in note 3, paragraph (m).

Scores and Ratings

The Scoring module provides analysis and valuation tools that allow for a ranking, for risk classification through a rating with a focus on both the product level and the client level for retail portfolios, based on homogeneous data and criteria for the Institution.

Ratings allow for an ordering, for the classification of risk through a rating for the wholesale portfolio.

Exposure to Non-Compliance

Exposure to Default (EAD) is defined as the calculation of the outstanding balance in the analysis period, plus the available balance and line granted affected by credit conversion factors (CCF1 and CCF2) respectively, CCF1 and CCF2 are calibrated from historical information.

EAD = Used Balance + CCF1 * Unused Balance + CCF2 * Limit

Probability of Default

The calibrations of the Probabilities of Default use a definition of default corresponding to 90 days, which is consistent with the Basel II definition of default.

Therefore, for the Institution, a transaction/client will be considered "bad" or in default when any of the following conditions are met:

- 90 days have passed since the day of the first non-payment.
- The amount must pass a materiality filter for the transaction/customer to be considered delinquent.

The concept of materiality filter constitutes the only difference to the definition of non-compliance established in Article 2 Bis 68 of the CUB.

Loss Given Default (LGD)

The method used to estimate the (LGD) is called Workout LGD, based on discounting the cash flows of recovered delinquent exposures at different points in time, derived from the portfolio recovery process. A recovery cycle is defined as the process in which a contract enters into default and ends when it is no longer in default. As soon as a contract enters default, a recovery process begins, called the recovery cycle, in which transactions that increase and decrease the debt are recorded. The portion that is not recovered is known as the loss, and when expressed as a percentage of the Exposure at Default, it is known as Loss Given Default.

Throughout this recovery process, the amounts of inflows into capital accounts, recoveries in memorandum accounts and capital accounts, as well as the amount of exposure at the time of default, are identified. Then, the LGD is calculated as the difference between the cumulative inflows less discounted recoveries (brought to present value) at the cycle's opening date, divided by the exposure to default.

Loss Given Default = LGD = (Σ delinquent entries - Σ recoveries)/EAD

- Coverage and/or mitigation policies for each type of risk

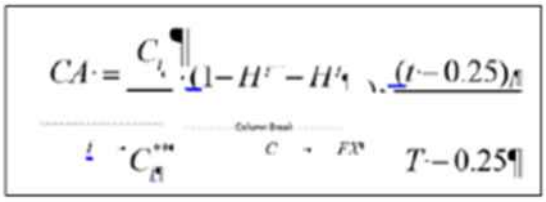
The establishment of real and personal guarantees, in addition to improving the credit structure of the operation, allows mitigating the estimate of the Expected Loss in order to reduce the credit reserves derived from the regulatory portfolio rating.

The Institution periodically updates the value of collateral depending on the type of collateral, using statistical methods or by verifying its existence and physical condition. The value of movable and immovable property collateral is updated periodically throughout the life of the loan, and this frequency also depends on the nature of each type of collateral.

The Institution has a robust system for managing financial collateral and a calculation engine. These have been certified by the Commission, in accordance with the comprehensive method for recognizing credit risk coverage established in Articles 2 Bis 31, 2 Bis 36, 2 Bis 37 and 2 Bis 48 of the CUB.

The comprehensive approach used for the recognition of coverage is governed by the following points:

Adjusted collateral amount: The adjusted amount of collateral reduces its market value to take into account the loss of value it may suffer due to the effects of fluctuations in its market price and exchange rate fluctuations.



Covered and Uncovered Exposure: The calculation of uncovered exposure (E*) is a cyclical process in which each iteration incorporates a new collateral (CAi) according to the determined prioritization, until there are no more eligible collaterals to include in the process.

- Profitability Measurement

In addition to calculating capital requirements for credit risk, the Institution uses internal estimates to assess the profitability of both new operations and the existing portfolio. For loans granted to Corporations, Large Corporations, IFIs, Governments, and Sovereign entities, profitability and economic benefit-added indicators are calculated during the client evaluation process to ensure an appropriate balance between returns and capital consumption.

The profitability of loan portfolios is measured using two complementary approaches: the first based on return on regulatory capital, calculated from risk-weighted assets (RoRC), and the second on return on economic capital (RAROEC). These indicators are used as monitoring and management tools to support decision-making and alignment with the Institution's risk appetite and profitability strategy.

The Risk area is responsible for identifying, measuring, and establishing control mechanisms over internal rating systems through periodic monitoring. Likewise, the Internal Validation area, independent of the Credit Risk units, evaluates these systems in accordance with the provisions of Section V of Schedule 15.

Internal methodologies under NIF C-16 for calculating reserves

By means of official letter number 121-1/14591541/2023, dated January 10, 2022, the Commission authorized the implementation plan for Internal Reserve Methodologies based on NIF C-16, to determine the Allowance for loan losses by credit risk level for BBVA's relevant modelable portfolios, effective January 2022: specifically, the Credit Card, Mortgage, Corporate, and Large Corporate portfolios. This authorization was granted in accordance with the provisions of Article 139 Bis 3, Section I of the Regulations. The methodology was estimated using data as of September 2019.

Plans are in place to continue implementing modelable portfolios.

The calculation of the expected credit loss requires a temporal structure during the term of the operation and is based on the following components, in accordance with the minimum requirements for the estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of default (PI or PD): An estimate of the probability of default for a given time horizon.
- Loss given default (SP or LGD): An estimate of the loss in the event of default, based on the difference between the contractual cash flows and those the lender would expect to receive, including those from any collateral.
- Default Exposure (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected disbursements of committed credit facilities (CCF).
- Deadline at expiration
- Discount interest rates: Discount an expected loss to the present value at the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.

- Prepayment rate: For some portfolios, the prepayment amount is considered in the contractual future cash flows of the loans.
- Prospective Scenarios: The design of prospective scenarios is considered, which complement historical experience by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market outlook, as well as the economic and financial environment of the market in which the institution operates. BBVA Research is the area within BBVA specializing in the creation of internal prospective scenarios for various institutional processes, including those used in the estimation of provisions under NIF C-16, which are updated at least annually. Descriptions of these prospective scenarios can be found in the Mexico Situation reports, which are published on the BBVA website under Corporate Information -> Economic Studies -> Publications.

The procedures for estimating the probability of default, the loss given default, and the exposure at default, to properly allocate and modify the credit risk level of exposures, are consistent and in accordance with the criteria for recognizing a debtor's credit risk level, in stages 1, 2, or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), expected credit losses will be calculated over the asset's lifetime. Otherwise, provisions will be based on expected 12-month credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the asset's lifetime.

Description of portfolios using internal methodologies

The following is a description of the Wholesale Portfolio rated under internal methodologies.

Business and Large Company Closures December 2025

Degree of actual risk	Available	Balance	Exposure to non-compliance	Weighted Average LGD	Weighting of the risk	Real guarantee exhibition non-financial	Financial guarantee exposure
A1	$ 100,270	$ 608,219	$ 646,832	41.38%	3.11%	$ 301,587	$ 3,791
A2	120	7,337	7,418	49.30%	3.32%	7,670	22
B1	13	1,609	1,617	47.92%	5.03%	5,830	-
B2	13	947	954	40.20%	7.51%	1,410	113
B3	20	1,218	1,229	50.85%	8.59%	1,528	7
C1	6	901	905	41.57%	5.21%	497	-
C2	1	1,174	1,174	43.56%	13.55%	11	-
D	1	1,620	1,620	47.26%	85.79%	2,153	-
E	-	3,194	3,194	81.24%	95.39%	4,410	11
Total	**$ 100,445**	**$ 626,220**	**$ 664,942**	**41.71%**	**3.80%**	**$ 325,096**	**$ 3,944**

* Weighted average percentage

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The following is a description of the credit card and mortgage portfolio rated under internal models:

Credit card closing December 2025

Degree of actual risk	Available	Balance	Exposure to non-compliance	Weighted Average LGD	Weighting of the risk
A1	$ 440,886	$ 125,515	$ 251,519	80.53%	1.85%
A2	14,570	23,899	30,621	81.18%	8.02%
B1	5,246	16,390	19,223	80.94%	10.54%
B2	2,959	13,565	15,288	81.86%	12.28%
B3	2,120	9,761	11,002	81.54%	15.39%
C1	2,576	14,899	16,502	81.56%	20.69%
C2	1,887	16,770	18,071	81.58%	35.35%
D	11	6,357	6,367	81.20%	89.76%
E	97	6,674	6,708	89.00%	99.99%
Total	**$ 470,352**	**$ 233,829**	**$ 375,303**		

Mortgage Closing December 2025

Degree of actual risk	Balance	Exposure to breach	Weighted Average LGD	Risk Weighting	Current exhibition	Exhibition expired
A1	$ 368,780	$ 368,780	13.00%	0.49%	$ 368,780	$ -
A2	3,892	3,892	16.63%	3.97%	3,892	-
B1	1,109	1,109	14.01%	6.95%	1,109	-
B2	2,084	2,084	13.57%	9.42%	2,084	-
B3	1,851	1,851	12.46%	10.84%	1,851	-
C1	8,642	8,642	14.20%	15.58%	8,640	1
C2	4,081	4,081	14.89%	42.96%	3,849	232
D	1,687	1,687	17.16%	92.02%	251	1,436
E	7,283	7,283	64.86%	100.00%	-	7,283
Total	**$ 399,410**	**$ 399,410**			**$ 390,458**	**$ 8,952**

** The current exhibition includes stage 1 and stage 2*

** Weighted average percentage*

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Analysis of estimated losses under internal methodologies NIF C-16

Backtest exercise

	Millions of pesos			
	Prov/1	OL 12 months/2	DIFF $	%Use of Allo 12 months/3
Portfolio	**sep'24**	**oct24-sep25**	**(OL-ALLO)**	**sep'24**
Cards	$ 18,274	$ 15,811	$ (2,463)	87%
EyGE	4,925	273	(4,652)	6%
Mortgages	5,155	1,551	(3,604)	30%
Total	**$ 28,354**	**$ 17,635**	**$ (10,719)**	**62%**

/1 PO = Observed Loss
/2 PROV = Provisions
/3 % Uso de Prov = PO / Prov

The use of the overall expected loss of internal reserve methodologies based on NIF C-16 is 62% “acceptable”.
Scoring

The Scoring module provides analysis and valuation tools that allow for assigning a product-focused credit rating to retail portfolios, based on data and criteria consistent across the institution. Two types of scoring are available:

The Origination Scoring, which is obtained at the time of contracting, based on information specific to the operation and information requested from the client, generates a score for each operation.

Behavioral scoring is obtained monthly, based on payment history with the institution. This model, used to assign scores to each transaction, is easy to understand, stable, and allows experts to use it in decision-making.

Ratings allow a credit rating to be set for the wholesale portfolio.

These scores and ratings are used both in the estimation of reserves with Internal Methodologies based on NIF C-16 and in models based on internal capital ratings.

Use of internal estimates

One use of internal estimates is to calculate reserves. Internal models allow for comprehensive credit risk management.

The Risk area identifies, measures, and establishes control mechanisms for rating systems through periodic monitoring. The Internal Validation area, which is independent of the Credit Risk units, evaluates the rating systems, in accordance with the provisions of Section XII of Schedule 15 Bis.

Interest Rate Risk

Structural Balance

Regarding the structural balance risk of interest rates and exchange rates, Economic Value and Financial Margin sensitivities are calculated for parallel movements in the curves of +/-100 basis points, and in aggregate for MXP and UDIs with respect to the US Dollar, based on the correlation and volatility effects between currencies, according to the methodology authorized by the Risk Committee. An alert system is in place for the aforementioned metrics, which is monitored monthly by the Risk Committee and presented quarterly to the Board of Directors; mitigation measures are in place should alert thresholds be exceeded.

The structural risk measurement system is QRM (Quantitative Risk Management), which incorporates the characterization of the items in the Structural Balance Sheet according to the financial characteristics of each item. The methodology behind the Economic Value metrics consists of estimating the fair value of the positions in the Structural Balance Sheet by calculating the present value of their net future cash flows (expected cash flows from assets less expected cash flows from liabilities) discounted at market interest rates. Meanwhile, the methodology behind the Financial Margin metrics is based on projecting the interest income and expenses of the Structural Balance Sheet, month by month over a 12-month horizon, considering business growth forecasts. Specifically, the main assumptions behind the characterization of the items in the Structural Balance Sheet are as follows:

- Prepayment rates: This assumes an early amortization of certain items in the Structural Balance Sheet such as mortgage, consumer and SME loans.

- Evolution of products that do not have a maturity date: For demand deposits and the card, "core" or stable balances and volatile balances are calibrated and, subsequently, their evolution over time is predicted.

The assumptions behind the characterization of the structural balance items are modeled based on historical observations, both of the structural balance items themselves and of the evolution of risk factors. At least annually, the adequacy of the models and systems that comprise the structural balance risk metrics is reviewed and validated.

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To monitor the structural balance sheet risk related to interest rates and exchange rates, the Assets and Liabilities Committee is the executive body responsible for managing it. This committee is not a delegated body of the Board of Directors. It adopts investment and hedging strategies within the risk policies and limits approved by the Board of Directors and the Board's delegated Risk Committee.

As of December 31, 2025, the Economic Value Sensitivity and Financial Margin Sensitivity +/- 100 bp and aggregate are presented below:

Note: Structural Balance Figures excluding the Employee Commitments portfolio

	Sensitivity Estimated Economic Value (SVE)			
Portfolio	**(100) base points**	**+100 base points**	**Added**	**Limited Use**
National Currency	$ 16,044	$ (15,838)	$ (21,973)	
Foreign currency	(5,981)	5,399	(7,898)	
Total	**$ 10,063**	**$ (10,439)**		
Total Aggregate			**$ (19,808)**	**79%**

	Projected Financial Margin (SMF) Sensitivity over 12 months			
Portfolio	**(100) base points**	**+100 base points**	**Added**	**Limited Use**
National Currency	$ (4,399)	$ 4,414	$ (5,966)	
Foreign currency	(2,126)	2,107	(2,772)	
Total	**$ (6,525)**	**$ 6,521**		
Total Aggregate			**$ (7,643)**	**58%**

In terms of Limit uses in the quarter, they show the following aggregate sensitivity exposure:

Portfolio	Use Limit SVE	SMF Usage Limit
Total	78.00%	58.00%

In terms of annual Limit uses, they show the following aggregate sensitivity exposure:

Portfolio	Use Limit SVE	SMF Usage Limit
Total	75.00%	58.00%

Market, Liquidity and Operational Risks

Market Risk

Regarding the process for measuring market risk in relation to trading and investment portfolios, daily market risk measurement is performed using Value at Risk (VaR) statistical techniques as the central measure. For illustrative purposes, VaR consists of:

1) Define the degree of sensitivity in the valuation of positions to changes in prices, rates, types or indices.

2) To reasonably estimate the expected change for a specific time horizon with certain prices, rates, types or indices, considering the degree to which they may move together.

3) Re-evaluate the portfolio in light of these expected joint changes and thereby determine the maximum potential loss in terms of value.

In summary, VaR has been set under the view that no more than the calculated amount will be lost in a trading day 99% of the time.

Market, Structural and Non-Banking Risks (RMEyNB) is responsible for establishing and monitoring the guidelines, methodologies and limits of market risk, counterparty risk, structural risk and liquidity risk of the Institution, establishing the parameters of risk measurement, and providing reports, analyses and evaluations to Senior Management, the Risk Committee and the Board of Directors.

Market risk measurement quantifies the potential change in the value of positions taken as a result of changes in market risk factors. When significant risks are identified, they are measured and limits are assigned to ensure adequate control. Overall risk measurement is performed through a combination of methodologies applied to Trading Portfolios and the Structural Balance Sheet. Currently, the official methodology used for calculating VaR is Historical Simulation without smoothing.

Trading Portfolios

In the specific case of this institution, VaR is calculated using historical simulation, based on the assumption that the VaR will not be lost within a single day in 99% of cases. Two methodologies are used, one with and one without exponential smoothing: one that heavily weights the latest market data and another that gives equal weight to a full year's worth of trend data.

	3Q 2025	4Q 2025
Value at risk of negotiable financial instruments:		
VaR 1 day	$ 186	$ 175
VaR 10 days	593	557
Total	**$ 779**	**$ 732**

	VaR 1 day	VaR 10 days
Value at risk of negotiable financial instruments:		
Fixed income	$ 206	$ 654
Equity	45	143
Changes	23	75
Vega	6	19

Additionally, daily simulations of portfolio gains and losses are performed by re-evaluating portfolios under catastrophic scenarios (stress tests). These estimates are generated by applying percentage changes observed over a specific historical period, encompassing significant market turbulence, to the risk factors. Monthly backtesting is conducted to compare the daily gains and losses that would have been observed had the same positions been maintained, considering only the change in value due to market movements, against the calculated value at risk, thereby calibrating the models used.

Liquidity Risk

Quantitative Information

(a) Concentration limits with respect to the different groups of guarantees received and the main sources of financing.

In addition to regulatory liquidity ratios and the Institution's liquidity risk management framework, limits are established along three fundamental axes: a) self-financing through the LtSCD (Loan to Stable Customer Deposits) ratio, which measures the maximum proportion of net loan investment financed with stable customer deposits; b) diversification of the funding structure through a maximum amount of Short-Term Financing (STF); and c) capacity to absorb liquidity shocks through the 30-day Core Capacity (CB 30d – the ratio of available liquidity buffer to expected net liquidity outflows within the corresponding maturity period). Alerts are also in place to prevent these limits from being breached, including monitoring other maturities. Metrics are also in place to proactively identify potential threats, enabling the adoption of necessary preventative management actions. These metrics include indicators of funding concentration, foreign currency liquidity, long-term funding diversification, and intraday liquidity, among others. The uses of these metrics are listed below (with limits being positive but not excessive).

Quarterly		
LtSCD	9%	
FCP 12m	331,734	From MXP
CB 30d	157%	
Annual		
LtSCD	8%	
FCP 12m	288,666	From MXP
CB 30d	132%	

(b) The exposure to liquidity risk and financing needs at the Institution level, taking into account the legal, regulatory and operational limitations on the transferability of liquidity.

The Institution's exposure to liquidity risk and its financing needs are based on the principle of decentralized and independent liquidity management (including Banco Bilbao Vizcaya Argentaria, S.A. in Spain or any other entity thereof), in order to avoid dependencies or subsidies and potential contagion from crises. At all times, the legal, regulatory, and operational limitations on liquidity transferability are taken into account when establishing the Institution's liquidity risk policies, including the Central Bank's liability admission and investment regimes for foreign currency deposit operations, payment system operating rules, risk diversification in carrying out deposit operations as specified by the CUB, among others.

In the case of the investment regime for passive operations in Foreign Currency, in addition to the regulatory limit of Shortage, there is a stricter alert system than the regulatory limit for the investment regime for passive operations in Foreign Currency of the Central Bank.

(c) The following details the cash flows from the statement of financial position as of December 31, 2025, by maturity dates and liquidity gaps.

Millions of pesos	In sight	30 days	6 months	1 year	Older than 1 year	Sin maturity	Total
Cash and cash equivalents	$ 231,067	$ -	$ -	$ -	$ -	$ -	$ 231,067
Loan portfolio	-	174,093	316,570	167,373	1,431,026	-	2,089,062
Investments in instruments financial	-	-	58,164	25,885	578,549	-	662,598
Total Assets	**$ 231,067**	**$ 174,093**	**$ 374,734**	**$ 193,258**	**$ 2,009,575**	**$ -**	**$ 2,982,727**
Deposits	$ -	$ 257,673	$ 50,519	$ 3,109	$ 44	$ 1,690,117	$ 2,001,463
Issues and obligations subordinates	-	22,126	16,899	30,078	199,480	-	268,583
Creditors for repurchase agreements	-	169,704	81	-	-	-	169,785
Neto resto de balance	-	-	-	-	-	542,897	542,897
Total liabilities	**$ -**	**$ 449,503**	**$ 67,499**	**$ 33,187**	**$ 199,524**	**$ 2,233,014**	**$ 2,982,727**
Out of balance	$ -	$ (2,007)	$ (8,611)	$ (17,796)	$ (15,128)	$ -	$ (43,542)
Liquidity gaps	231,067	(282,769)	288,893	137,131	1,750,937	(2,168,801)	(43,542)
Accumulated gaps	**$ 231,067**	**$ (51,702)**	**$ 237,191**	**$ 374,322**	**$ 2,125,259**	**$ (43,542)**	**$ -**

* The figures in the table above only consider the Institution individually, not consolidated.

Embedded derivatives

Under the Structured Bank Bond issuance programs, the Institution has registered currency, index and interest rate options, equivalent to a nominal value of $5,063; likewise, the Institution has registered interest rate and currency swaps with a nominal value of $22,580.

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Qualitative Information

(a) The way in which liquidity risk is managed in the Institution, considering for this purpose the tolerance to said risk; the structure and responsibilities for the management of liquidity risk; the internal liquidity reports; the liquidity risk strategy and the policies and practices across the lines of business and with the Board of Directors.

Liquidity risk management at the Institution is governed by the following principles: decentralized and independent liquidity management; self-financing of bank lending activity; liquidity planning within the business growth planning process; clear segregation of duties to proactively manage liquidity risk, including intraday liquidity and collateral management; establishment of a transfer pricing system and internal liquidity usage rules; and consistency with regulatory requirements.

The structure and responsibilities for liquidity risk management are clearly segregated by function and area:

- Setting general policies, key metrics and limits. Liquidity risk policies are approved by the Board of Directors, following a favorable opinion from the Risk Committee; these bodies also approve the Institution's liquidity risk limit scheme.

- Risk identification, measurement and control. The Risk area identifies, measures and establishes mechanisms to control the liquidity risk to which the Institution is subject through the setting, monitoring and reporting of a limit scheme.

- Management of investment and fundraising activities. This is carried out in the business areas, in accordance with risk policies.

- Liquidity and financing management. This is carried out by the Finance area, through the Financial Management area.

- Generation of monitoring information. The Institution's Systems and Finance departments provide the relevant information for liquidity risk assessment. In turn, the Risk department promotes the continuous improvement of information quality to ensure sound decision-making.

The status of limits and alerts is reported daily through internal reports to Senior Management, the Internal Audit area and liquidity management areas, even more frequently in crisis situations.

Strategies are developed within the risk limits approved by the Board of Directors and the Board's delegated Risk Committee, and are agreed upon by the Assets and Liabilities Committee, always within the approved liquidity risk tolerance. Furthermore, the evolution of liquidity risk and any thresholds are monitored by these bodies.

(b) Financing strategy, including diversification policies, and whether the financing strategy is centralized or decentralized.

Each year, the Institution develops a growth plan for its activity, considering business growth projections, the maturity profile of assets and liabilities, risk appetite, and projected market conditions.

Based on this, the financing plan in the wholesale markets is developed, seeking to maintain diversification in financing and ensuring that there is no high dependence on Short Term Financing.

(c) Liquidity risk mitigation techniques used by the Institution.

The Institution's liquidity risk model, based on the principles cited in subsection (a) of this section, takes into account at all times the legal, regulatory and operational limitations on the transferability of liquidity.

Specifically, one of the Institution's strengths lies in the quality of its funding, which is diversified by client type, instruments, and markets.

On the funding side, the company has a broad network of both retail and wholesale clients. This funding is complemented and strengthened through local and international issuances, maintaining constant access to debt markets.

In the event of limit triggers or liquidity risk alerts, the Institution has established specific procedures for action and communication, with clearly defined roles for the various areas and decision-making bodies. The level of communication is differentiated depending on whether a limit or an alert has been triggered. Furthermore, a Liquidity Contingency Plan is in place, which, if activated, includes a list of action measures classified by type based on whether they relate to the Central Bank, the wholesale market, or commercial activity.

(d) An explanation of how stress tests are used

Liquidity risk stress tests are conducted under various stress scenarios, evaluating in each case the coverage of the available liquidity buffer against the liquidity needs of the scenario in question under different time horizons and defining the survival horizon under different situations. The results of these tests are an integral part of the Liquidity Contingency Plan, as they form part of its activation mechanism.

(and) Description of contingent financing plans

The Liquidity Contingency Plan or Contingency Financing Plan is configured as a fundamental element of liquidity risk management in times of liquidity stress.

It contains clear procedures to facilitate decision-making, rapid adoption of contingency measures, and effective communication, specifying roles and responsibilities in these situations, as well as the authority to activate it. It is defined based on four principles: coordination among the participating units, effective information flow, confidentiality of actions and information, and executory power. This Plan, as well as any modifications, is approved by the Institution's Board of Directors, upon the proposal of the Director General. Its activation would be carried out by the Assets and Liabilities Committee, using a "traffic light approach" for the indicators that comprise the Plan, allowing for the assessment of the severity of the situation.

The Institution also has a Contingency Plan or Recovery Plan that outlines the actions to be taken to restore its financial standing in the event of adverse scenarios that could affect its solvency and/or liquidity. This plan describes the Institution's situation, detailing key business lines, recovery indicators, the corporate governance framework used in its development, and the processes for implementing recovery measures in the event of adverse scenarios. This plan has also been approved by the Board of Directors upon the recommendation of the Risk Committee and prepared by the CEO.

Liquidity Coverage Ratio (LCR or CCL) (unaudited) -

The LCR quantifies the bank's potential capacity to meet its 30-day liquidity needs in a stress scenario, based on the liquid assets it has available.

In accordance with the disclosure requirements specified in Schedule 5 of the General Provisions on Liquidity Requirements for Multiple Banking Institutions, the BBVA Mexico Liquidity Coverage Ratio Disclosure Format for the fourth quarter of 2025 is presented below.

Liquidity coverage ratio	Average unweighted amount	Average Weighted amount
Computable liquid assets		
Total computable liquid assets	Not Applicable	$ 581,268
Cash outflows		
Non-Secured Retail Financing	$ 1,018,315	69,989
Stable Financing	636,844	31,842
Less stable financing	381,471	38,147
Unsecured Wholesale Financing	846,668	292,349
Operational Deposits	423,555	97,249
Non-Operational Deposits	405,230	177,217
Unsecured Debt	17,883	17,883
Guaranteed Wholesale Financing	Not Applicable	789

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Liquidity coverage ratio	Average unweighted amount	Average Weighted amount
Cash outflows (continued)		
Additional Requirements	921,548	73,688
Outflows related to derivative financial instruments and other guarantee requirements	29,820	18,943
Outflows related to financing losses financing of debt instruments	-	-
Credit and Liquidity Lines	891,729	54,745
Other Contractual Financing Obligations	89,692	18,129
Other Contingent Financing Obligations	-	-
Total cash outflows	**Not Applicable**	**454,945**
Cash inflows		
Cash inflows from secured transactions	$ 111,708	$ 39
Cash inflows from non-secured transactions	148,682	84,173
Other cash inflows	4,219	4,219
Total cash inflows	**$ 264,610**	**$ 88,431**
Total computable liquid assets	Not Applicable	$ 581,268
Total net cash outflows	Not Applicable	$ 366,514
Liquidity coverage ratio	Not Applicable	158.29%

(a) The calendar days included in the fourth quarter of 2025 are 92 days.

(b) Main causes of the LCR results and the evolution of its main components:

The average quarterly LCR increased its level compared to the previous quarter due to the increase in liquid assets mainly resulting from the greater growth in deposits compared to the growth of the loan portfolio, the results of the quarter and the issuances made in September 2025. Outflows increased due to the greater demand derived from the growth in deposits.

Concept	Weighted amount (average)		Variation	
	4T-25	3T-25	Monetary	Percentage
Computable liquid assets	$ 581,268	$ 535,842	$ 45,426	8.5%
Outflows	454,945	439,512	15,433	3.5%
Inflows	88,431	91,981	(3,550)	(3.9%)
Net outflows	366,514	347,531	18,983	5.5%
LCR	158.29%	154.15%	-	4.1%

(c) Main changes in CCL components within the quarter

Concept	oct-25	nov-25	dic-25
Computable liquid assets	$ 535,123	$ 557,912	$ 650,015
Outflows	436,124	451,273	477,318
Inflows	87,502	93,312	84,636
Net outflows	348,623	357,961	392,682
LCR	153.51%	155.84%	165.45%

Liquid assets and outflows increased each month of the quarter due to growth in deposits. Inflows reached their highest level in November due to an increase in unsecured loans.

(d) Evolution of the composition of Eligible and Computable Liquid Assets:

Computable Liquid Assets	4T-25	3T-25	Variation
N1 Cash and Banks	$ 240,092	$ 258,060	$ (17,968)
N1 Titles	328,326	264,724	63,602
N2 A	12,446	12,590	(144)
N2 B	404	469	(65)
Total	**$ 581,268**	**$ 535,843**	**$ 45,425**

Total liquid assets increase by N1 within the Securities line item.

(e) Concentration of its sources of financing

One of the Institution's main strengths lies in the quality of its funding, which is diversified by client type, instruments, and markets. On the funding side, it has a broad network of clients, both retail and wholesale. This funding is complemented and strengthened by local and international issuances at different maturities, allowing it to maintain access to debt markets. The following table shows the Institution's funding structure as of December 2025:

Financing sources	% funding structure
Customer acquisition	81.42%
Collateralized financing	6.94%
Credit instruments	6.49%
Subordinated obligations	3.47%
Money market	0.96%
Interbank	0.72%
Total	**100.00%**

(f) Exposures in derivative financial instruments and potential margin calls

The exposure, in accordance with current CCL derivatives guidelines, corresponds to the contingent outflow from transactions with derivative financial instruments, also known as the Look Back Approach (LBA). As of December 31, 2025, it amounts to $16,112 million pesos.

Concept		4T-25
Contingent outflows (Look Back Approach)	$	16,112

(g) Currency mismatch

The liquidity risk associated with foreign currency transactions is hedged in accordance with the provisions of the Foreign Currency Liquidity Ratio (ACLME), established by the Central Bank. Likewise, the exchange rate risk is adequately funded and managed within regulatory limits.

(h) Cash inflows and outflows that, where applicable, are not captured in this framework, but which the Institution considers relevant to its liquidity profile.

The Institution considers that all flows relevant to the calculation of the CCL are included within the calculation of the metric, so there are no additional flows to consider.

(i) The impact on the Coefficient of the incorporation of the Entities Subject to Consolidation, as well as the outflows derived from the financial support to entities and companies that are part of the same financial group, consortium or business group that, in accordance with the Policies and Criteria, the board of directors of the Institution has authorized to grant.

There is no impact from consolidation on the Liquidity Coverage Ratio since there are no financial entities that consolidate according to their nature, as part of the Entities Subject to Consolidation, nor are there any entities eligible to receive support in accordance with Article 8 of the Provisions.

Net Stable Funding Ratio (NSFR or CFEN) Schedule 10

The CFEN aims to encourage institutions to maintain a stable funding profile in relation to the composition of their off-balance-sheet assets and activities.

In accordance with the information disclosure requirements specified in Schedule 10 of the General Provisions on Liquidity Requirements for Multiple Banking Institutions (Provisions), the Disclosure Format of the Institution's NSFR corresponding to the fourth quarter of 2025 is presented below, and corresponds to the average of the point closings of the fourth quarter of 2025.

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There is no impact from consolidation on the NSFR since there are no financial entities that consolidate according to their nature, as part of the Entities Subject to Consolidation, nor are there entities eligible to receive support according to Article 8 of the Provisions.

(a) The main causes of the results of the NSFR and the evolution of its main components.

The average NSFR for the quarter increased compared to the previous quarter, due to higher deposit growth relative to portfolio growth, quarterly results, and issuances made in September 2025. Stable available financing increased due to deposit growth, quarterly results, and issuances made in September 2025. Stable financing required increased due to the growth in the loan portfolio balance.

Schedule Table 10 CFEN										
Stable Net Financing Coefficient Disclosure Format										
Individual figures						Consolidated figures				
Amount not weighted by remaining term						Amount not weighted by remaining term				
	without expiration	< 6 months	from 6 months to one year	>= 1 year	Weighted amount	without expiration	< 6 months	from 6 months to one year	>= 1 year	Weighted amount
Background elements stable financing available										
Capital	404,699,216	-	-	-	404,699,216	404,699,216	-	-	-	404,699,216
Core capital and core capital not fundamental	404,699,216	-	-	-	404,699,216	404,699,216	-	-	-	404,699,216
Other instruments of capital	-	-	-	-	-	-	-	-	-	-
Retail warehouses	-	1,082,341,209	1,774,697	19,381	1,010,011,534	-	1,082,341,209	1,774,697	19,381	1,010,011,534
Stable deposits	-	685,126,728	630,045	4,614	651,473,549	-	685,126,728	630,045	4,614	651,473,549
Less stable deposits	-	397,214,481	1,144,651	14,767	358,537,986	-	397,214,481	1,144,651	14,767	358,537,986
Wholesale financing	-	1,172,820,261	36,610,031	115,688,277	585,885,714	-	1,172,820,261	36,610,031	115,688,277	585,885,714
Operational deposits	-	17,143,389	-	-	8,571,695	-	17,143,389	-	-	8,571,695
Other financing wholesaler	-	1,155,676,872	36,610,031	115,688,277	577,314,020	-	1,155,676,872	36,610,031	115,688,277	577,314,020
Interdependent liabilities	-	4,547,707	1,010,804	10,233,424	-	-	4,547,707	1,010,804	10,233,424	-
Other liabilities	16,902,854	172,641,763	-	155,479,973	155,479,973	16,902,854	172,641,763	-	155,479,973	155,479,973
Derivative liabilities for purposes of the Coefficient of Net Financing	Not applicable	-	-	-	Not applicable	Not applicable	-	-	-	Not applicable
All liabilities and own resources not in the previous categories	16,902,854	172,641,763	-	155,479,973	155,479,973	16,902,854	172,641,763	-	155,479,973	155,479,973
Total Amount of Stable Financing Available	Not applicable	Not applicable	Not applicable	Not applicable	2,156,076,438	Not applicable	Not applicable	Not applicable	Not applicable	2,156,076,438
Total liquid assets eligible for the purposes of Coefficient of Net Financing	Not applicable	Not applicable	Not applicable	Not applicable	41,595	Not applicable	Not applicable	Not applicable	Not applicable	41,595
Deposits in Other Institutions with operational purposes	-	2,305	-	-	1,152	-	2,305	-	-	1,152
Loans up to date and values	6,973	547,489	183,746	1,385,143	1,429,215	6,973	547,489	183,746	1,385,143	1,429,215
Guaranteed financing granted to entities financial institutions with assets eligible Tier I liquids	-	103,326	26	2,099	12,445	-	103,326	26	2,099	12,445
Guaranteed financing granted to entities financial institutions with assets different eligible liquids Level I.	-	28,057	9,216	16,615	25,431	-	28,057	9,216	16,615	25,431
Guaranteed financing granted to counterparties different entities financial institutions, which:	-	389,305	145,634	999,496	1,083,970	-	389,305	145,634	999,496	1,083,970
They have a weighting factor of lower credit risk or equal to 35% according to standard method for r credit risk of Basel II	-	25,135	12,996	165,353	126,545	-	25,135	12,996	165,353	126,545

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Schedule Table 10 CFEN										
Stable Net Financing Coefficient Disclosure Format										
Individual figures						Consolidated figures				
Amount not weighted by remaining term						Amount not weighted by remaining term				
	without expiration	< 6 months	from 6 months to one year	>= 1 year	Weighted amount	without expiration	< 6 months	from 6 months to one year	>= 1 year	Weighted amount
Mortgage loans (current) of which:	-	24,940	28,116	360,482	294,461	-	24,940	28,116	360,482	294,461
They have a weighting factor of lower credit risk or equal to 35% according to standard method established in the Provisions.	-	13,047	14,734	192,380	138,937	-	13,047	14,734	192,380	138,937
Debt securities and shares other than Assets Eligible Liquids (that are not find themselves in a situation (of non-payment)	6,973	1,861	755	6,451	12,907	6,973	1,861	755	6,451	12,907
Interdependent assets.	-	-	-	-	-	-	-	-	-	-
Other Assets	105,325	375,901	3,459	62,767	192,050	105,325	375,901	3,459	62,767	192,050
Basic raw materials (commodities) marketed physically, including air.	-	Not applicable	Not applicable	Not applicable	-	-	Not applicable	Not applicable	Not applicable	-
Initial margin granted in operations with derivative instruments and contributions to the fund absorption of losses central counterparts	Not applicable	21,646	-	-	18,399	Not applicable	21,646	-	-	18,399
Derivative assets for Coefficient ends Stable Financing Net	Not applicable	-	-	-	-	Not applicable	-	-	-	-
Derivative liabilities for purposes of the Coefficient of Net Financing Stable before the deduction for the variation of the initial margin.	Not applicable	-	-	-	2,319	Not applicable	-	-	-	2,319
All assets and operations not included in the categories previous.	105,325	354,255	3,459	62,767	171,333	105,325	354,255	3,459	62,767	171,333
Off-site operations balance	-	188,882	91,091	774,634	13,999	-	188,882	91,091	774,634	13,999
Total Amount of Stable Financing Required	Not applicable	Not applicable	Not applicable	Not applicable	1,678,011	Not applicable	Not applicable	Not applicable	Not applicable	1,678
Coefficient of Stable Financing Grandchild (%)	Not applicable	Not applicable	Not applicable	Not applicable	128.69%	Not applicable	Not applicable	Not applicable	Not applicable	128.69%

(b) Changes in major components within the reporting quarter.

The main changes in the CFEN for the fourth quarter of 2025 within available stable financing correspond to the increase in deposits, wholesale financing from the issuances made in September 2025, and capital due to the quarter's results. Within required stable financing, the main change is the increase in current loans and securities due to the growth of the loan portfolio.

(c) The evolution of the composition of the Available Stable Financing Amount and the Required Stable Financing Amount.

The amount of stable financing available increases due to the growth in deposits, the issuances made in September 2025 and the result obtained in the quarter; while the amount of financing required increases due to the growth in the loan balance.

(d) The impact on the Net Stable Financing Coefficient of the incorporation of the entities subject to consolidation.

There is no impact from consolidation on the Net Stable Financing Coefficient since there are no financial entities that consolidate according to their nature, as part of the Entities Subject to Consolidation, nor are there entities eligible to receive support according to Article 8 of the Provisions.

Operational Risk

1) Definition and assessment

The Institution, aware of the importance of considering all aspects related to operational risk, pursues a comprehensive management of it, considering not only the quantitative aspects of risk, but also addressing the measurement of other elements that require the introduction of qualitative evaluation mechanisms.

According to the "General Provisions Applicable to Credit Institutions" (CUB) issued by the Commission, operational (non-discretionary) risk is defined as: "The potential loss due to failures or deficiencies in internal controls, errors in the processing and storage of transactions or in the transmission of information, as well as adverse administrative and judicial rulings, fraud or theft, and includes, among others, technological risk and legal risk, with the understanding that:

a) Technological risk is defined as the potential loss due to damage, interruption, alteration or failures resulting from the use of hardware, software, systems, applications, networks and any other information transmission channel in the provision of banking services to the Institution's clients.

b) Legal risk is defined as the potential loss due to non-compliance with applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the operations carried out by the Institution."

Operational risk materializes in losses resulting from: human error; inadequate or defective internal processes; inappropriate conduct towards clients, in the markets, or against the entity; money laundering and terrorist financing; failures, interruptions, or deficiencies in systems or communications; theft, loss, or misuse of information, as well as deterioration of its quality; internal or external fraud, including, in all cases, those resulting from cyberattacks; theft or physical damage to assets or people; legal risks; risks arising from workforce management and occupational health, and inadequate service provided by suppliers; as well as losses resulting from extreme weather events, pandemics, and other natural disasters

BBVA's operational risk management incorporates risks related to compliance and conduct, as well as money laundering and terrorist financing, but excludes strategic and/or business risks and reputational risks. However, reputational risk management, entrusted to the Responsible Business unit, will be coordinated with operational risk management to the extent that it arises as a consequence of operational events.

Operational risk is integrated into the Institution's risk structure, which has established and maintains robust internal models that allow for timely knowledge of the materialization of operational risk events.

The measurement of operational risk is the responsibility of the Portfolio Management, Data & Reporting Unit, which is independent of the Market Risk and Credit Risk units, as well as the Audit, Regulation and Internal Control units.

Operational risk losses recorded in 2025 totaled $2,100, primarily due to operational items related to tax payments (surcharges) and lawsuits. The average monthly operational risk losses recorded in Q4 2025 were $527, with tax payments (surcharges), lawsuits, and fines being the most significant factors.

2) General model of operational risk

Operational risk management is based on a cause-and-effect model in which the operational risk associated with the Institution's processes is identified through a continuous improvement cycle:

Identification. - This involves determining the risk factors (circumstances that can become operational risk events) that reside in the processes of each business/support unit.

Quantification. - The potential cost of a risk factor is determined. This can be done using historical data (operational loss database) or by estimation if the risks have not yet materialized as events in the past. Quantification is based on two components: frequency of occurrence and monetary impact should it occur.

Mitigation. - At least for management risks (critical), the identification, documentation and testing of mitigants and controls that contribute to their reduction is carried out, and based on their effectiveness, the residual risk is calculated.

Monitoring. - The Institution promotes continuous monitoring, by the Areas, of the proper functioning and effectiveness of their control environment, and for this purpose, they must take into consideration, among other elements, the evolution of the management indicators defined for the Area, the events and losses experienced, as well as the results of the activity of the second line of defense, the internal audit, supervisors or external auditors.

Additionally, specific management schemes have been established for technological risks and those derived from legal processes.

In the case of the former, in addition to the general methodology of operational risks, the Information Security & CISO Directorate evaluates that the identified risks and the mitigation plans in process are uniform in the Institution and comply with the logical security standards.

With regards to legal proceedings, in addition to the operational risk management process for legal matters, the probability of an adverse outcome is calculated based on the inventory of administrative proceedings and lawsuits in which the Institution is a plaintiff or defendant. Based on the above, the Institution considers the main factors influencing legal risk to be: the degree of non-compliance with regulations; the types of legal proceedings in which it is involved; the amount claimed; and the probability of an unfavorable outcome.

The Institution has an integrated methodology for internal control and operational risk. This methodology allows for the identification of risks in organizational areas, the assessment of identified risks to prioritize/determine which are critical/manageable risks, the definition and implementation of mitigation and control measures for critical/manageable risks, the determination of residual risk (risk assessment after the implementation of controls), and the identification of weaknesses in the control model.

3) General model of operational risk

The operational risk management framework defined for the Institution includes a structure based on the three lines of defense model, with clear delineation of responsibilities, policies, and procedures common to the entire Institution. Its operation includes systems for identifying, measuring, monitoring, controlling, and mitigating operational risks and losses, as well as tools and methodologies for quantifying operational risk.

1st Line of Defense - Business Units

Process owners manage the operational risk of their respective areas and are responsible for identifying and evaluating operational risks, carrying out controls and executing mitigation plans for risks that present control weaknesses.

The Internal Control officers in the Business Units and support areas or Risk Control Assurers (RCA) coordinate and ensure the proper management of operational risk in their Units, extending the methodology for risk identification, promoting the establishment of mitigation measures and necessary controls in all operational processes performed and outsourced by the Area and monitoring their proper implementation and effectiveness.

2nd Line of Defense

i) The Non-Financial Risks Unit
ii) The Specialist Control Units or Risk Control Specialists (RCS)
iii) Responsible business

Risk Control Specialists (RCS) define the mitigation, control and monitoring framework in their area of expertise and compare it with the one implemented by the front line.

Functions of the Non-Financial Risks Unit

The Non-Financial Risks Unit, within the General Directorate of Regulation & Internal Control, is responsible for designing and maintaining the Group's Operational Risk management model and assessing the degree of application of the business and support areas.

– They define methodology, systems and tools.

– They promote interaction between the areas responsible for internal control and control specialists and ensure compliance with the corporate plan.

– Keeps Senior Management informed.

iii) Responsible Business, is responsible for the management of Reputational Risk, in a coordinated manner with the Group's internal control model in those cases where Reputational Risk derives from operational events.

3rd Line of Defense - Internal Audit

- Conducts an independent review of the control model, verifying compliance and effectiveness of established policies.

Operational risk management at the Institution is designed and coordinated by the Non-Financial Risk Management Department, in accordance with BBVA Group's corporate criteria (in Spain). Business and support areas, in turn, have Internal Control Officers (ICOs) coordinated by the Non-Financial Risk Management Department, who are responsible for implementing the model in the day-to-day operations of their respective business areas. This provides the Institution with a process-level view, which is where operational risks are identified and prioritized, and mitigation decisions are made.

To carry out this task, the Institution has tools that cover the qualitative and quantitative aspects of operational risk:

- Operational Risk Management Tool: The corporate tool MIGRO documents the identification and management of the most relevant risks, which serve as a reference for focusing the Internal Control Oversight Committees of the business and support units, as well as the sessions of the Board's Delegated Risk Committee held during the year.

MIGRO documents the mitigation, control and monitoring framework that includes details of the mitigants, indicators and controls implemented by the first line of defense to cover the different operational risks existing in its activity.

- SIRO Tool: Operational risk events almost always have a negative impact on the Institution's accounts. To maintain comprehensive control over these events, they are recorded in a database called SIRO (Integrated Operational Risk System). To ensure its reliability, 98% of its entries are populated directly from accounting data via automated interfaces.

4) Government Model

The operational risk management carried out by each Area is reported through the Area's Internal Control Oversight Committees, where management analyzes the state of its control environment and promotes and monitors the necessary mitigation measures to address identified weaknesses. In this forum, Risk Control Specialists review the proposed actions.

The relevant aspects of operational risk management derived from the Internal Control Oversight Committees are reported to Senior Management, as well as to the Board's Delegated Risk Committee, the Board's Delegated Audit Committee and the Board of Directors, through a reporting scheme coordinated by the Non-Financial Risk Management Department, which ensures that the highest level of the Institution is permanently involved in the management of operational risks and the functioning of the Internal Control System.

5) Capitalization for operational risk

As of January 1st, 2023, the Business Indicator Method for determining the capital requirement for operational risk, published in the Official Gazette of the Federation (DOF) on November 19, 2020, will come into effect. This method replaces all previous methods (basic indicator, standard, alternative standard, and advanced).

6) The ROMIN Method (Operational Risk - Business Indicator Method) considers in its calculation:

- Business Indicator (BI)

FIRST: Interest, lease and dividend component (Interest income, interest expense and dividend income, etc.).

CS: Services Component (Other operating income, other operating expenses, commissions and fees both collected and paid, etc.).

CF: Financial Component (Result from the purchase and sale of financial instruments, currencies, metals, etc.).

From where the Business Indicator Component (BIC) is calculated.

The factors to be used by line of business are as follows:

Level	BI Level	Coefficient marginal (α)	Determination of CIN
I	If BI ≤ 3,500 mdu	12%	BIC= BI *12%
II	If 3,500 md < BI ≤ 104,000 md	15%	BIC= (3,500 mdu * 12%) + [(BI -3,500 mdu)*15%]
III	If BI > 104,000 mdu	18%	BIC= (3,500 mdu * 12%) +(100,500 mdu * 15%) + [(BI -104,000 mdu)*18%]

mdu = millions of Udis

- Internal Loss Multiplier (ILM)

$$ILM = \max\left[Ln\left(\exp(1) - 1 + \left(\frac{PI}{BIC}\right)0.8\right), 1\right]:$$

BIC: Business Indicator Component
PI: 15 times the average annual losses due to Operational Risk incurred during the previous ten years.

Where the Operational Risk Capital Requirement is determined by multiplying the BIC and the ILM.

The overall objective of risk management policies is to avoid significant losses arising from exposure to the Institution's risks, which are demonstrated by the levels of the financial indicators disclosed in note 35, which reflect the financial stability of the Institution.

(35) Financial indicators (unaudited)-

As of December 31, 2025 and 2024, and in accordance with Article 182 of the Provisions, the Institution's financial indicators are detailed below:

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	2025	2024
Delinquency rate	1.63%	1.61%
Loan portfolio coverage ratio stage 3	185.79%	193.06%
Operational efficiency	3.00%	2.99%
ROE	25.82%	27.00%
LONG	2.94%	3.00%
Credit, market and operational risk capitalization index	20.15%	18.68%
core capital 1 on credit, market and operational risk	16.48%	15.24%
Liquidity	101.31%	104.11%
Adjusted Net Interest Margin (MIN) / Average Productive Assets	5.59%	5.66%

Delinquency ratio: Balance of the Loan portfolio with stage 3 credit risk at the end of the quarter / Balance of the total Credit Portfolio at the end of the quarter.

Coverage ratio: Balance of allowance for loan losses at the end of the quarter / Balance of the Credit Portfolio with stage 3 credit risk at the end of the quarter.

Operational efficiency: Expenses (annualized) / Average total assets.

Return on equity (ROE): Net profit (annualized) / Average equity 5 quarters (12 months).

Return on Assets (ROA): Net income (annualized) / Average total assets over 5 quarters (12 months)

Total core capital ratio: Total core capital / Assets subject to credit, market and operational risk.

Core Capital Index: Core Capital / Assets subject to credit, market and operational risk (applied in Mexico as of January 2013).

Liquidity: Portfolio with credit risk stage 1 and stage 2 + loan portfolio valued at fair value / Bank deposits (immediate demand deposits + total term).

Adjusted net interest margin (MIN): Financial margin adjusted for credit risks (annualized) / Average productive assets of 5 quarters (12 months).

Average Productive Assets = Cash and Cash Equivalents + Investments in Financial Instruments + Repurchase Agreement Debtors + Securities Lending + Derivative Financial Instruments + Valuation Adjustment for Financial Asset Hedging + Credit Portfolio with Credit Risk Stages 1 and 2 + Benefits to be Received in Securitization Operations.

(36) Ratings-

As of December 31, 2025, the ratings assigned to the Institution are shown below:

	Global Scale M. E.		National Scale		
Rating Agencies	**Long Term**	**Short Term**	**Long Term**	**Short Term**	**Perspective**
Standard & Poor's	BBB	A-2	mxAAA	mxA-1+	Stable
Moody's	A3	P-2	AAA.mx	ML A-1.mx	Negative
Fitch	BBB+	F2	AAA(mex)	F1+(mex)	Stable

(37) Commitments and contingent liabilities-

Contingencies-

As of December 31, 2025 and 2024, there are lawsuits against the Institution for ordinary civil and commercial actions, as well as contingencies and liquidations by the tax authorities; however, in the opinion of its lawyers, the claims filed are considered inadmissible and in case of adverse rulings, they would not significantly affect its financial position since as of December 31, 2025 and 2024, the Institution has weighed the impacts of each of them and has recorded a reserve for these matters of $3,037 and $1,696, respectively.

As of December 31, 2025 and 2024, there are pending labor lawsuits against the Institution; however, in the opinion of its lawyers, the claims filed are considered inadmissible and in the event of adverse rulings, they would not significantly affect its financial position since, as of December 31, 2025 and 2024, the Institution has assessed the impacts of each of them and has recorded a reserve for these labor matters of $1,062 and $1,244, respectively.

Due to the type of contingencies referred to in the above descriptions and because they depend on the actions of a third party, it is impractical to quantify the inflows or outflows of resources, as well as the possibility of obtaining reimbursements.

(38) New regulatory pronouncements-

I. Modification of CNBV Accounting Criteria

In September 2025, Comisión Nacional Bancaria y de Valores, through the issuance of a Resolution modifying the General Provisions applicable to Credit Institutions, made adjustments to incorporate the registration of the valuation of capital investments that are not traded in the short term but are classified as negotiable financial instruments, with the objective of reducing volatility in the results of the fiscal year caused by valuations not performed. The resolution enters into force on January 1st, 2026.

The Institution's Management is in the process of evaluating to determine the effects of adopting the 2026 accounting standard.

II. Improvements to NIF 2026

In December 2025, the CINIF issued the document called “Improvements to the NIF 2026”, which contains specific modifications to some existing NIFs.

The improvements to the NIF that generate accounting changes are the following:

NIF B-11, “Disposal of Long-Lived Assets and Discontinued Operations”

It is established that the presentation of cash flows related to these operations must be prospective. This means that the cash flow statements for prior comparative periods should not be restated, aligning this criterion with that of the Statement of Financial Position. The disclosure requirements are adjusted to maintain consistency between the presentation and the notes.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2025. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF C-10, “Derivative Financial Instruments and Hedging Relationships”

It is clarified that some contracts, such as futures contracts, may be considered derivative financial instruments (DFIs) if they are settled without the need to physically receive the agreed-upon asset. However, if the contract is for acquiring or using assets for the company's own operations (such as machinery or inventory), it is not considered a derivative, unless the company has decided from the outset to value that contract at fair value to avoid accounting mismatches.

It is clarified that only financial instruments (FIs) contracted with third parties, whether from the consolidated Institution or the individual entity, and provided that the risk is transferred, can qualify as hedging instruments. Based on the financial statement consolidation standards, FIs contracted with entities belonging to the same economic entity must be eliminated from the consolidated financial statements.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2025. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The improvements to NIF that do not generate accounting changes are the following:

NIF A-1, "Conceptual Framework of Mexican Financial Reporting Standards"

The Conceptual Framework is strengthened by clarifying the definition of earned capital, providing greater clarity and conceptual consistency.

NIF B-4, "Statement of changes in equity"

The presentation of the Statement of Changes in Equity is strengthened by including terms used in the NIF and the definition of earned capital is clarified.

NIF B-6, "Statement of financial position"

Clarifications are included in the wording and content is added to the section on the classification of short-term liabilities.

Clarifications to various NIFs

Clarifications are made to the NIFs as a result of the review carried out with the objective of supporting their understanding.

NIF C-10, "Derivative financial instruments and hedging relationships"

The definition of a derivative financial instrument for trading is added to the NIF Glossary, and is therefore incorporated into the list of definitions used in NIF C-10.

NIF C-20, "Financial instruments for collecting principal and interest"

Evidence of a change in strategy in the management of financial instruments is required to justify the reclassification of the instruments to a new business model category.

NIF D-4, "Income Taxes"

The scope is modified to specify that the provisions of the NIF are applicable to all for-profit entities that are subject to taxes calculated on a taxable profit determined on a net basis of income less costs and expenses.

The Institution's Management is in the process of evaluating to determine the effects of adopting the improvements to NIF 2026.

III. Improvements to NIF 2025 that come into effect on January 1st, 2026

NIF C-19, "Financial Instruments Payable"

Certain requirements are incorporated for derecognizing a financial liability when it is paid in cash using an electronic payment system, including: 1) that the entity does not have the ability to withdraw, stop or cancel the payment instruction, 2) that the entity does not have practical ability to access the cash that will be used to settle the transaction; and 3) that the settlement risk associated with the payment system is insignificant.

Additionally, disclosure is required when there are financial instruments payable with contingent clauses that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to compliance with an environmental, social or governance objective, which allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instrument.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

NIF C-20, "Financial instruments for collecting principal and interest"

Information must be disclosed when there are financial instruments receivable, principal and interest, with contingent clauses that are not directly related to changes in the risks and costs of contractual cash flows (such as the time value of money or credit risk), for example, events linked to compliance with an environmental, social or governance objective, that allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instrument.

This improvement takes effect for fiscal years beginning on or after January 1st, 2026, allowing for early implementation in 2024. Any resulting accounting changes must be recognized in accordance with NIF B-1, Accounting Changes and Error Corrections.

The Institution's Management is in the process of evaluating to determine the effects of adopting the improvements to NIF 2025 that come into effect on January 1st, 2026.

IV. NIFs that come into effect on January 1st, 2028

NIF B-1, "Bases for the preparation of Financial Statements"

The objective of this Financial Reporting Standard (NIF) is to establish the general standards that serve as the basis for the preparation of financial statements, including the general requirements for the preparation and presentation of financial statements; the criteria for selecting, changing and disclosing accounting policies, as well as the treatment and disclosure of changes in accounting estimates and corrections of errors.

The provisions contained in this NIF become effective for fiscal years beginning on or after January 1st, 2028; early application is permitted for fiscal year 2027, in which case this fact must be disclosed.

NIF B-3, "Statement of Comprehensive Income"

The objective of this Financial Reporting Standard (FRS) is to establish the standards for the presentation of the statement of comprehensive income, the minimum content requirements, and the disclosure requirements, in order to ensure that this statement provides relevant and useful information for users of financial statements in their decision-making regarding an entity and that statements of comprehensive income are comparable with those of other entities and with the entity itself over time. In preparing the statement of comprehensive income, in addition to this FRS, an entity must apply the financial statement requirements established in FRS B-1, Bases for the Preparation of Financial Statements.

The provisions contained in this draft NIF become effective for fiscal years beginning on or after January 1st, 2028. Early application is permitted as of January 1st, 2027, provided that it is done in conjunction with the application of the corresponding modifications to NIF B-1, Bases for the preparation of financial statements.

The Institution's Management is in the process of evaluating to determine the effects of adopting the improvements to NIF B-1 and B-3 that come into effect in 2028.

V. Sustainability Reporting Standards (SRS)

NIS A-1, "General Standards for Sustainability Disclosure"

It establishes the conceptual framework and the foundations that support the development and application of these in the preparation and disclosure of the entity's sustainability information.

This NIS became effective for fiscal years beginning on or after January 1st, 2025.

NIS B-1, "Basic Sustainability Indicators"

It establishes the standards for determining the Basic Sustainability Indicators (BSI) associated with environmental, social, human capital and governance factors, as well as their disclosure as part of the sustainability financial information.

This NIS became effective for fiscal years beginning on or after January 1st, 2025, allowing for early application as long as it is applied in conjunction with NIS A-1.

The Institution's Management analyzed the criteria issued by the CNBV and found no obligation to comply with the NIS, therefore, no impact of their application was identified.

On the other hand, for non-regulated entities (insignificant subsidiaries) that issue their Financial Statements under Mexican Financial Reporting Standards, it is concluded that the impacts are insignificant.

(39) Financial and tax effects of the impact of hurricane "Otis"-

Reach

In response to the unfortunate events caused by Hurricane Otis with severe impact on the state of Guerrero, Secretaría de Seguridad y Protección Ciudadana, in accordance with applicable regulations, issued on October 26, 2023, through press release number BDE-007-2023, the "Agreement" establishing a State of Emergency for the state of Guerrero due to the occurrence of severe rain and strong winds on October 24, 2023.

In this regard, based on article 175, first paragraph of the "General provisions applicable to credit institutions", H. the Comisión Nacional Bancaria y de Valores has determined to issue on a temporary basis through letter P-307/2023 dated October 27, 2023, the special accounting criteria for the creditors who have their domicile or the credits whose source of payment is located in the areas affected by the event indicated in the "Agreement" referred to in the previous paragraph.

The support programs consist of granting borrowers a deferral of principal and/or interest payments for up to 6 months and will be applicable to consumer, residential mortgage and commercial loans, and for clients who are classified in accounting as stage 1 and 2 as of October 24, 2023, observing that the adhesion procedures end no later than April 30, 2024.

The special accounting criteria are detailed below:

1. Loans with a "single principal payment at maturity and periodic interest payments, as well as loans with a single principal and interest payment at maturity," that are restructured or renewed, will not be transferred to the next higher-risk stage as established in Paragraph 99 of Section B-6, Loan Portfolio, contained in Schedule 33 of the CUB. This applies provided that the borrowers are classified in accounting terms as Stage 1 or 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of Section B-6.

2. For loans with "periodic principal and interest payments" that are restructured or renewed, they may remain in the same risk category, without the provisions of Paragraphs 104 and 105 of B-6 being applicable. This is provided that the borrowers are classified in accounting as a portfolio in stages 1 and 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

3. Loans that are stipulated as revolving from their inception, and that are restructured or renewed no later than April 30, 2024, may not be transferred to the next higher risk stage in accordance with the provisions of Paragraph 100 of B-6. This benefit may not exceed 6 months from the original maturity date of the operations and may only be applied to disbursements authorized or agreed upon by October 24, 2023, provided that the borrowers are classified in accounting as a portfolio in stage 1 or 2 on that date, in accordance with paragraphs 10 and 11 of B-6.

4. With regard to the loans mentioned in the preceding paragraphs, these operations will not be considered as restructured in accordance with Paragraph 35 of Criterion B-6.

5. If debt forgiveness, repayment, bonuses, or discounts are included on the outstanding loan balance to support borrowers, the Institutions may defer the establishment of the EPRC (Expense Reduction and Repayment Reserve). When the amount of debt forgiveness, repayment, bonuses, or discounts is greater than the EPRC, a reserve for the difference will be established for a period not exceeding 12 months.

Institutions applying special accounting criteria must adhere to the following: They must not make contractual modifications that explicitly or implicitly consider the capitalization of interest or the charging of any restructuring fees. For revolving loans to individuals, credit lines previously authorized or agreed upon as of October 24, 2023, must not be restricted or reduced by more than 50% of the undrawn portion of said lines, nor may they be canceled. For revolving loans to legal entities, credit lines previously authorized or agreed upon as of October 24, 2023, must not be restricted or canceled. They must not request additional guarantees or substitutions. They must document the new conditions with evidence of the agreement between the parties (via email).

On April 4, 2024, the Commission issued Official Letter P-80/2024, extending the deadline to October 31, 2024, for the application of the special criteria issued in Official Letters P-307/2023 and P-318/2023, as described therein. The Institution adopted the extension requirements established in this letter; however, few clients requested the extension, and consequently, the total amount is negligible.

As a result of borrowers' participation in the support programs, as of December 31, 2024, the total amount of deferred payments is $21, with a total balance of the supported portfolio of $58. These figures are broken down by number of cases, and the amount deferred by loan type is detailed below:

Portfolio	Number of contracts supported	Amount supported	Stage 1	Stage 2	Stage 3	Total	Reservations
SME	35	$ 21	$ 58	$ -	$ -	$ 58	$ 1
Total	**35**	**$ 21**	**$ 58**	**$ -**	**$ -**	**$ 58**	**$ 1**

Had the CCE not been applied, the Institution would have had an immaterial impact on the portfolio classification in the balance sheet. Considering that the support at BBVA Mexico was granted starting in November 2023, and given that most of the participating portfolio was in accounting status stage 1 and stage 2 as of that month, by December 31, 2024, based on the actual number of days past due, the stage 3 portfolio would have been $2, representing 4.16% of the total supported portfolio.

The accrued interest that would have been recognized in the Financial Margin as of December 31, 2024 would have been $9, if the support plans had not been applied.

As of December 31, 2024, the effect on solvency from applying the special accounting criteria did not have a relevant impact on the ICAP.

(40) Subsequent events-

Divestment in equity stake

Based on the authorization of the Ministry of Finance and Public Credit, through official letter No. 312-1/10077/2025 of October 20, 2025, the Institution carried out on January 30, 2026 the divestment of its total shareholding in the company Adquira México, S.A. de C.V., through the sale of its shares as follows:

Class	No. of shares	Price (pesos per share)	Amount (pesos)	Buyer
Serie A	50,994	4,470.96	$ 228	Openpay Mexico, S.A. de C.V.
Serie A	1	4,470.96	-	BBVA Operadora México, S.A. de C.V.
	50,995		**$ 228**	

BBVA México, S.A.,
Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated Financial Statements

December 31, 2024 and 2023
with independent auditor's report
(Translation from Spanish language (original))

BBVA México, S.A.,
Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated Financial Statements

December 31, 2024 and 2023

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Notes to the Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and its Subsidiaries ("the Institution"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Institution, have been prepared in all material aspects in accordance with the accounting criteria for credit institutions in Mexico (the "Accounting Criteria") established by the National Banking and Securities Commission ("the Commission" or "CNBV").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Company in accordance with the "*International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants*" ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico in accordance with the "*Código de Ética Profesional del Instituto Mexicano de Contadores Públicos*" ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Integrante de Ernst & Young Global Limited

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Allowance for loan losses

Description and why matter is considered as a key audit matter

We have considered the allowance for loan losses of the loan portfolio which amounts to $60,331 million pesos as a key audit matter, since its determination involves significant judgments by the Management as well as the use of the various factors established in the Institution's internal methodology approved by the Commission and the standard methodology defined by the CNBV for loan portfolio rating processes, which requires the involvement of independent specialists from the Institution's Management and internal auditor valuation specialists, such as the allocation of the collateral, guarantor's rating, assignment of "rating" for null values and impairment flag in applicable cases. Likewise, it is considered the reliability of the documentation and the updating of the information that serves as input for the calculation of said estimate.

In notes 3 o) and 12 of the accompanying consolidated financial statements as of December 31, 2024, the disclosures on the accounting policy for recognition and analysis of allowance of loan losses are included, respectively.

How our audit addressed the key audit matter

Our audit procedures included, among others, the understanding of the key processes and control environment established by the Institution, in the process of determining the allowance of loan losses of the loan portfolio, as well as the execution of design and operational effectiveness tests of the key controls implemented by the Institution 's Management.

Additionally, we assessed the key quantitative and qualitative factors used by the Institution's Management to determine the allowance of loan losses of the loan portfolio, considering the items related to debtors during the loan portfolio rating process in accordance with the accounting methodologies and criteria established by the CNBV.

We also involved our valuation specialists to assist us in evaluating the reasonableness of Management's judgments regarding the allowance of loan losses of the loan portfolio, based on a sample basis.

Finally, we assessed the adequacy of the disclosures related to determining the allowance of loan losses of the loan portfolio, which was obtained in the accompanying consolidated financial statements as of December 31, 2024.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report filed with the CNBV and the annual report submitted to shareholders, but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Upon reviewing the annual report presented to the CNBV and the annual report presented to the shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and issue a statement on the annual report requested by the CNBV to describe the matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the Accounting Criteria, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institution's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA.
, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that complies, in all material aspects, with the accounting regulatory framework indicated in the second paragraph of this report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
Member of
Ernst & Young Global Limited

SIGNATURE

C.P.C. Brenda Miroslava Vázquez Calderón

Mexico City,
February 27, 2025

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries
Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México
Consolidated statements of financial position
As of December 31, 2024 and 2023

(MXN millions)

Assets	2024	2023
Cash and cash equivalents (note 5)	$ 270,189	$ 219,260
Margin accounts (derivative financial instruments) (note 6)	13,379	9,413
Investments in financial instruments (note 7):		
Negotiable financial instruments	287,968	289,616
Financial instruments to collect and sell	273,722	237,914
Financial instruments to collect principal and interest (Securities) (net)	96,205	123,389
	657,895	650,919
Debtors on repurchases/resales (note 8)	37,753	91,577
Derivative financial instruments (note 9):		
Trading	188,914	173,171
Hedging	2,701	8,644
	191,615	181,815
Valuation adjustments related to financial assets hedged	(1,557)	(933)
Loan portfolio with stage 1 credit risk:		
Commercial:		
Business or commercial activity	795,883	648,348
Financial entities	46,472	37,173
Governmental entities	203,876	191,299
	1,046,231	876,820
Consumer	471,531	407,588
Mortgage:		
Medium class and residential	345,332	315,186
Low income	2,792	3,439
	348,124	318,625
Total loan portfolio with stage 1 credit risk	1,865,886	1,603,033
Loan portfolio with stage 2 credit risk:		
Commercial:		
Business or commercial activity	13,676	18,994
Financial entities	5	18
	13,681	19,012
Consumer	12,432	11,482
Mortgage:		
Medium class and residential	12,411	11,556
Low income	410	476
	12,821	12,032
Total loan portfolio with stage 2 credit risk	38,934	42,526
Loan portfolio with stage 3 credit risk:		
Commercial:		
Business or commercial activity	8,907	8,721
Financial entities	16	6
	8,923	8,727
Consumer	14,361	12,518
Mortgage:		
Medium class and residential	7,810	6,675
Low income	156	184
	7,966	6,859
Total loan portfolio with stage 3 credit risk	31,250	28,104

Liabilities and stockholders' equity	2024	2023
Deposits (note 20):		
Demand deposits	$ 1,540,914	$ 1,478,577
Time deposits:		
General public	266,837	244,984
Money market	21,855	21,948
Securities issued	135,432	100,862
Global deposit account without transactions	7,019	6,560
	1,972,057	1,852,931
Interbank and other borrowings (note 21):		
Short-term	6,373	6,728
Long-term	7,276	33,342
	13,649	40,070
Creditors on repurchase/resale (note 8)	340,327	242,601
Securities lending	3	1
Collateral sold or pledged (note 8):		
Repurchase/resale (creditor balance)	48,236	18,428
Securities lending	87,963	66,634
	136,199	85,062
Derivative financial instruments (note 9):		
Trading	214,550	196,759
Hedging	15,763	4,804
	230,313	201,563
Valuation adjustments to financial liabilities hedged	(5,504)	(3,039)
Lease liabilities (note 16)	5,503	5,876
Other accounts payable:		
Creditors on settlement of transactions	89,837	79,471
Creditors for margin accounts	1,707	80
Creditors on cash received as collateral (note 9)	9,962	16,761
Tax payable	4,055	3,276
Sundry creditors and other accounts payable (note 18)	126,367	35,867
	231,928	135,455
Financial instruments qualifying as liabilities:		
Subordinated obligations outstanding (note 23)	77,535	50,504
Income tax liability (note 25)	-	2,978
Liability for employee benefits (note 22)	13,288	11,530
Deferred credits and early collections	6,826	6,465
Total liabilities	3,022,124	2,631,997
Stockholders' equity (note 26):		
Paid-in capital:		
Capital stock	24,143	24,143
Additional paid-in capital	15,860	15,860
	40,003	40,003

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries
Paseo de la Reforma 510, Col. Juárez, Ciudad de México, México

Consolidated statements of financial position

As of December 31, 2024 and 2023

(MXN millions)

Asset	2024	2023
Loan portfolio measured at fair value	7,681	5,401
Loan portfolio (note 10)	1,943,751	1,679,064
(+/-) Deferred items	(419)	(1,387)
(-) Less:		
Allowance for loan losses (note 12)	(60,331)	(55,195)
Loan portfolio (net)	1,883,001	1,622,482
Collection rights purchased (net)	1	1
Total loan portfolio (net)	1,883,002	1,622,483
Other accounts receivable (net) (note 13)	236,114	92,871
Foreclosed assets (net) (note 14)	1,560	1,144
Prepayments and other assets (net)	1,943	2,520
Property, plant and equipment (net) (note 15)	39,008	39,411
Assets for rights to use property, plant and equipment (net) (note 16)	5,047	5,519
Permanent investments (note 17)	1,407	1,185
Deferred income tax assets (note 25)	40,157	38,387
Intangible assets (net) (note 19)	6,040	5,021
Total assets	$ 3,383,552	$ 2,960,592

Liabilities and stockholders' equity	2024	2023
Earned capital:		
Statutory reserves	6,901	6,901
Cumulative results	328,296	294,350
Other comprehensive income:		
Valuation of financial instruments to collect and sell	(5,543)	(4,500)
Valuation of derivative financial instruments for cash flow hedges	(3)	(544)
Remeasurement of defined employee benefits	(8,337)	(7,721)
	(13,883)	(12,765)
	321,314	288,486
Total controlling interest	361,317	328,489
Total non-controlling interest	111	106
Total stockholders' equity	361,428	328,595
Total liabilities and shareholders' equity	$ 3,383,552	$ 2,960,592

Memorandum accounts	2024	2023
Contingent assets and liabilities	$ 208	$ 265
Credit commitments (note 10)	975,666	826,305
Assets in trust or mandate:		
Trusts	645,747	564,116
Mandates	280	293
	646,027	564,409
Property in custody or under administration	304,571	292,957
Collateral received by the Institution (note 8)	159,525	175,745
Collateral received and sold or delivered by the Institution (note 8)	137,045	86,090
Investment banking operations on behalf of third parties, (net)	2,872,377	2,531,393
Uncollected accrued interest derived from loan portfolio with stage 3 credit risk	2,517	2,674
Other registration accounts	4,749,520	3,938,539

The historical balance of share capital as of December 31, 2024 and 2023, is $4,248.

The accompanying notes are part of the consolidated financial statements.

These consolidated statements of financial position were prepared in accordance with the Accounting Principles for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to the provisions of Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, reflecting the transactions carried out by the institution up to the dates mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of financial position were approved by the Board of Directors under the responsibility of the officers who sign it.

[SIGNED]	[SIGNED]	[SIGNED]	[SIGNED]
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

https://investors.bbva.mx/www.cnbv.gob.mx

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated statements of comprehensive income

For the years ended December 31, 2024 and 2023

(MXN millions)

	2024	2023
Interest income (note 30)	$ 341,114	$ 303,309
Interest expense (note 30)	(123,844)	(103,027)
Financial margin	217,270	200,282
Allowance for loan losses (note 12)	(54,672)	(44,966)
Financial margin adjusted for loan losses	162,598	155,316
Commissions and fees collected (note 31)	83,105	71,707
Commissions and fees paid (note 31)	(35,698)	(30,618)
Financial intermediation income (note 32)	15,268	12,816
Other operating income (expense)	(7,172)	(7,848)
Administrative and promotional expenses	(89,859)	(81,075)
Operating income	128,242	120,298
Interest in net income of other entities (note 17)	406	308
Income before income tax	128,648	120,606
Income tax (note 25)	(35,502)	(33,002)
Income from continuing operations	93,146	87,604
Discontinued operations	-	-
Net income	$ 93,146	$ 87,604
Other comprehensive income:		
Valuation of financial instruments to collect and sell	$ (1,043)	4,203
Valuation of derivative financial instruments for cash flow hedges	541	809
Remeasurement of employee defined benefits	(616)	(2,981)
	(1,118)	2,031
Comprehensive income	$ 92,028	$ 89,635
Net income attributable to:		
Controlling and non-controlling interest	$ 93,186	$ 87,631
Non-controlling interest	(40)	(27)
	$ 93,146	$ 87,604
Comprehensive income attributable to:		
Controlling and non-controlling interest	$ 92,068	$ 89,662
Non-controlling interest	(40)	(27)
	$ 92,028	$ 89,635
Basic earnings per common share (pesos per share)	6.14	5.77

The accompanying notes are part of the consolidated financial statements.

These consolidated statements of comprehensive income were prepared in accordance with the Accounting Principles for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to the provisions of Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing all the income and expenses derived from the operations carried out by the institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of comprehensive income were approved by the Board of Directors under the responsibility of the officers who sign it.

[SIGNED]	[SIGNED]	[SIGNED]	[SIGNED]
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated statements of changes in stockholders' equity

For the years ended December 31, 2024 and 2023

(MXN millions)

	Paid in capital		Earned capital							
	Capital stock	Additional paid-in capital	Statutory reserves	Cumulative income	Valuation of financial instruments to collect and sell	Valuation of derivative financial instruments for cash flow hedges	Remeasurement defined benefits to employees	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2022	$ 24,143	$ 15,860	$ 6,901	$ 267,846	$ (8,703)	$ (1,353)	$ (4,740)	$ 299,954	$ 79	$ 300,033
Owner's movements										
Declaration of dividends	-	-	-	(61,100)	-	-	-	(61,100)	-	(61,100)
Comprehensive income										
Net income	-	-	-	87,604	-	-	-	87,604	27	87,631
Other comprehensive income:										
Valuation of financial instruments to collect and sell	-	-	-	-	4,203	-	-	4,203	-	4,203
Result from valuation of derivative financial instruments to hedge cash flows	-	-	-	-	-	809	-	809	-	809
Remeasurement of employee defined benefits	-	-	-	-	-	-	(2,981)	(2,981)	-	(2,981)
Total	-	-	-	26,504	4,203	809	(2,981)	28,535	27	28,562
Balances as of December 31, 2023	24,143	15,860	6,901	294,350	(4,500)	(544)	(7,721)	328,489	106	328,595
Owner's movements										
Declaration of dividends	-	-	-	(59,200)	-	-	-	(59,200)	-	(59,200)
Payment of dividends (minority interest)									(35)	(35)
Comprehensive income										
Net income	-	-	-	93,146	-	-	-	93,146	40	93,186
Other comprehensive income:										
Valuation of financial instruments to collect and sell	-	-	-	-	(1,043)	-	-	(1,043)	-	(1,043)
Result from valuation of derivative financial instruments to hedge cash flows	-	-	-	-	-	541	-	541	-	541
Remeasurement of employee defined benefits	-	-	-	-	-	-	(616)	(616)	-	(616)
Total	-	-	-	33,946	(1,043)	541	(616)	32,828	5	32,833
Balances as of December 31, 2024	$ 24,143	$ 15,860	$ 6,901	$ 328,296	$ (5,543)	$ (3)	$ (8,337)	$ 361,317	$ 111	$ 361,428

The accompanying notes are part of the consolidated financial statements.

These consolidated statements of changes in stockholders' equity were prepared in accordance with the Accounting Principles for Credit Institutions, issued by the National Banking and Securities Commission, pursuant to the provisions of Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing all the movements in the stockholders' equity accounts derived from the operations carried out by the institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statement of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the officers who sign it.

[SIGNED]	[SIGNED]	[SIGNED]	[SIGNED]
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

Consolidated statements of cash flows

For the years ended December 31, 2024 and 2023

(MXN millions)

	2024	2023
Operating activities:		
Income before income taxes	$ 128,648	$ 120,606
Adjustments for items associated with investing activities:		
Losses or reversal of losses due to impairment of long-lived assets	636	169
Depreciation of property, plant and equipment	3,003	2,737
Amortization of installation expenses	2,079	1,998
Amortization of intangible assets	1,686	1,688
Equity in net income of other entities	(406)	(308)
	6,998	6,284
Changes in operating items		
Change in margin accounts (derivative financial instruments)	(2,475)	(370)
Change in investments in financial instruments (securities) (net)	2,868	(116,025)
Change in debtors on repurchases/resales	53,824	(65,253)
Change in derivative financial instruments (assets)	(15,743)	36,347
Change in loan portfolio (net)	(212,852)	(185,387)
Change in other accounts receivable (net)	(135,785)	45,400
Change in foreclosed assets (net)	(416)	466
Change in other operating assets (net)	2,144	976
Change in deposits	66,591	175,730
Change in interbank and other borrowings	(26,910)	1,232
Change in creditors on repurchases/resales	97,725	55,544
Change in securities lending (liability)	2	-
Change in collateral sold or pledged	51,136	30,328
Change in derivative financial instruments (liabilities)	17,791	(35,593)
Change in other operating liabilities	4,634	72,655
Change in derivative financial instruments hedged (of hedged items related to operating activities)	16,822	(3,345)
Change in assets/liabilities from employee benefits	858	944
Change in other accounts payable	89,220	(88,653)
Payments of income tax	(46,294)	(46,747)
Net cash flows from operating activities	98,786	5,139
Investment activities:		
Proceeds for disposal of property, plant and equipment	153	143
Payments for acquisition of property, plant and equipment	(4,896)	(8,030)
Proceeds from disposal of associates, joint ventures and other permanent investments	106	-
Payments for acquisition of intangible assets	(3,276)	(2,398)
Net cash flows from investing activities	(7,913)	(10,285)
Financing activities		
Cash dividend payments	(59,200)	(61,100)
Payment of dividends (minority interest)	(35)	-
Proceeds from issuance of financial instruments qualifying as liabilities	15,327	16,935
Net cash flows from financing activities	(43,908)	(44,165)
Net increase or decrease in cash and cash equivalents	46,965	(49,311)
Effects from changes in the value of cash and cash equivalents	3,964	(7,224)
Cash and cash equivalents at the beginning of period	219,260	275,795
Cash and cash equivalents at the end of the period	$ 270,189	$ 219,260

The accompanying notes are part of the consolidated financial statements.

These consolidated statements of cash flows have been prepared in accordance with the Accounting Standards for Credit Institutions issued by the National Banking and Securities Commission, pursuant to the provisions of Articles 99, 101 and 102 of the Banking Law, consistently applied and mandatory, showing the cash inflows and outflows derived from the operations carried out by the institution during the periods mentioned above, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated statements of cash flow were approved by the Board of Directors under the responsibility of the officers who sign it.

[SIGNED]	[SIGNED]	[SIGNED]	[SIGNED]
Eduardo Osuna Osuna	Beatriz Muñoz Villa	Adolfo Arcos González	Ana Luisa Miriam Ordorica Amezcua
Chief Executive Officer	Chief Financial Officer	Head of Internal Audit	Head of Corporate Accounting

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BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and subsidiaries

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

(MXN Millions, except when otherwise noted)

(1) Activity and regulatory operating environment-

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México and Subsidiaries, (hereinafter and indistinctively, the "Institution" or the "Bank") is a direct subsidiary of Grupo Financiero BBVA México, S.A. de C.V. (the "Financial Group") and indirectly from Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") and is regulated, among others, by the Banking Law (Ley de Instituciones de Crédito) ("LIC"), as well as by the General Provisions Applicable to Banking Institutions (Disposiciones de Carácter General Aplicables a las Instituciones de Crédito) (the "Provisions") issued by the National Banking and Securities Commission of Mexico (hereinafter, the "Commission" or the "CNBV"), and its purpose is to provide the multiple banking service in the terms of said Law, carrying out operations that include, mainly, the receipt of deposits, the granting of credits, the operation with securities and derivative financial instruments, as well as the execution of trust contracts. It has its address at Avenida Paseo de la Reforma No. 510, Colonia Juárez, Alcaldía Cuauhtémoc, Mexico City, C.P. 06600.

Among the powers that correspond to the Commission in its capacity as regulator of credit institutions, is that of carrying out reviews of the Institution's financial information and requiring modifications to it, where appropriate.

The main regulatory aspects require that Multiple Banking Institutions maintain a minimum capitalization rate in relation to market, credit and operational risks, compliance with certain limits of acceptance of deposits, obligations and other types of funding that can be denominated in foreign currency, as well as the establishment of minimum limits of paid capital and capital reserves, with which the Institution satisfactorily complies.

(2) Authorization and presentation bases-

Authorization

On February 27, 2025, Eduardo Osuna Osuna, General Director; Beatriz Muñoz Villa, Chief Financial Officer, who took office on January 30, 2025; Adolfo Arcos González, Head of Internal Audit and Ana Luisa Miriam Ordorica Amezcua, Head of Corporate Accounting, authorized the issuance of the attached consolidated financial statements and their corresponding notes (hereinafter, the financial statements).

The Institution's shareholders and the Commission have the power to modify the financial statements after their issuance. The attached financial statements will be submitted for approval at the next Shareholders' Meeting.

Basis of presentation

a) Statement of compliance

The financial statements of the Institution are prepared in accordance with the accounting criteria for credit institutions in Mexico ("the Accounting Criteria"), established by the Commission, which is in charge of the inspection and surveillance of credit institutions and carries out the review of their financial information.

The Accounting Criteria indicate that the Commission will issue particular rules for specialized operations and that in the absence of express accounting criteria of said Commission for credit institutions, and in a broader context of the Mexican Financial Reporting Standards (Normas de Información Financiera) ("FRS") issued by the Mexican Board for Research and Development of Financial Reporting Standards (Consejo Mexicano de Normas de Información Financiera, A.C.) ("CINIF"), the supplementary process established in FRS A-1 (Chapter 90 - Supplementary status) will be observed, and only in the event that the International Financial Reporting Standards (IFRS) referred to in FRS A-1 (Chapter 90 - Supplementary status) do not provide a solution to the accounting recognition, a supplementary standard that belongs to any other regulatory scheme may be opted for, as long as it complies with all the requirements indicated in the aforementioned FRS, the supplementary status must be applied in the following order: the accounting principles generally accepted in the United States of America (US GAAP) and any accounting standard that is part of a formal and recognized set of standards, as long as it meets the requirements of criterion A-4 of the Commission.

b) Use of judgments and estimates

The preparation of the financial statements requires that Management make judgments, estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the year.

Judgments

Information about judgments made in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in the notes to the financial statements listed below:

— Note 7 - Investments in financial instruments: Securities market values without an observable market.

— Note 9 - Valuation of derivative financial instruments: key assumptions to determine the market value, especially those complex derivatives or those without an active market.
— Notes 12 and 13 - Determination of allowance for loan losses and recoverability of accounts receivable: assumptions and inputs used in its determination.
— Note 15 - Valuation of properties, plant and equipment - Impairment tests on the value of fixed assets, including the key assumptions for determining the recoverable amount of said assets.
— Note 22 - Measurement of defined benefit obligations: key actuarial assumptions;
— Note 25 - Recognition of deferred tax assets: availability of future taxable profits and the materialization of deferred taxes.

Assumptions and uncertainties in estimates

Information on assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year are included in the following notes to the financial statements:

— Note 7 - Investments in financial instruments: Securities market values without an observable market.
— Note 9 - Valuation of derivative financial instruments: key assumptions to determine the market value, especially those complex derivatives or those without an active market.
— Notes 12 and 13 - Determination of allowance for loan losses and recoverability of accounts receivable: assumptions and inputs used in its determination.
— Note 15 - Valuation of properties, plant and equipment - Impairment tests of the value of fixed assets, including the key assumptions for determining the recoverable amount of said assets.
— Note 22 - Measurement of defined benefit obligations: key actuarial assumptions;
— Note 25 - Recognition of deferred tax assets: availability of future taxable profits and the materialization of deferred taxes.

c) Functional and reporting currency

The financial statements of the Institution are presented in Mexican pesos, which is equal to the recording currency and its functional currency.

For disclosure purposes in notes to the financial statements, when reference is made to pesos or “$” or “National currency” or “MXN”, it is millions of Mexican pesos, and when reference is made to dollars or “USD”, it is millions of dollars of the United States of America.

d) Recognition of financial assets and liabilities on their agreement date

The financial statements recognize the assets and liabilities arising from foreign currency purchase and sale operations, investments in securities, repos, securities lending and derivative financial instruments on the date on which the operation is concluded, regardless of its settlement date.

e) Comprehensive income

It is made up of the net result for the year plus other items that represent a gain or loss for the same period, which, in accordance with the accounting practices followed by the Institution, are presented directly in stockholders' equity, such as the result from the valuation of financial instruments receivable and sold, the result from the valuation of financial instruments derived from cash flow hedging, the accumulated effect from conversion and the remeasurements for defined benefits to employees.

(3) Main accounting policies-

The main accounting policies described below have been applied uniformly in the preparation of the financial statements presented and have been consistently applied by the Institution.

(a) Recognition of the effects of inflation-

The accompanying financial statements of the Institution were prepared in accordance with the Accounting Criteria, which, since the Institution has operated in 2008 in a non-inflationary economic environment (accumulated inflation in the last three previous years less than 26%), include the recognition of the effects of inflation in the financial information until December 31, 2007, using for this purpose the Investment Unit (UDI), which is a unit of measurement of inflation whose value is determined by the Central Bank.

The inflation percentages measured through the value of the UDI for the years ending December 31, 2024 and 2023, were 4.50% and 4.38%, respectively; Therefore, the accumulated annual inflation of the last two annual years prior to December 31, 2024 and 2023, were 17.34% and 20.83%, respectively, so the economic environment for the last year qualifies as non-inflationary. As mentioned above, the effects of inflation accumulated until December 31, 2007 are maintained in the accounting records of the consolidated statement of financial position as of December 31, 2024 and 2023.

(b) Basis of consolidation-

The attached financial statements include the financial statements of the Institution and those of its subsidiaries over which it has control. All significant balances and transactions between companies have been eliminated.

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

As of December 31, 2024 and 2023, the subsidiaries were consolidated from the date on which the Institution obtained control to direct its relevant activities, has the right to variable returns from its participation and has the ability to affect said returns through its power and is exposed to the risks associated therewith.

To prepare the consolidated financial statements, the financial statements of the subsidiaries as of December 31, 2024 and 2023, and for the periods ending on said dates, were used. The financial statements of the subsidiary entities are prepared considering the same accounting period and using consistent accounting policies.

The non-controlling interest represents the participation in the profit or loss, as well as the net assets of subsidiaries that are not owned by the controlling interest. The non-controlling interest is presented separately within the consolidated stockholders' equity. Acquisitions of non-controlling interests or the sale of the same interests, without losing control of the subsidiary, are considered transactions between shareholders.

The subsidiaries consolidated with the Institution as of December 31, 2024 and 2023, are detailed below:

Company	Share 2024	Share 2023	Location	Activity
Opción Volcán, S.A. de C.V. (1)	0%	99.99%	Mexico	Banking real estate.
Fideicomiso No. 29764-8, Socio Liquidador de Operaciones Financieras Derivadas Integral	100.00%	100.00%	Mexico	Clearing and settlement of derivative contracts on behalf of third parties and on its own.
Adquira México, S.A. de C.V.	50.00%	50.00%	Mexico	Build, manage, market and operate a shopping club, as well as markets via electronic means.
Financiera Ayudamos, S.A. de C.V., SOFOM, E. R. (the Company) (2)	0%	99.99%	Mexico	Regular and professional credit granting under the terms of article 87-B of the General Law of Auxiliary Credit Organizations.
Fideicomisos Empresariales Irrevocables de Administración y pago No. F/1859 y No F/1860	100.00%	100.00%	Mexico	Financing for the acquisition of the Modular Drilling Equipment, to subsequently grant it a financial lease with an option to purchase to PEMEX Exploración y Prodiciones.

(1) On October 26, 2023, the Board of Directors approved the divestment of the company Opción Volcán, which was carried out through a purchase and sale contract on August 22, 2024 to BBVA Operadora México, S.A. de C.V.

(2) Through an Extraordinary General Shareholders' Meeting held on November 1, 2019, it was decided to approve the early dissolution and liquidation of the Company, with effect from this same date, since, as of September 2018, the company suspended the placement of its credit products to the public and began the orderly closure of operations and branches. On June 27, 2024, the liquidation of the company was carried out in accordance with the Minutes of the Assembly of this date.

(c) Offset of financial assets and financial liabilities-

The recognized financial assets and liabilities are offset so that the debit or credit balance is presented in the consolidated statement of financial position, as appropriate, if and only if there is the contractual right to offset the recognized amounts, and the intention to settle the net amount, or to realize the asset and cancel the liability, simultaneously.

(d) New FRSs, Interpretations and Improvements to FRSs that came into force as of January 1, 2024

Improvements to FRS 2024

The Institution has not adopted in advance any standard, interpretation or improvement that has already been published but is not yet in force, although said standard, improvement or interpretation allows its early application.

Below is a description of the most relevant aspects of the pronouncements that came into force as of January 1, 2024, as well as their corresponding impact:

FRS A-1 “Conceptual Framework of Financial Reporting Standards”

The definition of public interest entities is incorporated into the Conceptual Framework and establishes the disclosure requirements that are mandatory for them and establishes the general disclosures applicable to all entities (those of public interest and those that are not of public interest).

This improvement came into effect from the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1 Accounting changes and error corrections.

FRS C-10 "Derivative financial instruments and hedging relationships"

The accounting treatment of a hedge of capital financial instruments whose valuation at fair value is recognized in other comprehensive income (OCI) is incorporated when the entity has chosen to recognize the valuation of the hedged instrument in OCI, in accordance with what is established in FRS C-2 and not recognize against the profit or loss for the year the OCI of the time value of hedging instruments; unless it has been discontinued.

This improvement came into effect from the 1st. January 2024, allowing its early application in 2023. The accounting changes that arise must be recognized prospectively as established in FRS B-1 Accounting changes and error corrections.

FRS C-2 "Investment in financial instruments"

The definition is modified for greater clarity in the conceptualization of instruments to collect and sell, the term financial instruments to collect or sell is eliminated to be replaced by financial instruments to collect and sell, understanding that according to its business model its objective is to collect the contractual cash flows and sell the financial asset, and in the end it may not be sold because the expected market conditions do not exist without affecting its initial classification.

This improvement came into effect from the 1st. January 2024, allowing its early application in 2023. The accounting changes that arise must be recognized prospectively as established in FRS B-1 Accounting changes and error corrections.

FRS D-4 "Income Tax"

It is specified that when there are benefits in the tax rate of the period to encourage the capitalization of profits, the assets and liabilities for caused and deferred income taxes must be determined with the rate that will be applicable to undistributed profits.

This improvement came into effect from the 1st. January 2024, allowing its early application in 2023. The accounting changes that arise must be recognized prospectively as established in FRS B-1 Accounting changes and error corrections.

The main improvements to the FRSs that do not generate accounting changes are the following:

FRS A-1 "Conceptual framework of FRSs"

Clarity is given to the term relative importance, as a characteristic associated with the relevance of the information, eliminating certain inconsistencies in the use of this term, since sometimes the term significant was used.

FRS B-8 "Consolidated or combined financial statements"

It is added that the controlling entity may choose not to present its consolidated financial statements for a specific purpose, for example, for legal purposes.

FRS C-2 Investment in financial instruments

Modifications are made to specify that from the initial valuation, NFIs can make an irrevocable election to recognize changes in fair value (including exchange fluctuations) in the OCI.

FRS C-9 Provisions, contingencies and commitments, FRS C-10 Derivative financial instruments and hedging relationships, FRS C-5 Prepayments

Clarifications are made in different FRSs for a better understanding of the accounting treatment, both for the issuer and for the holder of a financial guarantee contract, adding said definition to the regulations.

FRS C-6 Property, plant and equipment

It is specified that the costs, as well as the income derived from the sale of items produced while the property, plant and equipment component is located in the place and conditions provided for its use, must be recognized in the results of the period.

FRS C-6 Property, plant and equipment and FRS C-8 Intangible assets

It is specified that the residual value, the period and method of depreciation or amortization must be reviewed at least once a year.

FRS C-7 Investments in associates, joint ventures and other permanent investments

The accounting treatment of capital contributions in the form of a non-monetary asset is required; it refers to one that does not constitute a business in terms of FRS B-7.

FRS C-8 Intangible assets

Changes are made to the term preoperative costs for expenditures in preoperative stages; to establish that such expenditures must be recognized as an expense unless they form part of the cost of an identifiable intangible asset that meets the recognition criteria of the FRS.

FRS C-19 Financial instruments payable

Details regarding debt negotiation are made to clarify which commissions must be included in the cash flows of the so-called “10% test” and to clarify the presentation of the gain or loss caused by the cancellation or renegotiation of the debt.

FRS D-8 Payments based on shares

It is established that, in cases of transactions with third parties in which a price of the good or service to be paid with a variable number of shares is set depending on their market value on the date they are delivered, a liability is generated and it is considered that the existing debt with the provider of the good or service at the time the shares are issued is being capitalized.

The Administration of the Institution evaluated that the effects of adopting the improvements to the FRS were not material for the consolidated financial statements as a whole.

(d.1) New criteria and regulatory modifications issued by the CNBV

The CNBV did not issue circulars that modify the accounting criteria applicable to credit institutions contained in the Provisions of the Single Bank Circular for the year 2024.

Adoption of the amortization method for deferred loan portfolio items with effective interest rate (EIR)

By publication in the Official Gazette dated September 23, 2021, the Commission announced the option so that during fiscal year 2022, in determining the amortized cost referred to in criterion B-6 "Loan portfolio", institutions could continue to recognize the interest accrued on the loan portfolio using the contractual interest rate, as well as the straight line method for the recognition of the commissions collected and transaction costs, and must disclose them in the financial statements. quarterly and annually for fiscal year 2022 such circumstance. The Administration opted for this facility and notified the Commission in writing on December 1, 2021.

As of January 1, 2023, the subsequent recognition of the amortized cost of credit contracts, transaction costs, commissions, other items collected in advance; as well as the items resulting from renegotiation operations are amortized through the application of the EIR.

In compliance with the provisions of the Regulations, we detail the following as part of our disclosures to the notes to the financial statements:

a. The adoption mechanics were executed based on the Accounting Standards Implementation Process, through the creation of projects and completing the following phases in the years, since the publication of the first drafts of the criteria:

    - Normative Analysis. - Delimitation of impacts and scope;

- GAP analysis. - Analysis and confirmation of impacts with intervening areas;
- Master Plan. - Concentration of conceptual impacts, actions and those responsible for implementation of all affected areas. As well as the involvement of senior management;
- Execution of lines of action. - Design and solution, implementation and monitoring.

This project included the definitions of the accounting policies, the processes for implementation, evaluation of impacts both in the consolidated financial statements and in the operations (admission, changes in the systems, management metrics, etc.) and, finally, in the process of preparing the financial statements.

b. The main changes adopted for the determination and recognition of the application of the amortized cost with effective interest rate are described below:

- At initial recognition, the transaction price must be quantified, which corresponds to the net amount financed (hereinafter “NAF”), which results from adding or subtracting from the original amount of the credit, the financed insurance (if applicable), transaction costs, commissions, interests and other items collected in advance. Said transaction price is the fair value of the loan portfolio on initial recognition and is the basis for applying the effective interest method required in the calculation of the amortized cost on subsequent recognition.

- Transaction costs include, among others, fees and commissions paid to agents, advisors and intermediaries, appraisals, investigation expenses, as well as the credit evaluation of the debtor, evaluation and recognition of collateral, negotiations for the terms of the credit, preparation and processing of credit documentation and closing or cancellation of the transaction, including the proportion of employee compensation directly related to the time invested in the development of those activities.

- Transaction costs, as well as items collected in advance, are recognized as a deferred charge or loan, as appropriate, and are amortized against income over the life of the loan in the Statement of Comprehensive Income in the financial margin, in accordance with the EIR. Prior to the application of this criterion, deferred items were amortized on a straight-line basis.

- In the case of commissions charged and transaction costs related to the granting of credit cards, they must be recognized directly in results in the Statement of Comprehensive Income within the financial margin, at the time of granting the credit.

- The EIR is the rate that exactly discounts the estimated future cash flows that will be collected over the expected life of a loan in determining its amortized cost. Its calculation considers contractual cash flows and relative transaction costs.

- To determine the TIE, follow these steps:

    1. Determine the amount of estimated future cash flows to be received. - Through the sum of the principal and the interest that will be received according to the credit payment scheme, during the contractual term;

    2. Determine the effective interest. - Deducting the NAF from the estimated future cash flows to be received, determined in accordance with the previous paragraph;

    3. Determine the effective interest rate. - Represents the relationship between the effective interest and the NAF.

- When a loan is restructured in stages 1 and 2, or partially liquidated through renewal, the profit or loss in the renegotiation must be determined as follows:

    1. Determine the book value of the loan without considering allowance for loan losses;

    2. Determine the new future cash flows on the restructured or partially renewed amount, discounted to the original EIR, and

    3. Recognize the difference between the book value and the certain future cash flows discounted with the original EIR as a deferred charge or loan against the profit or loss from renegotiation of the loan portfolio in the statement of comprehensive income.

- The determination of profit or loss due to renegotiation is not applicable to credit cards or credits with stage 3 credit risk.

c. Implementation method

Considering that the deferred items for origination fees for contracts with clients represent 0.19% of the total stage 1 and 2 loan portfolio as of January 1, 2023, we consider that their effect on the financial position of the Institution as a whole is immaterial.

It should be noted that the Administration made the reasonable and justifiable efforts established by the conceptual framework of the FRSs and since the adoption of the criterion represents substantial changes in the application systems of the Institution and with a high degree of complexity for the identification of historical information and its extraction from storage sources, the implementation was carried out under the prospective method.

(e) Cash and cash equivalents-

This item is made up of cash, bank balances in the country and abroad, currency purchase and sale operations at 24, 48, 72 and 96 hours, bank loans with maturities of less than three days ("Call Money" operations), highly liquid securities and monetary regulation deposits in the Central Bank (these latter deposits considered restricted cash equivalents are constituted in accordance with circular 3/2012 "Provisions applicable to the operations of credit and financial institutions. "rural finance", issued by the Central Bank, with the purpose of regulating the liquidity of the money market and accruing interest at the bank funding rate), remittances in transit and auctions of the Central Bank, as well as highly liquid financial instruments, which are securities whose disposal is expected within a maximum of 48 hours from their acquisition.

Cash is valued at fair value, which is its nominal value, and in the case of foreign currency, at the exchange rate published by the Central Bank on the same day in accordance with the rules established by the Commission. Cash equivalents are valued at fair value.

At the date of the financial statements, interest earned on an accrual basis, as well as profits or losses on valuation and the appreciation of currencies, are included in the results of the year.

Currencies acquired in purchase and sale operations at 24, 48, 72 and 96 hours are recognized as restricted cash equivalents (currency to be received); while the currencies sold are recorded as an outflow of availabilities (currencies to be delivered). The rights and obligations arising from sales and purchases of foreign currency at 24, 48, 72 and 96 hours are recorded in the headings of “Other accounts receivable, net” and “Creditors for settlement of operations”, respectively.

The amount of overdrafts in checking accounts, the cleared balance of foreign currency to be delivered greater than the foreign currency to be received or some other concept that integrates the availability with a credit balance, are presented in the heading "Sundry creditors and other accounts payable".

(f) Margin Accounts-

Margin accounts are made up of the collateral granted in cash (and other cash equivalent assets) required from entities in connection with the execution of operations with derivative financial instruments carried out in recognized markets or exchanges, which are recorded at their nominal value.

For those margin accounts granted to the clearing house other than cash, as would be the case of debt or equity securities, where the clearing house has the right to sell or pledge the financial assets that make up said margin accounts, the financial asset granted as collateral is presented as restricted, and the valuation and disclosure standards are followed in accordance with the corresponding accounting criteria according to its nature.

The returns and commissions that affect margin accounts, other than fluctuations in the prices of derivatives, are recognized in the results of the year as they accrue within the headings of “Interest income” and “Commissions and fees paid”, respectively. Partial or total settlements deposited or withdrawn by the clearing house due to fluctuations in the prices of derivatives are recognized within the heading of “Margin Accounts”, affecting as a counterpart a specific account that may be of a debtor or creditor nature, as appropriate, and which represents an advance received, or financing granted by the clearing house and which will reflect the effects of the valuation of the derivatives prior to their settlement.

Margin accounts are intended to ensure compliance with the obligations corresponding to operations with derivative financial instruments carried out in recognized markets and stock exchanges and correspond to the initial margin, contributions and subsequent withdrawals made during the term of the corresponding contracts.

(g) Determination and hierarchy of fair value

Government and control model

The fair value determination process established in the Institution ensures that financial assets and liabilities are valued in accordance with the criteria defined in FRS B-17 as well as in the Provisions.

The company Valuación Operativa y Referencias de Mercado, S.A. de C.V. (Valmer) is the Institution's price provider.

For instruments recognized at fair value, the Market Variables Department is responsible for the following functions:

- Identification. It includes the identification and classification of the instruments subject to valuation with the purpose of establishing the models and inputs for determining the corresponding prices.
- Instrument modeling. Determine valuation models, definition of inputs and price sources that reflect the correct values for each type of instrument. The internal valuation models, as well as their modifications, estimation methods of the variables used, as well as the values and other instruments to which they are applicable, are approved by the Risk Committee.
- Validation of market levels. Guarantee that the price information obtained is in accordance with the market levels negotiated in a given period.
- Incorporation and debugging of prices. Consolidate the price vector and enter it into the different systems that serve the information user areas.
- Internal dissemination of prices. Publication of prices to different areas, through vectors on public servers, email or internal publication computer pages.

The Asset & Liability Management ("ALM") unit is responsible for calculating the fair value and hierarchy of all banking book items accounted for at amortized cost, ensuring that the calculation is carried out using management models and measurement of structural interest rate risk. Ensures that input data and assumptions are consistent with those used in measuring economic value. The calculation is carried out using corporate tools.

General valuation criteria

All financial instruments, both assets and liabilities, are initially recognized at their fair value, which, at that first moment, is equivalent to the transaction price, unless there is evidence to the contrary in an active market. Subsequently, and depending on the nature of the financial instrument, it may continue to be recorded at amortized cost or at fair value.

Fair value is determined as the market price that would be received for selling or transferring a financial asset or liability, respectively. However, for certain financial instruments of the Institution, especially in the case of derivatives, there is no market price available, so their fair value is estimated through recent transactions of analogous instruments and, failing that, through mathematical valuation models sufficiently verified by the international financial community.

When using these models, the specific characteristics of the asset or liability to be valued are taken into consideration and, especially, the different types of risks associated with the asset or liability. Notwithstanding the above, the limitations of the valuation models developed and the possible inaccuracies in the assumptions and parameters required by these models may result in the estimated fair value of a financial asset or liability not exactly coinciding with the price at which the asset or liability could be delivered or settled on the date of its valuation.

In general, the Institution considers an active market to be one that allows the observation of supply and demand prices representative of the levels at which one or more participants would be willing to negotiate a certain asset or liability, with sufficient frequency and daily volume.

The Institution applies the Direct Valuation to Vector considering the Updated Price for Valuation provided by the Price Provider on the following financial instruments:

a. Securities registered in the National Securities Registry or authorized, registered or regulated in markets recognized by the Commission through general provisions.

b. Derivative Financial Instruments that are listed on national derivatives exchanges or that belong to markets recognized by the Central Bank.

c. Underlying assets and other financial instruments that are part of the Structured Transactions or Derivative Packages, in the case of Securities or financial instruments provided for in sections "a" and "b" above.

In the valuation of instruments other than those mentioned in the previous sections, Internal Valuation Models are applied to obtain the Updated Price for Valuation.

In the case of a Loan portfolio, the valuation rules established in accounting criterion B-6 “Loan portfolio” apply.

Fair value hierarchy

The fair value determination process has established a fair value hierarchy that classifies all financial assets and liabilities based on the input data used to determine their fair value, as shown below:

Level 1: Valuation directly using the price of the financial instrument itself, observable and available in independent price sources and referring to active markets accessible by the entity on the valuation date. Included in this level are listed debt securities, listed equity instruments, as well as certain derivatives.

Level 2: Valuation through the application of commonly accepted valuation techniques that use variables obtained from observable data in the market.

Level 3: Valuation through valuation techniques in which significant variables that are not obtained from observable data in the market are used.

In some cases, the input data used to determine fair value can be classified within different levels of the fair value hierarchy, depending on whether or not observable input data is relevant. In these cases, the fair value determination is classified entirely at the same level of the fair value hierarchy as the lowest level input that is significant for the entire valuation. Professional judgment is applied in assessing the relevance of a particular input to the entire assessment.

The Institution does not classify updated prices for valuation that are determined through the use of Internal Valuation Models within the Level 1 hierarchy level.

(h) Investments in financial instruments-

Includes debt financial instruments (government securities, bank paper, stock certificates and commercial paper) and equity, listed and unlisted, which are classified into Negotiable Financial Instruments (NFI), Financial Instruments to collect and sell (FICS) and Financial Instruments to collect principal and interest (FICPI). The classification depends on the business model under which they are managed by the Administration of the Institution, as well as the evaluation of the contractual characteristics of cash flows.

The business model is based on the way in which the Institution manages investments in financial instruments to generate cash flows and not on a particular intention to hold an instrument.

To determine the business model, among other factors, the following are taken into account:

- The way in which the performance of the instruments that are part of the business model is determined and reported to the entity's key personnel;

- Risks affect the performance of the business model and the way in which these risks are managed;

- The way in which business model managers are remunerated;

- The frequency, amount and timing of sales in previous years, the reasons for such sales and expectations regarding future sales.

The determination of the business model is not based on scenarios that are not reasonably expected to occur.

Based on the above, the financial instruments are classified and recognized for accounting purposes as described below:

- Negotiable financial instruments (NFI)-

They are those debt instruments and capital instruments that the Institution has in its own position and whose business model aims to obtain a profit between the purchase and sale price, that is, based on the management of the market risks of said instrument. The transaction costs for the acquisition of the instruments are recognized in the results of the year on the date of agreement. Subsequently, they are valued at their fair value, the valuation effect of which is recognized in the consolidated statement of comprehensive income under the heading “Intermediation income”.

- Financial instruments to collect and sell (IFCV)-

Financial instruments under a business model whose objective is to collect contractual cash flows for principal and interest collections, or to obtain a profit on their sale, when this is convenient. They are initially recognized at their fair value, transaction costs are recognized as an implicit part of the amortized cost and are applied to the net profit or loss over the expected life of the instruments.

They are subsequently valued at their fair value, recognizing their effect on stockholders' equity, in other comprehensive income, in the item "Valuation of financial instruments to be collected and sold", net of deferred taxes, which is canceled to be recognized in results at the time of sale.

- Financial instruments to collect principal and interest (FICPI)-

They are those debt instruments whose objective is to collect contractual cash flows; The contractual terms provide for cash flows on pre-established dates that correspond only to payments of principal and interest on the outstanding principal amount.

They are initially recognized at their fair value, which corresponds to the agreed consideration. Transaction costs are recognized as an implicit part of the amortized cost and are applied to the net profit or loss over the expected life of the instruments according to the effective interest method.

- Other business models-

In general, capital financial instruments are valued at fair value, recognizing variations in the net profit or loss for the year; however, the effects of variations in the fair value of instruments that are not traded in the short term are irrevocably recognized within “Other Comprehensive Income”. At the time of realization, these effects are recycled to the net profit or loss for the year.

Cash dividends on share securities are recognized in the results of the year in the same period in which the right to receive payment thereof is generated.

- Reclassifications-

Reclassifications of financial instruments are only carried out when the Institution decides to change the business model. In any case, reclassifications are authorized by the Risk Committee and informed in writing to the Commission, explaining in detail the change in the business model that justifies them.

During the years ended December 31, 2024 and 2023, the Institution did not carry out reclassifications of financial instruments.

- Deterioration in the value of investments-

The expected credit losses due to the impairment of investments classified as FICS and FICPI are calculated in accordance with the Internal Methodologies based on FRS C-16 and defined by the General Office of Risks, recognizing their effects in the year’s results.

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine preventive reserves for credit risks by credit risk level of modelable portfolios. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions.

The calculation of the Expected Credit Loss is based on the following components, in accordance with the minimum requirements for the own estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of Default (PI or PD): An estimate of the probability of default for a given time horizon.

- Loss Given Default Severity (SP or LGD): An estimate of loss given default, based on the difference between contractual cash flows and those the lender would expect to receive, including those from any collateral.

- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected drawdowns of committed credit facilities (CCFs).

- Term to maturity.

- Discount interest rates: Discounting an expected loss to the current value on the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.

The procedures to estimate the probability of default, the severity of the loss and the exposure to default, to appropriately assign and modify the level of credit risk of the exposures are consistent and in accordance with the criteria, to recognize the level of credit risk of a debtor, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), the expected credit losses over the entire life of the asset will be calculated. Otherwise, provisions will be based on 12-month expected credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the entire life of the asset.

- Value date operations

The acquired financial instruments that are agreed to be settled on a date after the purchase and sale transaction is concluded are recognized as restricted securities, while the instruments sold are recognized as securities to be delivered, reducing investments in securities. The counterparty must be a settlement, creditor or debtor account, as appropriate.

When the amount of securities to be delivered exceeds the balance of securities in its own position of the same nature (government, banking, stock and other debt securities), it is presented in the liabilities within the heading of “Securities assigned to be liquidated.”

(i) Derecognition of financial assets-

The Institution derecognizes a financial asset only when the contractual rights over the cash flows provided for in the financial asset expire, or when the Institution transfers the financial asset in accordance with: a) the contractual rights to receive the cash flows from the financial asset are transferred, or b) the contractual rights to receive the cash flows from the financial asset are retained and at the same time a contractual obligation to pay said cash flows to a third party is assumed.

At the time of deregistering a portion of a financial asset, the Institution must:

a) Derecognize the portion of the financial asset transferred to the latest book value, including, where appropriate, the proportional part of the estimates and/or complementary accounts associated with said financial assets. Where applicable, the effects pending amortization or recognition associated with the financial assets must be recognized in the results of the year in the corresponding proportion.

b) Recognize the consideration received or incurred in the operation, considering the new financial assets and the new obligations assumed, at their fair values. For its recognition, the Institution uses the corresponding accounting criteria, according to the nature of the consideration.

c) Recognize in the results of the year the gain or loss, for the difference that exists between the book value of the portion of the financial asset derecognized, and the sum of (i) the consideration received or incurred (recognized at fair value) and (ii) the accumulated valuation effect (gain or loss) that, if applicable, has been recognized in stockholders' equity, attributable to said portion.

(j) Repo operations

Repo transactions are recorded as follows:

Repo operations that do not comply with the terms established in criterion C-14 “Transfer and derecognition of financial assets” are treated as financing with collateral, taking into account the economic substance of said transactions and regardless of whether they are “cash-oriented” or “security-oriented” repo operations.

Acting as Reported-

On the date of contracting the repo transaction, with the Institution acting as a party, the entry of cash is recognized, or a debtor settlement account, as well as an account payable in the "Creditors for repo" category, initially measured at the agreed price, which represents the obligation to return said cash to the party.

The account payable is subsequently valued during the life of the repo at its amortized cost by recognizing the repo interest in accordance with the effective interest method in the results of the year.

In relation to the collateral granted, the Institution reclassifies the financial asset in its consolidated statement of financial position as restricted, valuing it in accordance with the valuation, presentation and disclosure criteria in accordance with the corresponding accounting criteria, until the maturity of the repo.

Acting as a buyer on repurchase agreements-

With the Institution acting as a buyer, on the date of contracting the repo transaction, the outflow of cash and cash equivalents or a creditor settlement account is recognized, recording an account receivable in the "Debtors on repurchases/resales" category, initially measured at the agreed price, which represents the right to recover the cash delivered.

The account receivable is subsequently valued during the life of the repo at its amortized cost by recognizing the repo interest in accordance with the effective interest method in the results of the year.

In relation to the collateral received, the Institution recognizes it in memorandum accounts, and when it is other than cash, it will follow the guidelines established in criterion B-9 "Custody and administration of assets" for its valuation, until the maturity of the repo.

When the buyer sells the collateral or delivers it as collateral, the resources from the transaction are recognized, as well as an account payable for the obligation to return the collateral to the buyer (initially measured at the agreed price), which is valued, in the case of its sale at fair value or, in the event that it is given as collateral in another repo transaction, at its amortized cost (any differential between the price received and the value of the account payable is recognized in the results of the exercise), in addition, control of said collateral sold or given as collateral is kept in memorandum accounts, following for its valuation the rules relating to custody operations of accounting criterion B-9.

Likewise, in the event that the repurchase party becomes a repo party by arranging another repo transaction with the same collateral received as collateral for the initial transaction, the repo interest agreed upon in the second transaction must be recognized in the results of the year as it accrues, in accordance with the effective interest method, affecting the account payable valued at amortized cost mentioned above.

The memorandum accounts recognized for collateral received that in turn have been sold or given as collateral by the a buyer, are canceled when the repo transaction reaches maturity or there is default on the part of the a buyer.

(k) Securities lending-

It is that operation in which the transfer of securities is agreed, from the lender to the borrower, with the obligation to return such securities or others substantially similar on a specific date or upon request, with the lender receiving a prize as consideration. In this operation, collateral or guarantee is requested from the lender to the borrower.

Acting as a lender-

On the date of contracting the securities loan, acting as lender, the Institution records the value subject to the loan transferred to the borrower as restricted, for which the valuation, presentation and disclosure standards are followed in accordance with the corresponding accounting criteria. Likewise, the collateral received that guarantees the securities lent is recorded in memorandum accounts.

The amount of the accrued prize is recognized in the results of the year through the effective interest method during the term of the operation, in the “Interest income” item.

Acting as borrower-

On the date of contracting the securities loan, the Institution records the value of the loan received in memorandum accounts, following the guidelines for securities recognized in accounting criterion B-9 “Custody and administration of assets” for its valuation; The financial assets delivered as collateral are recognized as restricted, which will follow the valuation, presentation and disclosure standards in accordance with the corresponding accounting criteria.

On the date on which the Institution sells the security that is the subject of the operation, it must recognize the entry of resources from the sale, as well as an account payable for the obligation to return said security to the lender (initially measured at the agreed price) which will be valued at fair value. The above, with the exception that the value object of the operation is delivered as collateral in a repo operation, for which the provisions of criterion B-3 must be met.

The amount of the accrued premium is recognized in the results of the year through the effective interest method during the term of the operation, in the “Interest Expenses” item.

(l) Clearing of settlement accounts-

The amounts receivable or payable from investments in securities, repurchase transactions and derivatives that reach maturity and have not been settled, are recorded in settlement accounts within the headings of "Other accounts receivable, net" and "Creditors for settlement of operations", as appropriate, as well as the amounts receivable or payable resulting from foreign currency purchase and sale operations in which immediate settlement is not agreed or in those with a same-day value date.

The balances of the debtor and creditor settlement accounts are offset as long as there is a contractual right to offset the recognized amounts, the intention is to settle the net amount, they come from the same nature of the transaction, they are entered into with the same counterparty and they are settled on the same maturity date.

(m) Derivatives-

The Institution classifies derivative operations based on their intention in the two categories shown below:

– Trading - Consists of the position assumed by the Institution as a participant in the market with a purpose other than that of covering open risk positions.

– Hedging - It consists of buying or selling derivative financial instruments in order to mitigate the risk of a transaction or set of transactions.

Within the policies and internal regulations of the Institution, it is considered that, to carry out operations with derivative financial instruments, the qualification and, where appropriate, authorization of risk exposure lines by each of the counterparties of the financial system that have been authorized by the Central Bank to carry out this type of operations is a requirement.

As for corporate clients, prior to carrying out these operations, the granting of a line of credit pre-authorized by the Credit Risk Committee or the constitution of easily realized guarantees, via a stock surety contract, is required. As for medium-sized companies, small companies and individuals, operations are carried out through the constitution of liquid guarantees in a stock surety contract.

The recognition in the financial statements of assets and/or liabilities arising from operations with derivative financial instruments is carried out on the date on which the operation is completed, regardless of the date of settlement or delivery of the asset.

The Institution recognizes all the derivatives that it agrees on (including those that form part of a hedging relationship) as assets or liabilities (depending on the rights and/or obligations they contain) in the consolidated statement of financial position, initially at their fair value, which, presumably, corresponds to the price agreed upon in the transaction. Transaction costs that are directly attributable to the acquisition of the derivative are recognized directly in results within “Financial intermediation income”.

Subsequently, all derivatives are valued at their fair value, without deducting the transaction costs that could be incurred in the sale or other type of disposal, recognizing said valuation effect in the results of the period within the “Financial intermediation income” item.

Derivatives must be presented in a specific asset or liability item, depending on whether their fair value (as a consequence of the rights and/or obligations they establish) corresponds to a debit balance or a credit balance, respectively. Said debit or credit balances may be offset as long as they comply with the netting rules established in the corresponding accounting criteria.

The derivatives item in the consolidated statement of financial position must be segregated into derivatives for trading purposes and for hedging purposes.

To determine the fair value, the data and inputs provided by a price provider authorized by the Commission, or an internal valuation process, are considered, as long as they are not derivative financial instruments that are listed on national stock exchanges or that are not exchanged in markets.

Operations for trading purposes-

– Optional Titles (“Warrants”)-

Optional securities are documents that represent a temporary right acquired by the holders in exchange for the payment of a premium for the issuance of Shares or Indexes, therefore, said right expires at the end of the validity period, so their holding implies the recognition that the intrinsic value and the market price of the optional security in the secondary market may vary depending on the market price of the reference assets.

– Forwards and future contracts-

Its balance represents the difference between the fair value of the contract and its stipulated forward price. If the difference is positive, it is capital gain and is presented in the asset; If it is negative, it is a handicap and is presented in the passive.

– Options-

In purchased options, their debit balance represents the fair value of the future flows to be received, recognizing the valuation effects in the results of the year.

In sold options, their credit balance represents the fair value of the future flows to be delivered, recognizing the valuation effects in the results of the year.

– Swaps-

Its balance represents the difference between the fair value of the active part (flows to be received) and the passive part (flows to be delivered).

Operations for hedging purposes-

Derivatives for hedging purposes are valued at fair value and the effect is recognized depending on the type of coverage, as shown below:

a. Fair value hedges, the primary hedged position and the derivative hedging instrument are valued at their fair value, recording the net effect on the results of the period under the heading “Intermediation income”.

b. Cash flow hedges, the derivative hedging instrument is valued at fair value and the valuation corresponding to the effective part of the hedge is recorded in the account “Result from valuation of cash flow hedging instruments” in Comprehensive Income. The ineffective part is recorded in the results of the period under the heading “Financial intermediation income”.

c. In hedges of a net investment in a foreign operation, which meets all the conditions, it is accounted for in a similar manner to the cash flow hedge; The effective portion is recognized in Other Comprehensive Income and the ineffective portion is recognized in results.

Implicit Derivatives-

- The Institution segregates the implicit derivatives of structured notes (liabilities), where the reference underlying are: currencies, indices, interest rate options with extendable term and options on UMS bond prices.

  For those debt contracts of credits and bonds issued, where the reference underlying is an interest rate with implicit options of “caps”, “floor” and “collars”, it is considered closely related to the host contract, and therefore these derivatives are not segregated. Consequently, the main contract of the credits and bonds issued is recorded with the criteria applicable to each contract, in both cases at amortized cost.

Collateral granted and received in derivative transactions not carried out in recognized markets or exchanges.

- The account receivable that is generated by the granting of cash collateral in derivative transactions not carried out in recognized markets or stock exchanges is presented in the heading “Other accounts receivable, net”, while the account payable that is generated by the receipt of cash collateral is presented within the heading “Sundry creditors and other accounts payable”.

  Collateral delivered in securities are recorded as securities restricted by guarantees, and collateral received in securities for derivative transactions are recorded in memorandum accounts.

Valuation adjustments for risk of default

The fair value of the liabilities must reflect the entity's risk of default, which includes, among other components, its own credit risk. Taking the above into account, the Institution makes valuation adjustments for credit risk in the estimates of the fair value of its assets and liabilities.

The adjustments to be made are calculated by estimating the exposure (exposure at default), the probability of default (probability of default) and the severity (loss given default), - which is based on the levels of recoveries (recoveries) - for all derivative products on any underlying, deposits and operations with a repurchase agreement at the level of legal entity (all counterparties under the same framework contract) with which the Institution has exposure.

Credit valuation adjustments (hereinafter “CVA”) and debit valuation adjustments (hereinafter “DVA”) are incorporated into the valuations of derivatives, both assets and liabilities, to reflect the impact on the fair value of the counterparty's and own credit risk, respectively.

In all exposures classified in any of the categories valued at fair value, the Institution incorporates its assessment of both the counterparty's credit risk and its own credit risk. In the trading portfolio, and in the specific case of derivatives, credit risk is recognized through these adjustments.

As a general rule, the CVA calculation is the sum product of the expected positive exposure on date t, the probability of default between t-1 and t, and the severity. Similarly, the DVA is calculated as the sum product of the negative expected exposure on date t, the default probabilities of the group between t-1 and t, and the severity of the group. Both calculations are made over the entire period of potential exposure.

Preventive reserve percentage ranges

The calculation of the expected positive and negative exposure is carried out through a Monte Carlo simulation of the market variables that affect all operations grouped under the same framework contract (legal netting).

(n) Loan portfolio-

Loan portfolio or Credit portfolio (indistinctively).

Business model-

The entity's business model determines whether cash flows will come from obtaining contractual cash flows, from the sale of the loan portfolio, or from both.

If the objective of the business model of the loan portfolio is to hold it to collect contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount, then the portfolio is presented in the statement of financial position at its amortized cost.

The SPPI Test (Principal and Interest Payment Only) is a tool that allows evaluating the cash flows of the loan portfolio, by homogeneous portfolio or individual credit operations. This test allows, through the analysis of contractual cash flows, to determine whether they correspond only to payments of principal and interest.

Loan portfolio measured at fair value-

The loan portfolio with a Business Model other than holding financial assets to receive contractual cash flows, or the contractual cash flows that do not correspond to only payment of principal and interest, are recognized at their fair value and classified within the heading “Loan portfolio measured at fair value”.

It represents the balance of the total or partial drawdown of the lines of credit granted to borrowers plus the accrued interest not collected, less the interest collected in advance. The preventive estimate for credit risks is presented by deducting the balances of the loan portfolio.

The Institution classifies its portfolio under the following headings:

a. Commercial: this item includes direct or contingent credits, including bridge loans denominated in national and/or foreign currency and/or in Investment Units (UDI'S), as well as the interest generated, granted to legal entities or individuals with business activity and intended for their commercial or financial activities; including those granted to financial entities other than interbank loans of less than 3 business days; credits for factoring operations and of financial leases that are concluded with said legal entities or individuals with business activity; credits granted to fiduciaries acting under the

protection of trusts and credit schemes commonly known as “structured” in which there is an asset impact that allows the risk associated with the scheme to be individually evaluated. Likewise, credits granted to federal entities, municipalities and their decentralized organizations and credits to productive companies of the state are included.

b. To housing: this item includes direct credits denominated in national or foreign currency, in investment units or sometimes minimum wage ("VSM"), or in Investment Units (UDI'S) as well as the interest generated, granted to natural persons and intended for the acquisition, construction, remodeling or improvement of housing without the purpose of commercial speculation; including those liquidity credits guaranteed by the borrower's home and those granted for such purposes to former employees of the Institution.

c. Consumer: this item includes direct credits, denominated in national and/or foreign currency, as well as the interest generated, granted to natural persons, derived from credit card operations, personal loans, payroll loans (other than those granted by credit card), credits for the acquisition of durable consumer goods and capital lease operations that are entered into with natural persons; including those credits granted for such purposes to former employees of the Institution.

d. Restricted: The Institution considers as restricted any asset with respect to which there are circumstances that restrict the disposition and/or use of them, for example, the loan portfolio granted as guarantee or collateral in securitization operations. For these purposes, the same current valuation criteria applicable to the rest of the loan portfolio are followed. Within the consolidated statement of financial position of the Institution, credits considered restricted will be grouped into stages 1, 2 or 3, as the case may be, and according to their nature as commercial, consumer, or mortgage. The breakdown of restricted credits is carried out within the notes to the financial statements and not within the structure of the consolidated statement of financial position of the Institution.

Undrawn lines of credit are recorded in memorandum accounts, under the heading “Credit commitments”.

At the time of contracting, operations with letters of credit are recorded in memorandum accounts, under the heading "Credit commitments", which, when exercised by the client or by its counterparty, are transferred to the loan portfolio.

The unpaid balance of the credit and associated interests are classified into risk stages ranging from 1 to stage 3.

Loan portfolio Stage 1-

Loans in which the risk has not increased significantly since their initial recognition until the date of the financial statements and that are not in the assumptions to be considered stage 2 or 3 in terms of this criterion. At this stage, the loan portfolio that has less than 30 days of non-payment is classified.

Loan portfolio Stage 2-

Loan that show a significant increase in risk from their initial recognition to the date of the financial statements in accordance with the provisions of the calculation models of allowance for loan losses, the portfolio associated with this stage of deterioration has more than 30 days of non-payment and less than 90.

Loan portfolio Stage 3-

These are loans with credit impairment caused by the occurrence of one or more events that have a negative impact on expected future cash flows. At this stage, the loan portfolio with 90 or more days of non-payment is classified.

- Home loans with partial periodic capital and interest amortization, which are 90 or more days past due.

- Overdrafts in the checking accounts of clients who do not have an authorized line of credit will be reported as a stage 3 portfolio at the time said event occurs.

- Borrowers who are declared in bankruptcy, with the exception of those credits that continue to receive payments and that were granted with the purpose of maintaining the ordinary operation of the company and the necessary liquidity during the processing of the commercial bankruptcy, in accordance with the provisions of section VIII of article 43 of the Commercial Bankruptcy Law (LCM), in accordance with the provisions of article 75 in relation to sections II and III of article 224 of the LCM.

- Immediate collection documents referred to in Accounting Criterion B-1, “Availability”, of the Commission, at the time in which they had not been collected within the period (2 or 5 days, as appropriate).

With regard to the expiration periods referred to in the previous paragraphs, monthly periods may be used, regardless of the number of days each calendar month has, in accordance with the following equivalences: (i) 30 days equivalent to one month; (ii) 60 days equivalent to two months; and (iii) 90 days equivalent to three months.

Loans classified as stage 3 that are restructured or renewed will remain within the same stage of impairment, as long as there is no evidence of sustained payment.

Sustained payment-

It is considered that there is sustained payment, when the borrower presents compliance with payment without delay for the total amount due of capital and interest of three consecutive amortizations of the credit payment scheme in the case of amortizations less than or equal to 60 days or the payment of two amortizations in the case of loans with periods between 61 and 90 calendar days, and in the case of loans with amortizations that cover periods greater than 90 calendar days, the payment of one amortization.

When the amortization periods agreed upon in the restructuring or renewal are not homogeneous, the number of periods that represent the longest period must be considered, for the purposes of accreditation of sustained payment.

For restructurings in which the payment periodicity is modified to shorter periods, the number of amortizations of the original credit scheme must be considered.

In the case of consolidated loans, if two or more loans have caused the transfer to a portfolio with stage 2 or stage 3 credit risk, to determine the required amortizations, the original payment scheme of the loan whose amortizations are equivalent to the longest term must be taken into account.

Loans with stage 3 or stage 2 credit risk, for which the outstanding balances of payment (principal and interest) are fully settled, as well as restructured or renewed loans that comply with the sustained payment of the loan, are reclassified to a portfolio with stage 1 credit risk.

In any case, in demonstrating that there is sustained payment, the Institution must make available to the Commission evidence that justifies that the borrower has the capacity to pay at the time the restructuring or renewal is carried out to meet the new credit conditions.

The elements that must be taken into account for the purposes of the previous paragraph are at least the following: the probability of default, the guarantees granted to the restructured or renewed credit, the priority of payment compared to other creditors and the liquidity of the borrower in the face of the new financial structure of the financing.

In the case of loans with a single payment of principal at maturity, regardless of whether the interest payment is periodic or at maturity, it is considered that there is sustained payment of the loan when any of the following events occur:

a) The borrower has covered at least 20% of the original amount of the loan at the time of restructuring or renewal, or,

b) The amount of interest accrued under the restructuring or renewal payment scheme corresponding to a period of 90 days has been covered and at least said period has elapsed.

Loans that are restructured or renewed on more than one occasion, that have been agreed with a single payment of principal at maturity, regardless of whether the interest payment is periodic or at maturity, will credit sustained payment of the loan when:

a) The borrower covers at least 20% of the principal outstanding on the date of the new restructuring or renewal;

b) The amount of interest accrued under the new payment scheme for restructuring or renewal corresponding to a period of 90 days has been covered and at least said period has elapsed, and

c) The entity has elements that justify the debtor's payment capacity. In the case of commercial credits, such elements must be duly documented and integrated into the credit file.

The early payment of amortizations of restructured or renewed loans, other than those with a single payment of principal at maturity, regardless of whether interest is paid periodically or at maturity, is not considered sustained payment. Such is the case of repayments of restructured or renewed credits that are paid without the calendar days equivalent to the required periods having elapsed.

In any case, credits that, as a result of a restructuring or renewal, are transferred to a category with higher credit risk, must remain at said stage for a minimum of three months in order to prove sustained payment and consequently be transferred to the next immediate stage with lower credit risk, except in the case of restructured or renewed credits that have been granted for a period less than or equal to 6 months and that are not consecutively restructured or renewed for the same period. The foregoing will not apply to credits with payment of principal at maturity, regardless of whether the interest payment is periodic or at maturity, in which case a period of 90 days will be applicable.

Profit or loss from renegotiations-

In credit restructuring in stages 1 and 2 of credit risk, the Institution recognizes the effect of the associated profit or loss as a credit or deferred charge within the “Deferred items” item of the consolidated statement of financial position, which are amortized against the results of the year based on the effective interest rate.

Financial factoring operations, discounting and assignment of credit rights-

At the beginning of the operation, the value of the portfolio received will be recognized in the asset against the cash outflow, recording the agreed upon capacity as other accounts payable and, where appropriate, as deferred credit the financial income to be accrued that derives from factoring, discounting or assignment of credit rights operations.

The financial income to be accrued referred to in the previous paragraph will be determined, where applicable, by the difference between the value of the portfolio received deducted from the capacity and the cash outflow. Said financial income to be accrued must be recognized within the heading of deferred credits and anticipated collections and amortized under the straight-line method over the life of the loan, in the heading of “Interest income”.

In the event that the operation generates interest, these will be recognized as they accrue.

The amount of advances granted, if applicable, will be recognized as part of the financial factoring, discount or assignment of credit rights operations, within the concept of commercial credits.

Special accounting criteria, derived from the events caused by Hurricane OTIS

Given the unfortunate events caused by Hurricane Otis with severe impact in the state of Guerrero, the Ministry of Security and Citizen Protection, in accordance with the applicable regulations, issued on October 26, 2023 through press bulletin number BDE-007-2023, the "Agreement" by which an Emergency Situation is Established for the state of Guerrero due to the occurrence of severe rain and strong winds on October 24, 2023.

In this regard, based on article 175, first paragraph of the "General provisions applicable to credit institutions", the CNBV has determined to temporarily issue, through official letter P-307/2023 dated October 27, 2023, the special accounting criteria for borrowers who have their domicile or credits whose source of payment is located in the areas affected by the event indicated in the "Agreement" referred to in the previous paragraph.

The support programs consist of granting borrowers a deferral of capital and/or interest payments for up to 6 months and will be applicable with respect to consumer, mortgage and commercial loans, and for clients who are accounting classified as stage 1 and 2 as of October 24, 2023, observing that the adhesion procedures end no later than April 30, 2024.

BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries

The special accounting criteria are detailed below:

1. Loans with “single payment of principal at maturity and periodic payments of interest, as well as credits with a single payment of principal and interest at maturity”, that are restructured or renewed, will not be transferred to the next stage of higher risk in accordance with the provisions of Paragraph 99 of B-6 Loan Portfolio contained in Schedule 33 of the Circular Única de Bancos (CUB).This is provided that the borrowers are accounting classified as stage 1 or 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

2. For loans with “periodic payments of principal and interest”, which are restructured or renewed, they may remain in the same risk category, without the provisions of Paragraphs 104 and 105 of B-6 being applicable. This is provided that the borrowers are accounting classified as a stage 1 or 2 portfolio as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

3. Credits whose revolving nature is stipulated from their inception, which are restructured or renewed no later than April 30, 2024, may not be transferred to the next stage of higher risk in accordance with the provisions of Paragraph 100 of B-6. This benefit may not exceed 6 months from the original maturity date of the operations and may only be applied to provisions authorized or agreed upon as of October 24, 2023 as long as the borrowers are accounting classified as a stage 1 or 2 portfolio on that date, in accordance with paragraphs 10 and 11 of B-6.

4. In relation to the credits mentioned in the previous paragraphs, these operations will not be considered as restructured in accordance with what is established in Paragraph 35 of Criterion B-6.

5. If reductions, forgiveness, bonuses or discounts are included on the balance of the credit to support borrowers, the Institutions may defer the constitution of EPRC. When the amount of reductions, forgiveness, bonuses or discounts is greater than the EPRC, a reserve will be established for the difference in a period not exceeding 12 months.

For the application of the special accounting criteria described above, the Institution adhered to the following:

- It did not make contractual modifications that explicitly or implicitly consider the capitalization of interest, nor the charging of any commission for the restructuring.

- In the case of revolving credits aimed at individuals, the lines of credit previously authorized or agreed upon as of October 24, 2023 were not restricted, reduced or canceled by more than 50% of the undrawn part of said lines.

- For revolving credits agreed with legal entities, the credit lines previously authorized or agreed upon as of October 24, 2023 did not restrict or cancel the previously authorized lines.

- He did not request additional guarantees or replacement.

- Documented the new conditions through evidence of the agreement between the parties (via email).

(o) Allowance for loan losses-

Increases or decreases in allowance for loan losses, as a result of the rating process, are recorded in results by adjusting the financial margin.

As of January 2022, the Institution recognizes allowance for loan losses based on the following:

i) Business or commercial activity portfolio-

Large companies and companies-

The commercial portfolio classified in the groups of "Companies" is made up of Companies with annual sales volume between 130 million pesos and 50 million dollars, as well as Companies with annual sales volume between 60 million pesos and 130 million pesos that belong to a group business. Likewise, the "Large Companies" portfolio is made up of Large Companies with annual sales volume greater than 50 million dollars. Clients with Investment Projects (Specialized Lending) are excluded, as well as Medium and Small Mortgage Developers.

It should be noted that, within the universe of Companies, the Business/Business credit cards are considered, provided that it is demonstrated that the counterparty is a client with a Business rating, and the clients comply at all times with their sales being greater than or equal to 60 million pesos and less than 50 million dollars, and they belong to a business group.

Exceptions from the Developer Profile are those clients that make up the group of Large Developers called G9 who, due to their business characteristics, sales volume, housing developments and size of their resources mainly, are removed from the common universe of developers, and must be considered as clients with a corporate profile, as well as clients of PEMEX and CFE. The group of clients "G9 Large Developers" are qualified according to their annual sales volume by corporate tools and are selected mainly by their business characteristics, sales volume, housing developments and size of their resources.

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine preventive reserves for credit risks by credit risk level of modelable portfolios. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions.

The calculation of the expected credit loss is based on the following components, in accordance with the minimum requirements for the own estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of Default (PI or PD): An estimate of the probability of default for a given time horizon.

- Loss Given Default Severity (SP or LGD): An estimate of loss given default, based on the difference between contractual cash flows and those the lender would expect to receive, including those from any collateral.

- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected drawdowns of committed credit facilities (CCFs).

- Term to maturity.

- Discount interest rates: Discounting an expected loss to the current value on the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.

- Prospective scenarios: The design of prospective scenarios is considered, which complement the historical experience, by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market perspectives, the economic and financial environment of the market where the institution operates. BBVA Research is the area within BBVA specialized in the creation of internal prospective scenarios for various processes of the Institution, including those used in provision estimates under FRS C-16 and which are updated at least annually. The description of these prospective scenarios can be consulted within the Mexico Situation reports, which are published on the BBVA website at -> Corporate Information -> Economic Studies -> Publications.

The procedures to estimate the probability of default, the severity of the loss and the exposure to default, to appropriately assign and modify the level of credit risk of the exposures are consistent and in accordance with the criteria, to recognize the level of credit risk of a debtor, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), the expected credit losses over the entire life of the asset will be calculated. Otherwise, provisions will be based on 12-month expected credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the entire life of the asset.

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In accordance with what the Provisions establish and since the Institution applies internal reserve methodologies based on FRS C-16, it maintains as part of its credit risk policies the qualitative criteria to identify and categorize the loan portfolio, based on the increase in the level of credit risk. This criterion is applied from the moment of origination and throughout the life of the credit, even when it has been renewed or restructured; allowing the portfolio to be classified by level of credit risk, in stage 1, stage 2 or stage 3.

This is in addition to the quantitative criteria for non-compliance with portfolio payments, in accordance with what is defined in note 3, paragraph (n).

Small and medium-sized businesses-

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine preventive reserves for credit risks by level of credit risk, as of January 2022 of the "Small and Medium Enterprises" portfolio. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions.

In November 2022, BBVA requested the CNBV to approve the update of the Implementation Plan for the Non-Revolving Consumer (CNR) and Small and Medium Enterprises (SMEs) portfolios, to postpone the determination of credit risk reserves under Internal Reserve Methodologies based on FRS C-16.

Therefore, starting in November 2022, the SME portfolio is rated using the standard method.

Commercial portfolio different from large companies and companies-

To qualify the commercial loan portfolio other than the groups of Large Companies and Companies, the Institution considers the PD, LGD and EAD, in accordance with the provisions of the Provisions.

I. The amount of the allowance for loan losses of each loan in stage 1 and 3 will be the result of applying the following equation:

$$Reserves\ Stage\ 1\ or\ 3_i = R_i = PD_I\ x\ \ LGD_I\ x\ EAD_i$$

Where:

$Reserves\ Stage\ 1\ or\ 3_i$	=	Amount of allowance for loan losses to be recorded for the i-th loan that is in stage 1 or 3, as applicable.
PD_I	=	Probability of Default of the i-th loan.
LGD_I	=	Severity of the Loss on the i-th loan.
EAD_i	=	Exposure to Default on the i-th loan.

II. For those loans classified in stage 2, the estimate of reserves for the entire life of the loans will be estimated according to the following:

a) For loans with payment of principal and periodic interest and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

b) For loans with a single payment at maturity of principal and interest or a single repayment of principal at maturity and periodic payment of interest:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

$Full\ Life\ Reserves_i$	=	Amount of the estimate to be established for the i-th stage 2 loan.
PD_i	=	Probability of Default of the i-th loan.
LGD_i	=	Severity of the Loss on the i-th loan.
EAD_i		Exposure to Default on the i-th loan.
r_i		Annual interest rate of the i-th loan charged to client.
n		Remaining term of the i-th loan, number of years that, in accordance with the contract, remains to repay the loan at the portfolio rating date.
$PAYMENT_i$		Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1+r_i) * \frac{(1-(1+r_i)^{-1})}{(1-(1+r_i)^{-n})}$$

The amount of reserves for stage 2 loans will be the result of applying the following equation:

$$Reserves\ Stage\ 2_i = Max\ (Full\ Life\ Reserves_i, PD_I\ x\ \ LGD_I\ x\ EAD_i)$$

PD_i will be calculated according to the following equation:

$$PD_i = \frac{1}{1 + e^{-(500 - Total\ Credit\ Score_1)\ x\ \frac{1n(2)}{40}}}$$

For the purposes of the above:

The total credit score of each borrower will be obtained by using the following equation:

$$Total\ Credit\ Score_i = \alpha\ x\ (QCSt_i) + (1 - \alpha)\ x\ (QCSl_i)$$

Where:

Quantitative Credit Scorei $(QCSt_i)$	=	The score obtained for the i-th borrower when evaluating the risk factors according to the Regulations.
Qualitative Credit Scorei $(QCSl_i)$	=	The score obtained for the i-th borrower when evaluating the risk factors according to the Regulations.
α	=	The relative weight of the quantitative credit score stated in Schedules 21 or 22 of these provisions, as applicable.

Unsecured credits-

The LGD_i of commercial loans which are not covered by security interests in real property, or personal or credit-derived collateral will be:

a. 45%, for preferred positions classified under Schedule 18, 19, 20 and 22.

b. 55% for preferred positions classified under Schedule 21.

c. 75%, for subordinated positions, in the case of syndicated credits, those that, for the purposes of their priority in payment, are contractually subordinated with respect to other creditors.

d. 100%, for loans that are 18 or more months late in payment of the amount due under the originally agreed terms.

The EAD_i will be determined based on the following:

I. For drawn balances of uncommitted lines of credit, which are unconditionally cancelable or which, in practice, allow automatic cancellation at any time and without prior notice, the following will be considered:

$$EAD_i = S_i$$

II. For lines of credit that do not meet the requirements described in the previous section:

a) For credits qualified under Schedule 22 that have a balance drawn down on the qualification date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

b) For loans classified under Schedule 21 that have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

If the facility does not have a drawn balance as of the rating date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

Where:

S_i	=	The outstanding balance of the i-th loan at the rate date, which represents the amount of loan granted to the borrower, adjusted for accrued interest, less payments of principal and interest, as well as any reduction, forgiveness, rebate and discount granted. In any case, the amount subject to classification must not include uncollected accrued interest recognized in memorandum accounts on the statement of financial position for loans classified within portfolio stage 3.
$Authorized\ Credit\ Line$		The maximum authorized amount of the credit line at the classification date.

The Institution may recognize real guarantees, personal guarantees and credit derivatives in the estimation of the LGD of the credits, with the purpose of reducing the reserves derived from the portfolio rating, in accordance with the provisions of the Provisions.

The admissible real guarantees may be financial and non-financial. Likewise, only real guarantees that meet the requirements established by the Commission in the Provisions are recognized.

ii) Portfolio of federal entities and municipalities (governmental)-

To rate the loan portfolio of federal entities and municipalities, the Institution considers the PD, LGD and EAD, in accordance with the provisions of the Provisions, in accordance with the following:

I. The amount of allowance for loan losses for each credit in stage 1 and 3 will be the result of applying the following expression:

$$Reserves\ Stage\ 1\ or\ 3_i = R_i = PD_I\ x\ \ LGD_I\ x\ EAD_i$$

Where:

$Reserves\ Stage\ 1\ or\ 3_i$	=	Amount of allowance for loan losses to be recorded for the i-th loan that is in stage 1 or 3, as applicable.
PD_I	=	Probability of Default of the i-th loan.
LGD_I	=	Severity of the Loss on the i-th loan.
EAD_i	=	Exposure to Default on the i-th loan.

II. For those loans classified in stage 2, the estimate of reserves for the entire life of the loans will be estimated according to the following:

a) For loans with payment of principal and periodic interest and revolving loans:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] - \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(1+r_i)} * \left[\frac{1-(1-PD_i)^n}{PD_i}\right] + \frac{PD_i \times LGD_i \times PAYMENT_i}{r_i(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

b) For loans with a single payment at maturity of principal and interest or a single repayment of principal at maturity and periodic payment of interest:

$$Full\ Life\ Reserves_i = \frac{PD_i\ \times\ LGD_i\ \times EAD_i}{(r_i+PD_i)} * \left[1-\left(\frac{1-PD_i}{1+r_i}\right)^n\right]$$

Where:

$Full\ Life\ Reserves_i$	=	Amount of the estimate to be established for the i-th stage 2 loan.
PD_i	=	Probability of Default of the i-th loan.
LGD_i	=	Severity of the Loss on the i-th loan.
EAD_i		Exposure to Default on the i-th loan.
r_i		Annual interest rate of the i-th loan charged to client.
n		Remaining term of the i-th loan, number of years that, in accordance with the contract, remains to repay the loan at the portfolio rating date.
$PAYMENT_i$		Theoretical annual amortizable payment of the i-th loan, defined as:

$$PAYMENT_i = EAD_i \times (1 + r_i) * \frac{(1 - (1 + r_i)^{-1})}{(1 - (1 + r_i)^{-n})}$$

The amount of reserves for credits in stage 2 will be the result of applying the following formula:

$$Reserves\ Stage\ 2_i = Max\ (Full\ Life\ Reserves_i, PD_I\ x\ \ LGD_I\ x\ EAD_i)$$

The PIi will be calculated using the formula shown below:

$$PD_i = \frac{1}{1 + e^{-(500 - Total\ Credit\ Score_1)\ x\ \frac{1n(2)}{40}}}$$

For the purposes of the above:

The total credit score of each borrower will be obtained by applying the following expression:

$$Total\ Credit\ Score_i = \alpha\ x\ (QCSt_i) + (1 - \alpha)\ x\ (QCSl_i)$$

Where:

$QCSt_i$	=	Quantitative Credit Score = IA + IB + IC + ID + IE
$QCSl_i$	=	Qualitative Credit Score = IIA + IIB
IA	=	Current income to current expense.
IB	=	Public investment to total expenditures.
IC	=	Financing to total participations.

ID	=	Average days of delinquency with credit institutions.
IE	=	Percentage of balance without days in arrears with the Institution in the last 7 months considering the month of calculation.
IIA	=	Strength and flexibility of the regulatory and institutional framework for budget approval and execution, as well as for the approval and imposition of local taxes.
IIB	=	Transparency in public finances and public debt.

In the case of credits borne by States and Municipalities, described in section I of Schedule 18, the institutions must determine the preventive reserves as the product of the percentage of reserves by the EADi. The above, regardless of whether the institutions must estimate and report the calculation of the PDi.

A) When the credit is Guaranteed State Debt, in accordance with the provisions of the Law of Financial Discipline of the Federal Entities and Municipalities, the credit reserve will be 0.5% of the EADi.

B) When the credits have as their primary source of payment a specific percentage of the General Participation Fund, of Funds corresponding to Branch 28 or of Federal Contribution Funds, including those that, in addition to the aforementioned primary source, have as a subsidiary source of payment the borrower's own income or other types of resources that do not come from Federal Funds, their credit reserve will be determined by applying the corresponding percentage based on the debt service coverage ratio (DSCR) in accordance with the following table.

Range over DSCR	Percentage
3 < DSCR	0.0050
2 < DSCR <= 3	0.0066
1.5 < DSCR <= 2	0.0082
1 < DSCR <= 1.5	0.0107
0.75 < DSCR <= 1	0.0344
DSCR <= 0.75	0.0975

C) In the event that the primary source of credit payment is the borrower's own income, the credit reserve will be the percentage that applies according to the DSCR in the following table:

Range over DSCR	Percentage
3 < DSCR	0.0064
2 < DSCR <= 3	0.0084
1.5 < DSCR <= 2	0.0105
1 < DSCR <= 1.5	0.0137
0.75 < DSCR <= 1	0.0493
DSCR <= 0.75	0.1242

The debt service coverage ratio is calculated as:

$$Debt\ service\ coverage\ ratio = \frac{PS}{SD}$$

Where:

PS	=	Estimate of the flow assigned as primary source of payment of the loan for the following 12 months from the rating date.
SD	=	Principal and interest payments to be made by the borrower during the following 12 months from the rating date.

Unsecured credits -

The LGD of credits granted to federal entities and municipalities that lack coverage of real, personal or credit derivative guarantees will be:

a. 45%, for preferred positions.

b. 100%, for loans that are 18 or more months late in payment of the amount due under the originally agreed terms.

The EAD_i will be determined based on the following:

I. For drawn balances of uncommitted lines of credit, which are unconditionally cancelable or which, in practice, allow automatic cancellation at any time and without prior notice, the following will be considered:

$$EAD_i = S_i$$

II. For lines of loans that do not meet the requirements described in the previous section:

a) For loans qualified under Schedule 22 that have a balance drawn down on the qualification date:

$$EAD_i = Max\left(S_i, S_i + \left(0.3824 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3362}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

In the event that the line does not have a balance drawn down on the qualification date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

b) For loans qualified under Schedule 21 that have a balance drawn down on the qualification date:

$$EAD_i = Max\left(S_i, S_i + \left(0.2243 \times \left(\frac{S_i}{Authorized\ Credit\ Line}\right)^{0.3107}\right) \times (Authorized\ Credit\ Line - S_i)\right)$$

In the event that the line does not have a balance drawn down on the qualification date:

$$EAD_i = Max\left(S_i, 0.07 \times (Authorized\ Credit\ Line)\right)$$

Where:

S_i	=	The outstanding balance of the i-th loan at the classification date, which represents the amount of loan granted to the borrower, adjusted for accrued interest, less payments of principal and interest, as well as any reduction, forgiveness, rebate and discount granted. In any case, the amount subject to classification must not include uncollected accrued interest recognized in memorandum accounts on the consolidated statement of financial position for loans classified within portfolio stage 3.
$Authorized\ Credit\ Line$		The maximum authorized amount of the credit line at the classification date.

The Institution may recognize real guarantees, personal guarantees and credit derivatives in the estimation of the LGD of the loans, with the purpose of reducing the reserves derived from the portfolio rating, in accordance with the provisions of the Provisions.

The admissible real guarantees may be financial and non-financial. Likewise, only real guarantees that meet the requirements established by the Commission in the Provisions are recognized.

The preventive reserves for the commercial loan portfolio, established by the Institution as a result of the classification of the loans by the groups, are classified according to the degrees of risk and percentages described below:

Risk level	Ranges of percentage of allowances		
A-1	0.000%	-	0.90%
A-2	0.901%	-	1.50%
B-1	1.501%	-	2.00%
B-2	2.001%	-	2.50%
B-3	2.501%	-	5.00%
C-1	5.001%	-	10.00%
C-2	10.001%	-	15.50%
D	15.501%	-	45.00%

E	Greater than 45.00%

iii) Mortgage loan portfolio-

The portfolio classified as “Mortgage” is made up of loans granted to individuals, within the general public who had access to digital and/or physical services and met the requirements determined by the Institution, for the acquisition, construction, remodeling or improvement of housing without the purpose of commercial speculation guaranteed by the borrower's home, as well as liquidity loans also guaranteed by the borrower's home.

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan for the Internal Reserve Methodologies based on FRS C-16, to determine the preventive reserves for credit risks by credit risk level of BBVA's six relevant modelable portfolios as of January 2022, including the Mortgage loans. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions. This methodology was estimated with data cut-off as of September 2019.

The calculation of the expected credit loss requires a temporary structure during the term of the operation and is based on the following components, in accordance with the minimum requirements for the own estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- PI or PD: An estimate of the probability of default for a given time horizon.
- SP or LGD: An estimate of loss given default, based on the difference between contractual cash flows and those the lender would expect to receive, including those from any collateral.
- EI or EAD: An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected drawdowns of committed credit facilities (CCFs).
- Term to maturity
- Discount interest rates: Discounting an expected loss to the current value on the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prepayment rates: consider the prepayment amount in the future contractual cash flows of the loans.
- Prospective scenarios: The design of prospective scenarios is considered, which complement the historical experience, by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market perspectives, the economic and financial environment of the market where the institution operates. BBVA Research is the area within BBVA specialized in the creation of internal prospective scenarios for various processes of the Institution, including those used in provision estimates under FRS C-16 and which are updated at least annually. The description of these prospective scenarios can be consulted within the Mexico Situation reports, which are published on the BBVA website at -> Corporate Information -> Economic Studies -> Publications.

The procedures to estimate the probability of default, the severity of the loss and the exposure to default, to appropriately assign and modify the level of credit risk of the exposures are consistent and in accordance with the criteria, to recognize the level of credit risk of a debtor, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), the expected credit losses over the entire life of the asset will be calculated. Otherwise, provisions will be based on 12-month expected credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the entire life of the asset.

iv) Non-revolving consumer portfolio-

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine the preventive reserves for credit risks by level of credit risk as of January 2022 of the “Consumer Non-Revolving” portfolio. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions.

In November 2022, BBVA requested the CNBV to approve the update of the Implementation Plan for the Non-Revolving Consumer (CNR) and Small and Medium Enterprises (SME) portfolios, to postpone the determination of credit risk reserves under Internal Reserve Methodologies based on FRS C-16.

Therefore, as of November 2022, the non-revolving Consumer portfolio is rated using the standard method.

In accordance with the Resolution issued by the Commission on January 6, 2017, the Institution determines the reserves under the methodology that considers the PD, LGD and EAD, in accordance with what is described below:

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The amount of allowance for loan losses for each loan will be the result of applying the following expression:

$$R_i = PD_i^x \; x \; LGD_i^x \; x \; EAD_i^x$$

Where:

R_i	=	Amount of the allowance for loan losses to be created for the i-th loan.
PD_i^x	=	Probability of default of the i-th loan, classified as ABCD (B), automobile (A), payroll (N), personal (P), other (O).
LGD_i^x	=	Loss Given Default of the i-th loan, classified as ABCD (B), automobile (A), payroll (N), personal (P), other (O).
EAD_i^x	=	Exposure to Default of the i-th loan.
x	=	Super index that indicates the loan type corresponding to ABCD (B), automobile (A), payroll (N), personal (P), other (O).

When rating the non-revolving consumer portfolio, the Institution considers a loss model according to the following:

- PD = is determined based on the classification of the type of loan (B, A, N, P and O) based on the arrears, incorporating in its determination risk coefficients with specific values established in the Provisions for each classification of the type of loan, payment behavior variables of the borrower in the Institution and in other entities of the Mexican Financial System, mainly.

- LGD = is determined based on the classification of the type of loan (B, A, N, P and O) based on the arrears, incorporating in its determination percentages of LGD in the arrears observed at the date of the qualification.

- EAD = corresponds to the balance of principal and interest of each non-revolving consumer loan at the time of the portfolio rating.

Preventive reserves for the consumer portfolio that do not include credit card operations constituted by the Institution as a result of the credit rating, are classified according to the following degrees of risk and percentages:

Risk level	Percentage ranges preventive reserves		
A-1	0.00%	-	2.00%
A-2	2.01%	-	3.00%
B-1	3.01%	-	4.00%
B-2	4.01%	-	5.00%
B-3	5.01%	-	6.00%
C-1	6.01%	-	8.00%
C-2	8.01%	-	15.00%
D	15.01%	-	35.00%
E	35.01%	-	100.00%

v) Revolving consumer portfolio (credit card)-

The commercial portfolio classified as “Credit Card” is identified through operations related to loans granted to clients - natural persons - who were authorized a revolving line of credit for personal use.

Through official letter number 121-1/14591541/2022, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine the preventive reserves for credit risks by credit risk level of BBVA's six relevant modelable portfolios as of January 2022, including the Credit Card portfolio. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions. This methodology was estimated with data cut-off as of September 2019.

The calculation of the expected credit loss requires a temporary structure during the term of the operation and is based on the following components, in accordance with the minimum requirements for the own estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of Default (PI or PD): An estimate of the probability of default for a given time horizon.
- Loss Given Default Severity (SP or LGD): An estimate of loss given default, based on the difference between contractual cash flows and those the lender would expect to receive, including those from any collateral.
- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected drawdowns of committed credit facilities (CCFs).
- Term to maturity.

- Discount interest rates: Discounting an expected loss to the current value on the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prospective scenarios: The design of prospective scenarios is considered, which complement the historical experience, by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market perspectives, the economic and financial environment of the market where the institution operates. BBVA Research is the area within BBVA specialized in the creation of internal prospective scenarios for various processes of the Institution, including those used in provision estimates under FRS C-16 and which are updated at least annually. The description of these prospective scenarios can be consulted within the Mexico Situation reports, which are published on the BBVA website at -> Corporate Information -> Economic Studies -> Publications.

The procedures to estimate the probability of default, the severity of the loss and the exposure to default, to appropriately assign and modify the level of credit risk of the exposures are consistent and in accordance with the criteria, to recognize the level of credit risk of a debtor, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), the expected credit losses over the entire life of the asset will be calculated. Otherwise, provisions will be based on 12-month expected credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the entire life of the asset.

vi) Restructures-

A restructuring is an operation that arises from any of the situations described below:

a) Extension of guarantees that protect the credit in question, or

b) Modifications to the original conditions of the credit or the payment scheme, among which are:

- Change in the interest rate established for the remaining term of the credit;

- Exchange of currency or unit of account, or

- Granting a waiting period regarding compliance with payment obligations in accordance with the original terms of the credit, unless said concession is granted after the originally agreed term has concluded, in which case it will be a renewal.

Restructurings are not considered to be those that at the date of the modifications to the contracts present compliance with payment for the total amount payable of principal and interest and only modify one or more of the following original conditions of the credit:

Guarantees: only when they involve the extension or replacement of guarantees with others of better quality.

Interest rate: when the agreed interest rate is improved.

Currency: as long as the rate corresponding to the new currency is applied.

Payment date: only in the event that the change does not imply exceeding or modifying the periodicity of payments. In no case should the change in the payment date allow the omission of payment in any period.

A renewal is that operation in which the term of the credit is extended during or at its expiration, or, it is settled at any time with the proceeds from another credit contracted with the same entity, in which the same debtor or another person who, due to their patrimonial ties, constitutes common risks, is a party. A credit is not considered renewed when the drawdowns are made during the term of a pre-established line of credit.

In the event that in a restructuring or renewal, various credits granted to the same borrower are consolidated into a single credit, the total balance of the debt resulting from the restructuring or renewal is given the treatment corresponding to the worst of the credits involved in it.

Loans with stage 1 and 2 credit risk other than those that have a single payment of principal and periodic interest payments or at maturity, that are restructured or renewed, without at least 80% of the original term of the loan having elapsed, may remain in the same category, only when the borrower has a) covered all of the accrued interest, and b) covered the principal of the original amount of the loan, which on the date of the renewal or restructuring should have been covered.

If all the conditions described in the previous paragraph are not met, the credits will be considered overdue from the moment they are restructured or renewed, and until there is evidence of sustained payment.

Loans with stage 1 and 2 credit risk other than those with a single payment of principal and periodic interest payments or at maturity, which are restructured or renewed during the course of the final 20% of the original term of the loan, may remain in the same category, only when the borrower has a) settled all of the accrued interest, b) covered the entire original amount of the credit that on the date of the renewal or restructuring should have been covered, and c) covered the 60% of the original credit amount.

If all the conditions described in the previous paragraph are not met, the credits are transferred to the next category with the highest credit risk from the moment they are restructured or renewed, and until there is evidence of sustained payment.

Loans with a single payment of principal and periodic interest payments or at maturity, which are restructured during the term of the loan or renewed at any time, will be considered a stage 3 portfolio as long as there is no evidence of sustained payment.

Credits in which their revolving nature is stipulated from their inception, which are restructured or renewed, may at any time remain at stage 1 and 2 credit risk only when the borrower has settled all of the accrued interest, the credit does not have expired billing periods, and there are elements that justify the debtor's payment capacity, that is, the debtor has a high probability of covering said payment.

Reductions, forgiveness, bonuses and discounts, that is, the amount partially or totally forgiven from the credit payment, are recorded against allowance for loan losses. In the event that the amount of these exceeds the balance of the estimate associated with the credit, estimates are previously established up to the amount of the difference.

vii) Rebuttable presumption-

In the case of credits that have been more than 30 and up to 59 days late in their payment of principal and interest at the time of classification and, therefore, can be classified in stage 2, because they meet the criterion of increase in the level of credit risk, the Institution uses the criterion of rebuttable presumption of the increase in the level of credit risk, to keep the credits classified in stage 1.

viii) Write-offs, eliminations (financial write-offs) and loan portfolio recoveries-

It is periodically evaluated whether a credit with credit risk in stage 3 should remain in the statement of financial position, be eliminated, or be written off. The write-off and elimination are carried out by canceling the unpaid balance against allowance for loan losses. Within the credit manual, the policies and elements that prove the practical impossibility of recovery are established. When the unpaid balance exceeds the associated estimate, before carrying out the write-off, the missing amount of the estimate is increased.

In elimination, you can choose to remove from the asset the overdue credits that are 100% provisioned, even if they meet the conditions to be written off after the date of their removal from the consolidated statement of financial position.

Any recovery derived from credits previously written off or eliminated in accordance with the Provisions, must be recognized in the results of the year within allowance for loan losses.

When the balance of allowance for loan losses has exceeded the amount required in accordance with the provisions, the differential must be canceled in the period in which said changes occur against the results of the year, affecting the same concept or item that originated it, that is, allowance for loan losses.

ix) Additional reserve-

The preventive estimates for additional credit risks recognized by the Commission are those that are established to cover risks that are not provided for in the different loan portfolio rating methodologies, and about which, prior to their creation, the Commission must be informed of the following: i) origin of the estimates; ii) methodology for its determination; iii) amount of estimates to be established; and iv) the estimated time they will be necessary.

(p) Other accounts receivable, net-

The Institution's miscellaneous debtors are valued at the transaction price in accordance with the provisions of FRS C-3 “Accounts Receivable” or FRS C-20 “Financial Instruments to Collect Principal and Interest” as appropriate based on the existence of a significant financing component. Accounts receivable that are not recovered within 90 or 60 days following their initial registration, depending on whether the debtors are identified or not, respectively, are reserved 100% charged to the results of the year in accordance with the practical solution established by FRS C-16.

This item includes the balance of loans to employees. The interest accrued is presented in the “Other operating income (expenses)” item in the consolidated statement of comprehensive income.

(q) Foreclosed assets, net-

Assets acquired through legal foreclosure must be registered on the date on which the order approving the auction by which the adjudication was decreed becomes enforceable.

Assets that have been received as payment are recorded on the date on which payment deed is signed, or on which the transfer of ownership of the asset has been formalized.

The recognition value of the foreclosed assets will be:

a) to the lower of the gross book value of the asset that gave rise to the foreclosure and the net realizable value of the assets received, when the entity's intention is to sell said assets to recover the amount to be collected; either

b) the lower of the gross book value of the asset that gave rise to the foreclosure or the fair value of the asset received, when the entity's intention is to use the foreclosed asset for its activities.

On the date of registration of the asset foreclosed or received through dation in payment, the value of the asset that gave rise to the foreclosure, as well as its respective preventive estimate that was established, must be derecognized from the consolidated statement of financial position, or, for the part corresponding to the accrued or overdue amortizations that have been covered by partial payments in kind in accordance with the provisions of the Provisions.

The difference that arises from the registration of the asset and the derecognition of the portfolio and credit estimate associated with the credit is recognized in results as other income (expenses) of the operation.

At the time of the sale of the foreclosed assets, the differential between the sale price and the book value of the foreclosed asset, net of estimates, must be recognized directly in the results of the year in the "Other income (expenses) of the operation" item.

The foreclosed assets are valued according to the type of asset in question, and a reserve of foreclosed assets must be recorded against the results of the year in the "Other income (expenses) of the operation" item.

Considering the above described and in accordance with what is established in the Provisions, the determination of the reserves for the possession of movable or immovable property foreclosed or received in dation in payment over time is determined in accordance with the tables shown below, depending on the type of property in question.

Allowance for personal property

Time elapsed as of repossession or payment in kind (months)	Allowance percentage
Up to 6	0%
More than 6 and up to 12	10%
Over 12 and up to 18	20%
Over 18 and up to 24	45%
More than 24 and up to 30	60%
More than 30	100%

Allowance for real estate	
Time elapsed as of repossession or payment in kind (months)	**Allowance percentage**
Up to 12	0%
More than 12 and up to 24	10%
More than 24 and up to 30	15%
More than 30 and up to 36	25%
More than 36 and up to 42	30%
Over 42 and up to 48	35%
Over 48 and up to 54	40%
Over 54 and up to 60	50%
More than 60	100%

(r) Property, plant and equipment, net-

They are recorded at acquisition cost. The assets that come from acquisitions until December 31, 2007 were updated applying factors derived from the UDI until that date. Relative depreciation and amortization is recorded by applying to the cost updated up to that date, a percentage determined based on their estimated useful life.

Depreciation is determined on the cost or the updated cost until 2007 as appropriate, on a straight line basis, starting from the month following the month of purchase, applying the rates detailed below:

Real state	2.50%
Constructions	1.30%
Construction components:	
Elevators	3.30%
Power plants	2.80%
Pipelines	2.80%
Air-conditioning	2.80%
Computer equipment	25.00%
ATMs	12.50%
Furniture and equipment	10.00%
Vehicles	25.00%
Security equipment	10.00%

The estimated useful life, residual value and depreciation method of buildings and their components are reviewed at the end of each year, and the effect of any change in the initially recorded estimate is recognized on a prospective basis.

Maintenance expenses and minor repairs are recognized in the results of the year when incurred.

Property, plant and equipment are derecognised at the time of their sale, recognizing any gain or loss generated (calculated as the difference between the net income from the sale of the asset and its carrying amount) in the statement of comprehensive income.

(s) Leases-

In its capacity as lessee, the Institution evaluates whether a contract is, or contains, a lease contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To evaluate whether a contract transmits the right to control the use of an identified asset, the Institution uses the definition of lease from FRS D-5 Leases.

The Institution recognizes a right-of-use asset and a lease liability on the start date of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus initial direct costs incurred, less lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Institution at the end of the lease term or the cost of the right-of-use asset reflects that the Institution will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property and equipment. The depreciation of the asset is recorded in results under the heading “Administrative and promotional expenses”.

The right-of-use asset is periodically reduced by impairment losses, if applicable, and adjusted for certain new valuations of the lease liability such as changes in the amount of rent due to inflation adjustment.

The lease liability is initially measured at the present value of lease payments not paid on the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institution's incremental financing rate or the risk-free rate determined by reference to the term of the lease.

The Institution has defined a homogeneous mechanism to determine the Unsecured discount rate according to the financing costs in each geography, with respect to the remaining term of each commitment and integrating the liquidity risk to reflect the terms of the lease (such as lease term and currency in which payments are denominated) and the type of leased asset. This is because the cost is not expressed clearly or directly by the tenants, thus avoiding subjective differences in determination.

The lease payments included in the valuation of the lease liability include the following:

— fixed payments, including payments in substance fixed;
— variable lease payments dependent on an index or rate, initially valued using the index or rate on the commencement date;
— amounts expected to be paid under a residual value guarantee; and
— the exercise price under a purchase option that the Institution is reasonably certain to exercise, the lease payments in an optional renewal period if the Institution is reasonably certain to exercise an extension option, and the penalties for early termination of a lease unless the Institution is reasonably certain not to terminate early.

The lease liability is valued at amortized cost using the effective interest method, and is subsequently revalued according to the following conditions:

- there is a change in future lease payments arising from a change in an index or rate;
- there is a change in the Institution's estimate of the amount expected to be paid under a residual value guarantee;
- if the Institution changes its assessment of whether it will exercise a purchase, extension or termination option or
- if there is a payment in fixed substance of modified lease.

When the lease liability has been revalued accordingly, an adjustment is made corresponding to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

According to the negotiations with the lessors, the Institution can make advance payments of rent for one, two and up to three years, which reduce the balance of the lease liability according to the periodicity of the payment.

Short-term leases and leases of low-value assets

The Institution chose not to recognize the assets for their right of use and the liabilities for leases of low value assets and short-term leases, including the lease of branches and offices.

The Institution recognizes the lease payments associated with these leases as a straight-line expense over the term of the lease.

(t) Impairment of long-lived assets in use-

The Institution periodically evaluates the net book value of long-lived assets to determine the existence of indications that said value exceeds their recovery value. The recovery value represents the amount of potential net income that is reasonably expected to be obtained as a result of the use or realization of said assets.

If it is determined that the net book value exceeds the recovery value, the Institution records the necessary estimates. When the intention is to sell assets, they are presented in the financial statements at their net book or realizable value, whichever is lower. The assets and liabilities of a group classified as available for sale are presented separately in the consolidated statement of financial position.

(u) Permanent investments in shares-

They are represented by those permanent investments made by the Institution in entities in which it has significant influence, without this representing having control, which are initially recorded at acquisition cost and subsequently valued using the equity method. Dividends received are reduced from the permanent investment.

It is added that there are other permanent investments over which there is no control or significant influence, which are recorded at their acquisition cost and the dividends received from these investments are recognized in the results of the year unless they come from profits from periods prior to the acquisition in which case they are reduced from the permanent investment.

(v) Income tax and employee profit sharing -

Income tax (“ISR”) and employee profit sharing (“PTU”) are recorded in the results of the year in which they are incurred in accordance with current tax provisions.

The deferred ISR and PTU are recorded in accordance with the asset and liability method, which compares their book and tax values.

Deferred ISR and PTU (asset and liability) are recognized for future tax consequences attributable to temporary differences between the values reflected in the consolidated financial statements of existing assets and liabilities and their relative tax bases, and for tax losses to be amortized and tax credits to be recovered. Assets and liabilities for deferred ISR and PTU are calculated using the rates established in the corresponding law, which will be applied to the taxable income in the years in which it is estimated that the temporary differences will be reversed. The effect of changes in tax rates on deferred ISR and PTU are recognized in the results of the period in which said changes are approved.

Income tax and PTU incurred and deferred are presented and classified in the results of the period, except those that originate from a transaction that are recognized in “Other Comprehensive Income” (OCI) or directly in a stockholders' equity item.

Uncertain tax treatments are recognized in both caused and deferred income taxes and income taxes generated by a dividend distribution.

(w) Advance payments and other assets and intangibles -

Prepayments and other assets include disbursements made in advance for expenses and commissions as of December 31, 2024 and 2023, the amount amounts to $1,943 and $2,520, respectively.

Intangibles: as of December 31, 2024 and 2023, it consists of software and computer developments that are originally recorded at the disbursed value and the amortization of those with a defined life is calculated on a straight line basis at the rate of 20% and the amounts amount to $6,040 and $5,021, respectively.

(x) Deposits-

This item includes immediately demandable deposits, time deposits from the general public and those collected through operations in the money market, credit securities issued and the global deposit account without movements, which are integrated as described below:

a. Demand deposits. They include checking accounts, savings accounts and checking account deposits, among others.

b. Time deposits. They include, among others, certificates of deposit withdrawable on pre-established days, bank acceptances and promissory notes with yield liquidable at maturity collected from the general public and through operations in the money market, the latter referring to time deposits made with other financial intermediaries, as well as with treasuries of companies and government entities.

c. Securities issued. They include, among others, bank bonds and stock certificates. The Institution, when calculating the effective interest rate, estimates the expected cash flows considering all the contractual terms of the Financial Instrument payable (such as prepayment, extension, early repayment and other similar options). The calculation includes all commissions and other charges paid or received between the parties to the contract that are part of the effective interest rate, such as interest, commissions and other prepaid items, as well as transaction costs and all other premiums or discounts.

d. Global deposit account without transactions. It includes the principal and interest of deposit instruments that do not have an expiration date, or that have an expiration date and are automatically renewed, as well as transfers or investments that have expired and are not claimed. If, within three years from the date on which the resources are deposited in the global deposit account without movements, the amount of which does not exceed, per account, the equivalent of three hundred units of measurement and updating (UMAS), they expire in favor of the assets of the public charity, the Institution will be obliged to pay the resources corresponding to the public charity within a maximum period of fifteen days from December 31 of the year in which the previously described case is met.

Traditional deposit interest is recognized in results as it accrues within the “Interest Expense” item.

The issuance expenses, as well as the discount or premium in the placement, are recognized as a deferred charge or credit, as applicable, which is amortized in results as it accrues as expenses or interest income, as appropriate, taking into consideration the term of the security that gave rise to it in proportion to the maturity of the securities.

The valuation of traditional deposits is at amortized cost through the effective interest rate.

(y) Bank and other borrowings-

This item records direct loans received from national and foreign banks. Interest is recognized in results as it accrues, within the “Interest expense” heading. Its valuation is at amortized cost through the effective interest rate.

(z) Employee benefits-

Direct short-term benefits

Short-term direct employee benefits are recognized in the consolidated results of the period in which the services provided are accrued. A liability is recognized for the amount expected to be paid if the Institution has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Direct long-term benefits

The net obligation of the Institution in relation to direct long-term benefits that the Institution is expected to pay after twelve months from the date of the most recent consolidated statement of financial position presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to determine its present value. Remeasurements are recognized in results in the period in which they accrue.

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the Institution has no realistic alternative other than to make payments or cannot withdraw the offer of those benefits, or when it meets the conditions to recognize the costs of a restructuring, whichever occurs first. If they are not expected to be settled within 12 months after the end of the financial year, then they are discounted.

Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized in results as the related services are provided by employees. Prepaid contributions are recognized as an asset to the extent that prepayment results in a reduction in future payments or a cash refund.

Defined benefit plans

The net obligation of the Institution corresponding to the defined benefit plans for the pension plan, seniority premium, death benefits, sports benefit and legal compensation benefits, is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current year and in previous years, discounting said amount and deducting from it, the fair value of the plan assets.

The calculation of obligations for defined benefit plans is carried out annually by actuaries, using the projected unit credit method. When the calculation results in a possible asset for the Institution, the recognized asset is limited to the present value of the economic benefits available in the form of future reimbursements from the plan or reductions in future contributions to it. To calculate the present value of economic benefits, any minimum financing requirements must be considered.

The labor cost of the current service, which represents the cost of the employee's benefit period for having completed one more year of working life based on the benefit plans, is recognized in operating expenses. The Institution determines the net interest expense (income) on the net liability (asset) for defined benefits of the period, multiplying the discount rate used to measure the defined benefit obligation by the net liability (asset) defined at the beginning of the annual reporting period, taking into account the changes in the net liability (asset) for defined benefits during the period as a result of estimates of contributions and benefit payments. The net interest is recognized in the consolidated statement of income.

Modifications to plans that affect the cost of past services are recognized in the results immediately in the year in which the modification occurs, without the possibility of deferral in subsequent years. Likewise, the effects of liquidation events or reduction of obligations in the period, which significantly reduce the cost of future services and/or which significantly reduce the population subject to benefits, respectively, are recognized in the results of the period.

Remeasurements (previously actuarial gains and losses), resulting from differences between the projected and actual actuarial assumptions at the end of the period, are recognized in the period in which they are incurred within the other comprehensive income item in stockholders' equity.

(aa) Provisions-

The Institution's general parameter is that provisions are recognized when there is a present obligation as a result of a past event, which probably results in an outflow of economic resources, and which can be reasonably estimated.

The accounting treatment of an item as a provision or as a contingent liability depends on the degree of uncertainty of the future outflow of economic resources to comply with an obligation or, in the case of contingent assets, the uncertainty of the receipt of economic benefits to recover the asset. Therefore, the uncertainty levels defined in FRS A-1 as probable, possible and remote are the basis for accounting recognition.

Finally, these long-term provisions are recognized at present value using the market rate.

(ab) Transactions in foreign currency-

Transactions denominated in foreign currency are recorded in the currency of the operation, and valued at the exchange rate determined by the Central Bank. Monetary assets and liabilities denominated in foreign currency are valued in national currency at the closing exchange rate of each period, issued by the Central Bank. Exchange differences incurred in relation to assets or liabilities contracted in foreign currency are recorded in the results of the year.

The result from the purchase and sale of currencies comes from the difference between the exchange rates used to buy and/or sell currencies, including the adjustment to the final position, valued at the exchange rate mentioned in the previous paragraph.

(ac) Financial margin-

The financial margin of the Institution is made up of the difference resulting from interest income minus interest expenses.

Interest income-

Interest income is made up of the returns generated by the loan portfolio, based on the terms established in the contracts entered into with the borrowers and the agreed interest rates, the financial income accrued in financial leasing operations, financial factoring, discounting and assignment of credit rights, the amortization of interest collected in advance, as well as premiums and interest on deposits in financial entities, interbank loans with a term less than or equal to 3 business days, margin accounts, investments in financial instruments, repo operations and securities loans, the accrual of commissions charged for the initial granting of credit based on the effective interest rate, the profit and amortization of losses due to renegotiations, dividends from capital financial instruments, as well as the premiums for debt placement.

Likewise, adjustments for valuation derived from items denominated in investment units (UDIS) or in some other general price index, the effect of valuation of credits in VSM or UMA, as well as the profit on exchanges, are considered as interest income, as long as said items come from positions related to income or expenses that are part of the financial margin.

The interest generated by the loans granted is recognized in results as it accrues.

Interest on portfolio in stage 3 is recognized in results until it is collected.

The commissions charged for the initial granting of credits are recorded as a deferred credit within the “Deferred items” caption of the consolidated statement of financial position, which is amortized against the results of the year in the “Interest income” caption, through the effective interest rate during the life of the credit, except those that originate from the granting of credit cards, which are recognized directly in results. The commissions charged for credit card annuity are recognized as a deferred credit and are amortized over a period of 12 months, which are recorded in the “Commissions and fees collected” item.

Interest expenses-

Interest expenses consider discounts and interest for the Institution's deposits, interbank loans, repos and loans of securities and subordinated obligations, as well as issuance and discount expenses for debt placement. The amortization based on the effective interest rate during the term of the credit of the costs and expenses associated with the initial granting of the credit, as well as the losses and amortization of profits due to renegotiations are part of the interest expenses. In addition to the expenses arising from hedging operations and financial instruments derived from trading, as well as those premiums paid for the early redemption of financial instruments that qualify as liabilities.

Likewise, valuation adjustments derived from items denominated in UDIS or in some other general price index, as well as the loss on changes in positions, are considered interest expenses, as long as said concepts come from assets or liabilities related to expenses or income that are part of the financial margin.

Transaction costs

The amortization of the costs and expenses associated with the granting of credit (transaction costs), the effect of renegotiation of the loan portfolio, those derived from lease liabilities and the financial effect of provisions considered in Interest expenses, (like the commission for granting, the transaction costs must also be amortized with the effective interest rate).

(ad) Commissions and fees charged and paid-

The commissions and fees charged and paid are those generated by banking services and loan portfolio maintenance operations. The commissions that are recognized after the initial granting of the credit are those that are incurred as part of the maintenance of said credits, or those that are charged for reasons other than the placement of credits, are recognized in results at the time they are generated.

Also considered are commissions for loans received, placement of bank debt (other than those associated with its issuance) and for the provision of services, among others, management, transfer, custody or administration of resources, fiduciary activities, and for the granting of guarantees.

Also part of this item are commissions related to the use or issuance of credit cards, either directly such as commissions for the first and subsequent annuities, consultations or issuance of the card, or indirectly such as those charged to affiliated establishments.

Income and expenses from commissions and similar fees are recognized against the consolidated statement of income with different criteria, depending on their nature. The most significant are:

a. Those linked to financial assets and liabilities valued at fair value through profit and loss are recognized at the time of the transaction.

b. Those that originate from transactions or services that extend over time are recognized over the life of such transactions or services.

c. Those that respond to a singular act are recognized when the act that originates them occurs.

Performance obligations, as well as the timing of their satisfaction, are identified and determined at the beginning of the contract. The Bank's revenue contracts do not include multiple performance obligations.

**BBVA México, S.A., Institución de Banca Múltiple,
Grupo Financiero BBVA México and Subsidiaries**

(ae) Memorandum accounts-

(i) Own account operations:

In the memorandum accounts, assets or commitments are recorded that are not part of the consolidated statement of financial position of the Institution since the rights thereof are not acquired or said commitments are not recognized as liabilities of the entities as long as said eventualities do not materialize, respectively.

– *Contingent assets and liabilities:*

Formal complaints received by the Institution that may entail some liability are recorded.

– *Credit commitments:*

The balance represents the amount of letters of credit granted by the Institution that are considered irrevocable commercial credits not drawn down by the borrowers and authorized lines of credit not exercised.

Previous items posted to this account are subject to qualification.

– *Assets in trust or mandate:*

The Institution records the operations of Assets or Trusts in memorandum accounts according to the following:

- Those that are limited to the recognition of the trust assets (contract assets), that is, the value of the assets received in trust net of liabilities, keeping in independent records the data related to the administration of each trust.

- Those whose assets and liabilities result from operations and whose recognition and valuation is carried out in accordance with the provisions of the specific accounting criteria applicable to the Institution.

Losses borne by the Institution for the responsibilities it has incurred as fiduciary are recognized in results in the period in which they are known, regardless of the moment in which any legal promotion for this purpose is carried out.

The fiduciary unit maintains special accounts for each contract in the trust system, and records in them and in its own accounting the money and other assets, values or rights entrusted to them, as well as the increases or decreases, for the respective products or expenses, invariably the balances of the special accounts of each trust contract coincide with the balances of the memorandum accounts in which the Institution recognizes the trust assets.

In no case will these assets be subject to other responsibilities than those derived from the trust itself, or those that correspond to third parties in accordance with the Law.

When, due to the nature of the trusts established in the Institution, there are assets or liabilities under or in favor of the institution, these are recognized in the consolidated statement of financial position, as appropriate.

The mandate records the declared value of the assets subject to the mandate contracts entered into by the Institution.

The recognition of income from trust management is recognized on an accrual basis. The accumulation of said income is suspended at the moment in which the debt for these presents 90 or more calendar days of non-payment, and may be accumulated again when the debt pending payment is settled in its entirety.

As long as the income accrued from the management of the trusts is suspended from accumulation and is not collected, control thereof is maintained in memorandum accounts. If said accrued income is collected, it is recognized directly in the results of the year.

– *Property in custody or under management:*

Cash and securities owned by clients that are held in custody, guarantee and administration are reflected in the respective memorandum accounts and are valued based on the price provided by the pricing provider.

The securities in custody and administration are deposited in the S.D. Indeval, Institución para el Depósito de Valores, S. A. de C. V.

– *Collateral received by the Institution:*

Its balance represents the total collateral received in repo and securities lending operations with the Institution acting as reporter or borrower.

– *Collateral received and sold or given as collateral by the Institution:*

Its balance represents the total of collateral received and sold or delivered as collateral, when the Institution acts as reporter or borrower.

– *Uncollected accrued interest derived from the loan portfolio in stage 3:*

The interest accrued is recorded in memorandum accounts from the moment a credit is transferred to stage 3.

As long as the credit remains at stage 3 of credit risk, control of the accrued interest is recorded in memorandum accounts. When such interest is collected, it is recognized in the results of the year under the heading “Interest income”. When they are forgiven or written off, they are canceled from the memorandum accounts without affecting allowance for loan losses.

– Other registration accounts:

The other registration accounts are mainly made up of guarantees received by the Institution, among others.

(ii) Operations on behalf of third parties:

It is represented by cash deposits from clients, custody of securities and operations carried out on behalf of clients. The cash is deposited in banking institutions in accounts other than those of the Institution. The valuation of assets in custody, relating to securities or similar titles, is made at their fair value. In the case of operations on behalf of third parties, these are valued based on the nature of the operation, that is, investments in securities, repos, securities lending and derivatives.

(af) Contingencies-

Significant obligations or losses related to contingencies are recognized when it is probable that their effects will materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, their qualitative disclosure is included in the notes to the consolidated financial statements. Income, profits or contingent assets are recognized until the moment when there is certainty of their realization.

(4) Fair value of financial instruments-

Fair value hierarchy-

Not all financial assets and liabilities are recognized at fair value, so the information referring to financial instruments recognized at fair value is broken down below and subsequently that referring to instruments valued at amortized cost. For the latter, the fair value presented is not applied in accounting, except for those in which the book value is the best approximation to its fair value.

a. Financial instruments recognized at fair value

The following table presents the hierarchy level of financial instruments recognized at fair value, as well as the valuation methods, hypotheses and inputs used to determine the fair value of instruments classified within level 2 and 3 as of December 31, 2024 and 2023:

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	2024						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Negotiable financial instruments							
Fixed income	139,964	138,664	4,324	282,952	Price provided by Valmer		
Variable income	4,999	2	15	5,016	Price provided by Valmer		
Financial instruments to collect and sell							
Fixed income	219,965	53,027	730	273,722	Price provided by Valmer		
Variable income	-	-	-	-	Price provided by Valmer		
Derivatives financial instruments - trading							
Forwards	-	61,627	1,028	62,655	- Variable Income Futures and Forwards: Flow Discounting - Bond Options: Black 76		
Options	-	9,398	578	9,976	- Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active Implicit Correlations - Long-term implied volatilities - Implicit dividends
Swaps	-	115,013	1,270	116,283	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Flow discounting. - Swaptions: Black y LGM - Constant maturity swaps: SABR		
Derivatives financial instruments – hedging							
Swaps	-	2,701	-	2,701	- Flow discount. - Swaptions: Black 76 y LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	

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	2024						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Loan portfolio measured at fair value	-	7,247	434	7,681	To value the complement due to the effect of the implicit options, the methodologies and input data used in the options are used, depending on their type: - Bond Options: Black 76 - Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LG	Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatility observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	-Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active implicit correlations - Long-term implied volatilities - Implicit dividends
Liabilities							
Derivatives financial instruments - trading							
Forwards	-	67,715	962	68,677	- Variable Income Futures and Forwards: Flow Discounting - Bond Options: Black 76 - Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM - Flow discount. - Swaptions: Black y LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active Implicit Correlations - Long-term implied volatilities - Implicit dividends
Options	-	29,624	5,439	35,063			
Swaps	-	109,799	1,011	110,810			
Derivatives financial instruments - hedging							
Swaps	-	15,763	-	15,763	- Flow discount. - Swaptions: Black y LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying active prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	

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	2023						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Negotiable financial instruments							
Fixed income	124,561	159,645	1,451	285,657	Price provided by Valmer		
Variable income	3,704	-	254	3,958	Price provided by Valmer		
Financial instruments to collect and sell							
Fixed income	184,175	52,527	1,212	237,914	Price provided by Valmer		
Variable income	-	-	-	-	Price provided by Valmer		
Derivatives financial instruments - trading							
Forwards	-	34,628	263	34,891	- Variable Income Futures and Forwards: Flow Discounting	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active Implicit Correlations - Long-term implied volatilities - Implicit dividends
Options	-	7,460	1,274	8,734	- Bond Options: Black 76 - Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		
Swaps	-	128,938	608	129,546	- Linear interest rate products (Interest rate swaps, Call money swaps and FRA): Flow discounting. - Swaptions: Black y LGM - Constant maturity swaps: SABR		

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	2023						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Assets							
Derivatives financial instruments - hedging							
Swaps	-	8,644	-	8,644	- Flow discount. - Swaptions: Black 76 y LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	
Valued loan portfolio at fair value	-	4,380	1,021	5,401	To value the complement due to the effect of the implicit options, the methodologies and input data used in the options are used, depending on their type: Bond Options: Black 76 - Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange rate options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LG	Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; - Volatility observed in the market - Issuer credit spread levels - Quoted dividends - Correlations quoted in the market	-Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active implicit correlations - Long-term implied volatilities - Implicit dividends
Liabilities							
Derivatives financial instruments - trading							
Forwards	-	38,163	64	38,227	- Variable Income Futures and Forwards: Flow Discounting	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying asset prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	- Implicit correlations between tenors - Interest rate volatilities - Volatility of volatility - Active Implicit Correlations - Long-term implied volatilities - Implicit dividends
Options	-	20,779	8,319	29,098	- Bond Options: Black 76 - Variable Income Options: Local Volatility, Black 76, Binomial Tree - Exchange Rate Options: Black 76, Local Volatility, Binomial Tree - Other interest rate options: Black 76, SABR and LGM		

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	2023						
	Level 1	Level 2	Level 3	Total	Valuation method	Observable input data	Unobservable input data
Liabilities							
Swaps	-	128,212	1,222	129,434	- Flow discount. - Swaptions: Black y LGM		
Derivatives financial instruments - hedging							
Swaps	-	4,804	-	4,804	- Flow discount. - Swaptions: Black y LGM	- Exchange rates - Future prices quoted in the market - Market interest rates - Underlying active prices: stocks; funds; commodities - Volatilities observed in the market - Issuer credit spread levels - Quoted Dividends - Correlations quoted in the market	

a.1. Valuation techniques

The main techniques used for the valuation of instruments classified in Level 2 and 3, as well as the main unobservable inputs, are described below:

- Comparable prices (similar asset prices): prices of comparable instruments, reference indices or market benchmarks are used to calculate their performance from the entry price or their current valuation, making subsequent adjustments to take into account differences that may exist between the valued asset and the one taken as a reference. You can also simply assume that the price of one instrument is equivalent to that of the other.

- Net asset value: this technique uses certain assumptions to use the net present value as representatives of the fair value, which represents the total value of the assets and liabilities of a fund and is published by its managing entity.

- Black 76: variant of the Black Scholes model whose main application is the valuation of bond options, Caps/floors and Swaptions of the models directly the behavior of the forward and not the spot itself.

- Black Scholes: The Black-Scholes model postulates a log-normal distribution of security prices such that, under the risk-neutral measure, their expected return is the risk-free interest rate. Under this assumption, the price of vanilla options can be calculated analytically, so that by inverting the Black-Scholes formula for a quoted market premium, the volatility of the price process can be obtained.

- Local volatility: In local volatility models, volatility, instead of being static, evolves deterministically over time according to the level of probability that the option has a positive value on its expiration date (level called “moneyness”), reproducing the so-called “volatility smiles” observed in the market. The volatility smile of an option is the empirical relationship observed between its implied volatility and its strike price. These models are appropriate in options whose value depends on the historical evolution of the underlying that uses Monte Carlo simulation for its valuation.

a.2. Quantitative information on unobservable inputs

The quantitative information of the unobservable input data used in the calculation of Level 3 assessments as of December 31, 2024 and 2023 is presented below:

	2024				
	Significant unobservable inputs	**Min.**	**Media**	**Max.**	**Units**
Derivatives for the purposes of negotiation					
Swaps on underlying Interest Rates	Interest Rate Curves	1.15%	4.28%	6.38%	%
Underlying options de Equity	Equity Volatilities	10	10	10	vegas
	Equity/Equity Correlations and Equity/FX	(39.94%)	(26.12%)	(13.73%)	%
	Equity Dividends	0.04	3.02	6.18	MXN
	Equity Margin Repo	(2.26%)	0.13%	2.65%	%
Underlying options of Interest Rates	Interest Rate Volatility	0.36	3.9	16.01	vegas

	2023				
	Inputs no observables significant	**Min.**	**Media**	**Max.**	**Units**
Derivatives for the purposes of negotiation					
Swaps on underlying Interest Rates	Interest Rate Curves	(0.68%)	4.17%	6.36%	%
Underlying options de Equity	Equity Volatilities	10	13.66	35.71	vegas
	Equity/Equity Correlations and Equity/FX	(42.24%)	(17.62%)	50.97%	%
	Equity Dividends	2.22	2.22	2.22	MXN
	Equity Margin Repo	(1.75%)	2.22%	13.11%	%

a.3. Valuation adjustments for risk of default

The fair value of the liabilities must reflect the entity's risk of default, which includes, among other components, its own credit risk. Taking the above into account, the Institution makes valuation adjustments for credit risk in the fair value of its assets and liabilities.

The adjustments are calculated by estimating the exposure (exposure at default), the probability of default (probability of default) and the severity of the loss (loss given default), which is based on the levels of recoveries (recoveries) for all derivative products on any underlying, deposits and operations with a repurchase agreement at the level of legal entity (all counterparties under the same framework contract) with which the Institution has exposure.

In the specific case of derivative financial instruments, credit valuation adjustments (hereinafter “CVA”) and debit valuation adjustments (hereinafter “DVA”) are incorporated into the valuations of both assets and liabilities, to reflect the impact on the fair value of the counterparty's and own credit risk, respectively.

As a general rule, the CVA calculation is the sum product of the expected positive exposure on date t, the probability of default between t-1 and t, and the severity of the loss. Similarly, the DVA is calculated as the sum product of the expected negative exposure on date t, the probabilities of default of the Institution between t-1 and t, and the severity of the loss. Both calculations are made over the entire period of potential exposure. The calculation of the expected positive and negative exposure is carried out through a Monte Carlo simulation of the market variables that affect all operations grouped under the same framework contract (legal netting).

The data necessary to calculate the probabilities of default and the severity of a counterparty come from the credit markets. If credit default swap exists for a counterparty and is liquid, this is used. For those cases in which the information is not available, BBVA has implemented a sector credit curve assignment process, based on the sector, rating and geographical location of the counterparty and thus calculate both the probabilities of default and its severity, calibrated directly to the market.

The amounts recorded in the consolidated statement of financial position as of December 31, 2024 and 2023, corresponding to adjustments for the credit risk valuation of derivative positions amounted to ($758) and ($395) for CVA, and ($1,120) and ($514) for DVA, respectively. The impact recorded in the consolidated statement of comprehensive income as of December 31, 2024 and 2023 corresponding to said adjustments amounted to ($362), ($606) and ($172), ($443), respectively.

a.4. Reconciliation of the initial and Ending balance of financial instruments classified as Level 3

The movement of the balances of financial assets and liabilities accounted for at fair value classified in Level 3 that appear in the consolidated statement of financial position as of December 31, 2024 and 2023, are shown below:

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning	**$ 5,062**	**$ (9,604)**	**$ 3,197**	**$ (6,087)**
Changes in fair value recognized as a result of the exercise:				
Realized	(276)	(3,807)	(2)	(105)
Unrealized	(99)	94	(400)	164
Changes in fair value recognized in other comprehensive income:				
Purchases	4,517	-	369	-
Sales	(292)	-	(850)	-
Derecognition	(1,253)	2,702	184	1,291
Issuances	2,127	(2,729)	1,337	(6,056)
Settlements	-	-	-	-
Net inflows / outflows of Level 3	(1,841)	5,933	1,227	1,189
Others	-	-	-	-
Ending balance	**$ 7,945**	**$ (7,411)**	**$ 5,062**	**$ (9,604)**

The changes in fair value that affected the result for the year were recognized in the "Financial intermediation income" caption.

Changes in fair value that affected other comprehensive income were recognized in the “Valuation of financial instruments to be collected and sold” caption.

a.5. Transfers between levels

The amounts of financial instruments that were transferred between the different levels of hierarchy during 2024 and 2023 were as follows:

		2024					
	From:	**Level 1**		**Level 2**		**Level 3**	
	To:	**Level 2**	**Level 3**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Assets							
Negotiable financial instruments							
Debt		$ -	$ -	$ -	$ 518	$ -	$ 176
Equity		-	-	-	-	266	2
Financial instruments to collect and sell							
Debt		-	-	-	-	1,219	-
Equity		-	-	-	-	-	-
Derivatives for trading purposes							
Forwards		-	-	-	-	-	(252)
Options		-	-	-	1	-	(497)
Swaps		-	-	-	8	-	(152)
Derivatives for hedging purposes							
Swaps		-	-	-	-	-	-
Portfolio at fair value		-	-	-	-	-	-
Total		**$ -**	**$ -**	**$ -**	**$ 527**	**$ 1,485**	**$ (723)**
Liabilities							
Derivatives for trading purposes							
Futures		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Options		-	-	-	(1)	-	5,692
Swaps		-	-	-	(90)	-	331
Derivatives for hedging purposes							
Futures		-	-	-	-	-	-
Swaps		-	-	-	-	-	-
Total		**$ -**	**$ -**	**$ -**	**$ (91)**	**$ -**	**$ 6,023**

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	2023					
From:	**Level 1**		**Level 2**		**Level 3**	
To:	**Level 2**	**Level 3**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Assets						
Negotiable financial instruments						
Debt	$ -	$ -	$ 286	$ 45	$ -	$ 137
Equity	-	-	-	-	-	-
Financial instruments to collect and sell						
Debt	-	-	-	1,212	-	-
Equity	-	-	-	-	-	-
Derivatives for trading purposes						
Forwards	-	-	-	-	-	(9)
Options	-	-	-	154	-	(250)
Swaps	-	-	-	73	-	(116)
Derivatives for hedging purposes						
Swaps	-	-	-	-	-	-
Portfolio at fair value	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ 286**	**$ 1,484**	**$ -**	**$ (238)**

	2023					
From:	**Level 1**		**Level 2**		**Level 3**	
To:	**Level 2**	**Level 3**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Liabilities						
Derivatives for trading purposes						
Futures	$ -	$ -	$ -	$ -	$ -	$ -
Options	-	-	-	(1,013)	-	2,207
Swaps	-	-	-	(71)	-	66
Derivatives for hedging purposes						
Futures	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ (1,084)**	**$ -**	**$ 2,273**

These transfers basically correspond to:

- In equity and debt instruments, reclassifications from hierarchy level 1 to 2 occur mainly when during the last month a position or quote price is not observed on at least 90% of the business days. An instrument that, having been classified at level 2 for this reason and in subsequent periods complies with said requirement, is reclassified to level 1.

- Level 2 to 3 transfers occur when the issuer of the security stops trading, goes into default, there is no sufficient position or market information in electronic trading media (Reuters and Bloomberg), or presents a static updated price, that is, it is repeated over a prolonged period.

- In OTC derivatives, transfers from Level 2 to Level 3 occur in operations in which the degree of unobservability in the market data used in the valuation exceeds the defined threshold (10%).

a.6 Sensitivity analysis

The sensitivity analysis is carried out on derivative financial instruments with important unobservable inputs, that is, for those included in Level 3, to have a reasonable range of possible alternative valuations according to the nature of the methods and input data used to carry out the valuation.

As of December 31, 2024 and 2023, the possible variation in the "Mark to Market" (MtM) derived from the uncertainty in the unobservable parameter, considering the highest value (most favorable scenario) or lowest value (least favorable scenario) obtained via the "Additional Valuation-Adjustment" (AVA) calculated for said positions, would be:

	2024		2023	
	Possible variation in the MtM derived from the uncertainty in the unobservable parameter		Possible variation in the MtM derived from the uncertainty in the unobservable parameter	
	Most favorable scenario	Least favorable scenario	Most favorable scenario	Least favorable scenario
Derivatives for trading purposes				
Swaps on underlying Interest Rates	$ 80	$ (80)	$ 43	$ (43)
Options on underlying Equity	1	(1)	1	(1)
Options on underlying Exchange rate	-	-	-	-
Options on underlying Interest Rates	1	(1)	-	-

a.7 Changes in valuation models

In a session of the Risk Committee held on May 21, 2024, the methodology for the construction of the Funding TIIE curve, “MXN TIEF”, was approved to be used in the valuation of deposits and derivatives on Funding TIIE for the estimation of coupons. In a session of the Risk Committee held on September 17, 2024, a new underlying was approved regarding the TIIE for Funding fixing “In Advance”. This underlying will be used to determine the coupon rate for Deposits and Interest Rate Derivatives in MXN. In a session of the Risk Committee held on November 19, 2024, changes were approved in the construction of interest rate curves caused by market instruments on TIIE funding; the retrospective effect derived from this change was not significant.

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(5) Cash and cash equivalents-

As of December 31, 2024 and 2023, the cash and cash equivalents item is integrated as follows:

	2024	2023
Cash	$ 66,400	$ 59,865
Banks	168,095	94,391
Restricted cash in hand:		
Purchase of foreign currency (1)	210,456	117,251
Sale of foreign currency (1)	(295,158)	(86,308)
Deposits at Central Bank (2)	34,034	34,000
Interbank loans (call money) (3)	99	-
Other cash and cash equivalents	1,561	61
	185,487	219,260
Reclassification to liabilities to offset foreing currency purchases and sales(1)	84,702	-
Total	**$ 270,189**	**$ 219,260**

The “Banks” item included below is represented by cash in national currency and US dollars converted at the closing exchange rate published by the Central Bank of $20.8829 and $16.9666 pesos per dollar at the close of December 31, 2024 and 2023, respectively.

	2024			2023		
	Foreing currency	MXN	Total	Foreing currency	MXN	Total
Deposits with foreign credit institutions	$ 257	$ 117,977	$ 118,234	$ 978	$ 43,256	$ 44,234
Central bank	47,740	2,121	49,861	48,379	1,778	50,157
	$ 47,997	**$ 120,098**	**$ 168,095**	**$ 49,357**	**$ 45,034**	**$ 94,391**

(1) The currencies to be received and delivered for purchases and sales to be settled from 24 to 96 hours as of December 31, 2024 and 2023, are integrated as shown below:

	2024		2023	
	Balance in foreign currency (millions)	Equivalent in national currency	Balance in foreign currency (millions)	Equivalent in national currency
Purchase of currencies to be received within 24, 48, 72 and 96 hours:				
USD	8,673	$ 181,113	6,368	$ 108,050
EUR	1,403	29,297	542	9,201
GBP	2	39	-	-
JPY	-	7	-	-
Total	**-**	**$ 210,456**	**-**	**$ 117,251**

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	2024		2023	
	Balance in foreign currency (millions)	Equivalent in national currency	Balance in foreign currency (millions)	Equivalent in national currency
Sale of currencies to be settled in 24, 48, 72 and 96 hours:				
USD	(13,351)	$ (278,799)	(5,049)	$ (85,667)
EUR	(782)	(16,342)	(30)	(641)
GBP	(1)	(13)	-	-
JPY	-	(4)	-	-
		(295,158)		(86,308)
Total		**$ (84,702)(*)**		**$ 30,943**

(*) Reclassified balance after offsetting foreign currency purchases and sales.

When recording the foreign currency to be delivered or received for sales and purchases within the heading “Cash and cash equivalents”, the settlement accounts for the contra value of these operations are recorded in the consolidated statement of financial position within the headings of “Other accounts receivable, net” and “Creditors for settlement of operations”, as appropriate.

In accordance with the current provisions for credit institutions, in the heading “Cash and cash equivalents”, it is established that in the event that the offset balance of foreign currency to be received with the foreign currency to be delivered whose term is between 24 and 96 hours presents a credit balance, it must be reclassified to “Sundry creditors and other accounts payable”. As of December 31, 2024, the net balance was a credit of $84,702, so the reclassification was carried out (note 18), while, as of December 31, 2023, the net debit balance of foreign currency to be received and delivered for $30,943 was not reclassified.

(2) As of December 31, 2024 and 2023, the Central Bank's single account includes the Monetary Regulation Deposits (“DRM”) of the Institution in the Central Bank which amount to $34,034 and $34,000, respectively. These Monetary Regulation Deposits will have an indefinite duration for which the Central Bank will inform in advance the date and procedure for withdrawing their balance. Interest on deposits is payable every 28 days applying the rate established in the regulations issued by the Central Bank.

As of December 31, 2024 and 2023, the amount of accrued interest not collected from the DRM that had been recognized amounted to $132 and $97, respectively.

On May 12, 2016, through Circular 9/2016, the Central Bank announced the rules for the auctions of Reportable Monetary Regulation Bonds (BREMS R), indicating that said BREMS R can be settled with DRM resources. The current Provisions establish that the DRM may be composed of cash, securities or both.

For the years ended December 31, 2024 and 2023, the Institution maintains BREMS R for $32,765 and $32,737, respectively, which are part of the DRM, which are recorded in the heading of "Investments in financial instruments", within the category of Financial instruments to collect and sell (IFCV) (note 7(b)), this derived from the bond issuance prospectus which establishes that they should only be sold directly or disposed of through repo operations to the Central Bank, when it so determines through general provisions.

(3) For the years ended December 31, 2024 and 2023, the interests recognized in the results of the year for Call money operations amount to $86 and $57, respectively, with average rates of return of 10.6% and 11.2%. At the end of December 2024, a Call money has been contracted with Bank of China México for $99 at 10% with a two-day maturity.

(6) Margin Accounts (Derivative Financial Instruments) -

As of December 31, 2024 and 2023, margin accounts are made up of guarantees granted in cash for derivative financial operations in recognized markets for $13,379 and $9,413, respectively.

(7) Investments in financial instruments-

As of December 31, 2024 and 2023, investments in financial instruments are integrated as shown below:

a. Negotiable Financial Instruments (NFI)

	2024				2023
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Value in books	Value in books
No restriction:					
Equity instruments	$ 5,298	$ -	$ (359)	$ 4,939	$ 3,909
American Depositary Receipts (ADR's)	47	-	19	66	45
Sovereign debt Eurobonds	1,449	17	(97)	1,369	2,437
Fixed rate government bonds	13,230	149	(207)	13,172	23,772
Promissory notes with yield payable at expiration (PRLV)	-	-	-	-	5,872
Federal Mexican Treasury Securities (CETES)	1,703	-	(1)	1,702	20,516
Federal Government Development Bonds (BONDES)	573	3	-	576	392
Corporate Eurobonds	-	-	-	-	100

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Bank stock certificates	4,176	19	(132)	4,063	2,662
Stock certificates	12,555	89	(26)	12,618	7,735
Exchangeable stock certificates (CBICS)	1,348	21	(88)	1,281	2,082
Federal Government Development Bonds a UDIS (UDIBONOS)	5,192	-	(96)	5,096	20,300
Savings Protection Bonds (BPAS)	7,151	186	77	7,414	25,788
Investment funds	-	-	-	-	-
Treasury notes	994	5	(9)	990	391
Total titles without restriction	53,716	489	(919)	53,286	116,001
With restriction:					
Collateral granted (a.1.)	240,380	2,156	(138)	242,398	176,463
Purchases value date (a.2.)	19,944	229	8	20,181	4,477
Sales date value (a.3.)	(27,617)	(264)	(16)	(27,897)	(7,325)
Total restricted titles	232,707	2,121	(146)	234,682	173,615
Total	**$ 286,423**	**$ 2,610**	**$ (1,065)**	**$ 287,968**	**$ 289,616**

During 2024 and 2023, the Institution recognized in results a loss of $1,900 and a profit of $2,223, respectively, due to valuation in unrestricted securities (note 32).

Likewise, as of December 31, 2024 and 2023, the residual terms of these unrestricted investments are as shown below:

	2024				
Instrument	**less than a month**	**Between 1 and 3 months**	**More than 3 months**	**No fixed term**	**Total acquisition cost**
Titles without restriction:					
Equity instruments	$ -	$ -	$ -	$ 5,298	$ 5,298
ADRS	-	-	-	47	47
Sovereign debt Eurobonds	-	-	1,449	-	1,449
Fixed rate government bonds	-	67	13,163	-	13,230
PRLV	-	-	-	-	-
CETES	51	22	1,630	-	1,703
CBICS	-	-	1,348	-	1,348
BONDES	173	55	345	-	573
Corporate Eurobonds	-	-	-	-	-
Bank stock certificates	-	488	3,688	-	4,176
Stock certificates	1,045	2,541	8,969	-	12,555
UDIBONOS	-	-	5,192	-	5,192
BPAS	-	-	7,151	-	7,151
Investment funds	-	-	-	-	-
Treasury notes	74	-	920	-	994
Total	**$ 1,343**	**$ 3,173**	**$ 43,855**	**$ 5,345**	**$ 53,716**

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	2023				
Instrument	less than a month	Between 1 and 3 months	More than 3 months	No fixed term	Total acquisition cost
Titles without restriction:					
Equity instruments	$ -	$ -	$ -	$ 3,764	$ 3,764
ADRS	-	-	-	46	46
Sovereign debt Eurobonds	-	1,000	1,410	-	2,410
Fixed rate government bonds	-	81	23,235	-	23,316
PRLV	-	5,875	-	-	5,875
CETES	467	50	19,945	-	20,462
CBICS	-	-	2,105	-	2,105
BONDES	-	1	389	-	390
Corporate Eurobonds	-	-	99	-	99
Bank stock certificates	-	475	2,316	-	2,791
Stock certificates	949	1,307	5,400	-	7,656
UDIBONOS	-	-	19,819	-	19,819
BPAS	-	1,415	23,560	-	24,975
Investment funds	-	-	-	-	-
Treasury notes	253	-	136	-	389
Total	**$ 1,669**	**$ 10,204**	**$ 98,414**	**$ 3,810**	**$ 114,097**

a.1. The collateral granted as of December 31, 2024 and 2023, is integrated as follows:

	2024				2023
Instrument	Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Value in books	Value in books
Securities loan collateral securities:					
Equity instruments	$ -	$ -	$ -	$ -	$ -
IPAB voucher	-	-	-	-	-
Fixed rate government bonds	7,305	53	(195)	7,163	-
BONDES	8,159	63	(2)	8,220	-
BPAS	21,064	607	142	21,813	28,105
CETES	74,631	-	199	74,830	43,631
Total loan collateral securities values	**111,159**	**723**	**144**	**112,026**	**71,736**
Titles in repo guarantees:					
Bank stock certificates	$ -	$ -	$ -	$ -	$ -
BONDES	4,647	30	(2)	4,675	6,725
Fixed rate government bonds	44,041	391	(349)	44,083	10,123
BPAS	25,748	734	468	26,950	40,222
CETES	26,512	-	29	26,541	36,925
UDIBONOS	15,338	7	(422)	14,923	3
CBICS	8,411	192	(19)	8,584	6,473
Eurobonds	-	-	-	-	-
Stock certificates	100	-	-	100	-
Total titles in guarantees for returns	**124,797**	**1,354**	**(295)**	**125,856**	**100,471**

Titles in other guarantees:					
Fixed rate government bonds	460	9	(1)	468	298
BPAS	1,577	66	8	1,651	1,648
CETES	1,395	-	6	1,401	1,263
Stock certificates	21	-	-	21	392
Eurobonds	39	1	(3)	37	209
Treasury notes	932	3	3	938	446
Total titles in other guarantees	**4,424**	**79**	**13**	**4,516**	**4,256**
Total securities restricted by collateral granted	**$ 240,380**	**$ 2,156**	**$ (138)**	**$ 242,398**	**$ 176,463**

a.2. Purchases valued at December 31, 2024 and 2023, are integrated as follows:

	2024				2023
Instrument	**Acquisition cost**	**Accrued interest**	**Increase (decrease) due to valuation**	**Value in books**	**Value in books**
Equity instruments	$ 16	$ -	$ (-)	$ 16	$ 3
ADRS	-	-	-	-	-
Fixed rate government bonds	9,784	193	4	9,981	2,331
BONDES	1,998	8	(1)	2,005	403
CETES	5,391	-	2	5,393	728
UDIBONOS	2,750	28	3	2,781	1,012
Stock certificates	5	-	-	5	-
Sovereign debt Eurobonds	-	-	-	-	-
Total	**$ 19,944**	**$ 229**	**$ 8**	**$ 20,181**	**$ 4,477**

a.3. The value date sales as of December 31, 2024 and 2023 are integrated as shown below:

	2024				2023
Instrument	**Acquisition cost**	**Accrued interest**	**Increase (decrease) due to valuation**	**Value in books**	**Value in books**
Equity instruments	$ (5)	$ -	$ -	$ (5)	$ -
ADRS	-	-	-	-	-
Trams	(1,999)	(7)	1	(2,005)	(403)
CETES	(7,636)	-	(1)	(7,637)	(1,066)
Fixed rate government bonds	(15,083)	(235)	(14)	(15,332)	(4,638)
Bank stock certificates	(20)	-	-	(20)	-
UDIBONOS	(2,269)	(20)	(2)	(2,291)	(1,218)
Stock certificates	(605)	(2)	-	(607)	-
Total	**$ (27,617)**	**$ (264)**	**$ (16)**	**$ (27,897)**	**$ (7,325)**

During 2024 and 2023, the Institution recognized in results a loss of $460 and a profit of $184, respectively, due to the valuation of securities restricted by collateral granted (note 32).

As of December 31, 2024 and 2023, the returns associated with all of the Institution's negotiable financial instruments recognized in the results of the year amount to $35,132 and $29,604, respectively (note 30).

b. Financial instruments to collect and sell (IFCV)

	2024				2023
Instrument	**Acquisition cost**	**Accrued interest**	**Increase (decrease) due to valuation**	**Value in books**	**Value in books**
Titles without restriction:					
Equity instruments	$ -	$ -	$ -	$ -	$ -
CETES	-	-	-	-	-
Sovereign debt Eurobonds	52,625	687	(2,550)	50,762	25,284
Corporate Eurobonds	-	-	-	-	-
Fixed rate government bonds	-	-	-	-	36,057
Stock certificates	5,501	176	(246)	5,431	3,546
BPAS	748	30	3	781	-
Bank stock certificates	2,194	47	(165)	2,076	306
CEDES	-	-	-	-	-
Treasury	-	-	-	-	919
UMS	1,226	10	2	1,238	-
BREMS R [(1)]	32,671	118	(24)	32,765	32,737
UDIBONOS	-	-	-	-	-
Total without restriction	94,965	1,068	(2,980)	93,053	98,849
Restricted (b.1.)	182,594	3,084	(5,009)	180,669	139,065
	$ 277,559	**$ 4,152**	**$ (7,989)**	**$ 273,722**	**$ 237,914**

(1) BREMS R that are part of the Monetary Regulation Deposit (note 5).

As of December 31, 2024 and 2023, the result from the valuation of Financial Instruments to Collect and Sell is presented in OCI accumulated to the negative effect of valuation net of deferred tax of $5,543 and $4,500, respectively, of the derivatives that partially cover said securities position.

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As of December 31, 2024 and 2023, the terms to which the financial instruments are agreed to buy or sell without restriction are as shown below:

	2024				
Instrument	**less than a month**	**Between 1 and 3 months**	**More than 3 months**	**Sin fixed term**	**Total at acquisition cost**
No restriction:					
Equity instruments	$ -	$ -	$ -	$ -	$ -
CETES	-	-	-	-	-
Sovereign debt Eurobonds	-	542	52,083	-	52,625
Corporate Eurobonds	-	-	-	-	-
BONDES	-	-	-	-	-
BPAS	-	-	748	-	748
Bank stock certificates	-	-	2,194	-	2,194
Stock certificates	200	-	5,301	-	5,501
BREMS R	-	-	32,671	-	32,671
Treasury	-	-	1,226	-	1,226
Fixed rate government bonds	-	-	-	-	-
Total without restriction	**$ 200**	**$ 542**	**$ 94,223**	**$ -**	**$ 94,965**

	2023				
Instrument	**less than a month**	**Between 1 and 3 months**	**More than 3 months**	**Sin fixed term**	**Total at acquisition cost**
No restriction:					
Equity instruments	$ -	$ -	$ -	$ -	$ -
CETES	-	-	-	-	-
Sovereign debt Eurobonds	-	1,000	25,139	-	26,139
Corporate Eurobonds	-	-	-	-	-
BONDES	-	-	-	-	-
BPAS	-	-	-	-	-
Bank stock certificates	-	7	309	-	316
Stock certificates	-	-	3,675	-	3,675
BREMS R	-	-	32,700	-	32,700
Treasury	-	-	907	-	907
Fixed rate government bonds	-	-	35,933	-	35,933
Total without restriction	**$ -**	**$ 1,007**	**$ 98,663**	**$ -**	**$ 99,670**

b.1. The collateral granted (restricted securities) of financial instruments to collect and sell as of December 31, 2024 and 2023, are integrated as shown below:

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Instrument	2024 Acquisition cost	Accrued interest	Increase (decrease) due to valuation	Value in books	2023 Value in books
Corporate stock certificates	$ -	$ -	$ -	$ -	$ 115
Fixed rate government bonds	-	-	-	-	854
BPAS	-	-	-	-	7,291
Eurobonds	-	-	-	-	1
Securities lending	-	-	-	-	8,261
Fixed rate government bonds	164,525	2,578	(4,822)	162,281	116,796
Stock certificates	-	-	-	-	759
BPAS	14,200	497	51	14,748	8,214
Bank stock certificates	-	-	-	-	1,378
Corporate Eurobonds	-	-	-	-	-
Udibonos	3,869	9	(238)	3,640	3,657
Guarantees for returns	182,594	3,084	(5,009)	180,669	130,804
Treasury bills	-	-	-	-	-
Total restricted	**$ 182,594**	**$ 3,084**	**$ (5,009)**	**$ 180,669**	**$ 139,065**

As of December 31, 2024 and 2023, the profit associated with all financial instruments to collect and sell of the Institution recognized in the results of the year amounted to $15,745 and $13,990, respectively (note 30).

During 2024 and 2023, the amount of expected credit losses due to impairment of financial instruments to be collected and sold recognized in results was $13 and ($6) respectively.

c. Financial Instruments to Collect Principal and Interest (FICPI)

Instrument	2024 Acquisition cost	Accrued interest	Value in books
Mortgage Debtor Support Program - Special CETES (note 10)	$ 1,939	$ 1	$ 1,940
Fixed rate government bonds	53,686	1,012	54,698
Bank stock certificates	1,323	29	1,352
Eurobonds	15,295	223	15,518
Treasury	6,245	25	6,270
CETES	-	-	-
CBICS	-	-	-
UDIBONOS	16,405	38	16,443
Total to charge principal and interest	94,893	1,328	96,221
Allowance for expected loan losses for investments in financial instruments to collect principal and interest (securities) [1]			(16)
Total to charge principal and interest, net			**$ 96,205**

	2023

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Instrument	Acquisition cost	Accrued interest	Value in books
Mortgage Debtor Support Program - Special CETES (note 10)	$ 1,743	$ 1	$ 1,744
Fixed rate government bonds	83,606	1,406	85,012
Bank stock certificates	1,323	28	1,351
Eurobonds	14,433	217	14,650
Treasury	5,075	20	5,095
CETES	-	-	-
CBICS	-	-	-
UDIBONOS	15,524	34	15,558
Total to charge principal and interest	121,704	1,706	123,410
Estimation of expected credit losses for investments in financial instruments to collect principal and interest (securities)[1]			(21)
Total to charge principal and interest, net			**$ 123,389**

[1] Reconciliation between the final and initial balance of the FICPI credit risk estimate

	2024	2023
Opening Balance	$ (21)	$ (24)
Affects on results for the year	5	3
Ending balance	**$ (16)**	**$ (21)**

As of December 31, 2024 and 2023, the returns associated with all of the Financial Instruments to Collect Principal (FICPI) and Interest of the Institution recognized in the results of the year amounted to $5,929 and $6,169, respectively (note 30).

During 2024 and 2023, the amount of expected credit losses due to impairment of FICPI, recognized in results, were $5 and $3, respectively.

d. Collateral Received and Delivered.

"The terms and conditions for the delivery of collateral securities are in accordance with the framework contracts for repo, securities lending and derivatives (ISDA/CMOF). These contracts establish the exchange of collateral, which will be a mitigant of credit risk, in order to have a reasonable level of credit risk; the collateral received or delivered does not meet the criteria for the transfer of ownership, so the entity that delivers the collateral maintains the corporate and economic rights of said securities, unless there is non-compliance with the obligations. guaranteed; however, these framework contracts contemplate the temporary use and enjoyment of said securities with the commitment of return at the expiration of the guaranteed operation or by margin return calls due to a decrease in the guaranteed value at risk."

Under the collateral exchange agreements of financial institutions that have a negative market value, it undertakes to deliver or receive to the other party (which therefore has a positive market value) assets, liabilities or cash to reduce credit risk exposure, in accordance with the terms signed in the aforementioned bilateral contract.

As of December 31, 2024 and 2023, there are no investments in debt securities other than government securities of the same issuer with an exposure greater than 5% of the Institution's Net Capital and they are under the limits established by the risk management policies.

As of December 31, 2024 and 2023, the Institution does not maintain investments that come from unobservable markets.

(8) Repurchase/resale agreements and securities lending-

a. Debtors on repurchases/resales

As of December 31, 2024 and 2023, repurchase transactions are as follows:

	2024			2023		
	Asset	Liability		Asset	Liability	
Instrument	Debtors by report	Collateral sold or pledged	Debtor difference	Debtors by report	Collateral sold or pledged	Debtor difference
BONDES	$ 7,092	$ -	$ 7,092	$ 48,027	$ -	$ 48,027
Fixed rate government bonds	8,494	-	8,494	9,709	-	9,709
BPAS	17,215	-	17,215	31,236	-	31,236
CETES	4,952	-	4,952	2,605	-	2,605
Totals	**$ 37,753**	**$ -**	**$ 37,753**	**$ 91,577**	**$ -**	**$ 91,577**

b. Creditors on repurchase/resale agreements

As of December 31, 2024 and 2023, creditors on repurchase/resale agreements are as follows:

Instrument	2024	2023
BONDES	$ 4,046	$ 6,174
Fixed rate government bonds	226,635	124,618
BPAS	41,037	48,276
Stock certificates	100	846
Bank bonds	-	1,696
CETES	26,555	36,760
CBICS	8,583	6,456
Corporate Eurobonds	-	-
Sovereign debt Eurobonds	-	-
UDIBONOS	33,371	17,775
Total	**$ 340,327**	**$ 242,601**

The interest (premiums) for repos in favor that the Institution recorded for the years ended December 31, 2024 and 2023, amounted to $7,725 and $6,269, respectively, which were recorded in the consolidated statement of income in the heading “Interest income”, while the interest (premiums) charged that the Institution recorded in the heading “Interest expenses” for the years ended As of December 31, 2024 and 2023, they amounted to ($47,407) and ($37,830), respectively (see note 30).

c. Collateral sold or pledged in repo and securities lending operations as of December 31, 2024 and 2023, are integrated as shown below:

	2024			2023		
	Memorandum accounts		liability	Memorandum accounts		liability
Instrument	Collateral received by the Institution	Collateral received and sold or delivered by the Institution	Collateral sold	Collateral received by the Institution	Collateral received and sold or delivered by the Institution	Collateral sold
Securities borrower:						
Fixed rate government bonds	$ 46,909	$ 42,867	$ 42,867	$ 30,977	$ 30,971	$ 29,938
UDIBONOS	29,202	29,122	29,122	26,863	25,104	25,104
CETES	18,674	15,685	15,685	12,722	11,418	11,418
CBICS	15,311	-	-	-	-	-
Equity instruments	289	289	289	174	174	174
	110,385	87,963	87,963	70,736	67,667	66,634

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	2024			2023		
	Memorandum accounts		liability	Memorandum accounts		liability
Instrument	Collateral received by the Institution	Collateral received and sold or delivered by the Institution	Collateral sold	Collateral received by the Institution	Collateral received and sold or delivered by the Institution	Collateral sold
Repurchase agreements::						
BONDES	7,091	7,890	7,893	48,043	9,235	9,237
Fixed rate bonds	8,508	4,070	4,068	9,726	-	-
BPAS	17,240	17,231	17,235	31,306	8,106	8,109
CETES	4,939	4,337	4,338	2,600	1,082	1,082
UDIBONOS	-	80	79	-	-	-
CBICS	-	14,626	14,623	-	-	-
	37,778	48,234	48,236	91,675	18,423	18,428
Other guarantees received	11,362	848	-	13,334	-	-
Total	**$ 159,525**	**$ 137,045**	**$ 136,199**	**$ 175,745**	**$ 86,090**	**$ 85,062**

The interest charged on collateral sold and given as collateral in repo and securities loan operations recognized in results for the years ended December 31, 2024 and 2023, amounted to ($649) and ($356), respectively (see note 30).

As of December 31, 2024 and 2023, the Institution has contracted repo operations in force with an average term of 5 and 3 days, respectively; while current securities lending operations have an average term of 6 and 1 days, respectively.

(9) Derivative financial instruments-

As of December 31, 2024 and 2023, transactions with securities and derivatives are integrated as shown below:

a. Derivative financial instruments.- The Institution carries out derivative operations to meet the needs of our clients, manage the sensitivity of its own portfolios, as a market maker and to hedge its own structural balance sheet risks.

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Trading:

	2024			
	book value		Balance	
	Asset	Liability	Debtor	Creditor
Futures long position	$ 3,499	$ 3,499	$ -	$ -
Futures short position	56,874	56,874	-	-
Forwards long position	1,186,357	1,143,149	56,627	13,419
Forwards short position	1,070,269	1,119,500	6,028	55,259
Options purchased	9,977	-	9,977	-
Options sold	-	35,062	-	35,062
Swaps	2,038,301	2,032,829	116,282	110,810
$	**4,365,277**	**$ 4,390,913**	**$ 188,914**	**$ 214,550**

	2023			
	book value		Balance	
	Asset	Liability	Debtor	Creditor
Futures long position	$ 6,723	$ 6,723	$ -	$ -
Futures short position	63,734	63,734	-	-
Forwards long position	738,665	771,602	3,470	36,408
Forwards short position	740,367	710,766	31,420	1,819
Options purchased	8,734	-	8,734	-
Options sold	-	29,098	-	29,098
Swaps	1,971,612	1,971,500	129,547	129,434
$	**3,529,835**	**$ 3,553,423**	**$ 173,171**	**$ 196,759**

For coverage purposes:

	2024				
	Nominal amount		Balance		
	Asset	Passive	Debtor	Creditor	Net position
Swaps	$ 147,757	$ 160,820	$ 2,701	$ 15,763	$ (13,062)
	$ 147,757	$ 160,820	$ 2,701	$ 15,763	$ (13,062)

	2023				
	Nominal amount		Balance		
	Asset	Passive	Debtor	Creditor	Net position
Swaps	$ 117,992	$ 114,153	$ 8,644	$ 4,804	$ 3,840
	$ 117,992	$ 114,153	$ 8,644	$ 4,804	$ 3,840

b. Futures and forward contracts. As of December 31, 2024 and 2023, the Institution carried out operations in Organized Markets (Mex-Der and Chicago) obtaining a profit of $1,651 and ($8,087), distributed in Rates of $1,755 and ($1,288), Currencies of ($4,408) and ($5,374), Indexes of $4,304 and ($1,419) and Securities of $0 and ($6), respectively.

At the end of fiscal year 2024, there are open futures and forward contracts as shown below:

Trading:

		Sales		Purchases		
Operation type	Underlying	To receive	Value contract	Value contract	To deliver	Position net
Futures	US dollar	$ 56,005	$ 56,005	$ 3,499	$ 3,499	$ -
	Indexes	869	869	-	-	-
		$ 56,874	**$ 56,874**	**$ 3,499**	**3,499**	**$ -**

		Sales		Purchases		
Operation type	Underlying	To receive	Value contract	Value contract	To deliver	Position net
Forwards	US dollar	$ 993,511	1,045,069	1,107,345	1,062,772	(6,984)
	Stocks	76,758	74,431	79,012	80,377	961
		$ 1,070,269	**$ 1,119,500**	**$ 1,186,357**	**$ 1,143,149**	**$ (6,023)**

At the end of fiscal year 2023, open contracts were maintained as shown below:

		Sales		Purchases		
Operation type	Underlying	To receive	Value contract	Value contract	To deliver	Position net
Futures	US dollar	$ 62,291	$ 62,291	$ 6,713	$ 6,713	$ -
	Indexes	1,443	1,443	-	-	-
	S&P	-	-	10	10	-
		$ 63,734	**$ 63,734**	**$ 6,723**	**$ 6,723**	**$ -**

		Sales		Purchases		
Operation type	**Underlying**	**To receive**	**Value contract**	**Value contract**	**To deliver**	**Position net**
Forwards	US dollar	$ 702,454	$ 671,893	$ 694,655	$ 729,519	$ (4,303)
	Actions	37,913	38,873	44,010	42,083	967
		$ 740,367	**$ 710,766**	**$ 738,665**	**$ 771,602**	**$ (3,336)**

c. Options - As of December 31, 2024, the Institution has entered into option contracts as follows:

Trading:

	Operation type	**Underlying**	**Reference amount**	**Fair value**
Purchases	OTC Options (1)	US dollar	$ 107,257	$ 4,199
		Interest rates	192,500	1,111
		Stocks and Indexes	33,145	4,667
	OM Options (2)	Stocks and Indexes		-
				$ 9,977
Sales	OTC Options (1)	US dollar	$ 132,648	$ 4,203
		Interest rates	260,391	1,160
		Stocks and Indexes	29,411	29,699
				$ 35,062

As of December 31, 2023, the Institution has executed option contracts as follows:

	Operation type	**Underlying**	**Reference amount**	**Fair value**
Purchases	OTC Options (1)	US dollar	$ 109,024	$ 3,580
		Interest rates	128,707	1,880
		Stocks and Indexes	27,185	3,274
	OM Options (2)	Stocks and Indexes		-
				$ 8,734
Sales	OTC Options (1)	US dollar	110,799	$ 4,895
		Interest rates	157,091	1,699
		Stocks and Indexes	22,991	22,504
				$ 29,098

(1) OTC (Over The Counter) equivalent to Unorganized Markets
(2) OM (Organized Markets)

d. Swaps.- As of December 31, 2024, the Institution has entered into swap contracts as shown below:

Trading:

Underlying	Currency	Contract value receive	Contract value delivered	To receive	To deliver	Position net
Foreign exchange	Peso	$ 230,803	$ 258,199	$ 228,176	$ 257,319	$ (29,143)
	US dollar	314,033	259,878	312,626	254,399	58,227
	UDIS	55,259	56,555	55,206	55,341	(135)
	Euro	42,410	59,536	43,018	61,416	(18,398)
	Yen	-	19	-	19	(19)
	Colombian Peso	1,902	855	1,970	915	1,055
	GBP	1,308	1,308	1,335	1,335	-
	CLP	4,153	4,141	4,266	4,274	(8)
				646,597	635,018	11,579

		Notional amount			
Interest rates	Peso [1]	$ 11,707,704	$ 1,148,293	$ 1,153,216	$ (4,923)
	Euro	221,653	10,782	10,482	300
	US dollar	2,426,576	233,190	233,867	(677)
			1,392,265	1,397,565	(5,300)
Stocks	Peso	5,179	158	177	(19)
	US dollar	2,009	30	644	(614)
			188	821	(633)
CDS	US dollar	731	8	10	(2)
	Subtotal		2,039,058	2,033,414	5,644
CVA / DVA IFRS13			(757)	(585)	(172)
	Total		**$ 2,038,301**	**$ 2,032,829**	**$ 5,472**

(1) The institution entered into Nominal Interest Rate Swap contracts in pesos with various institutions, the current inventory shows agreed rates between 4.52% and 20.26% annually.

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As of December 31, 2023, the swap contracts were as follows:

Trading:

Underlying	Currency	Contract value receive	Contract value delivered	To receive	To deliver	Position net
Foreign exchange	Peso	$ 250,622	$ 232,031	$ 230,286	$ 231,111	$ (825)
	US dollar	248,609	240,787	248,720	221,425	27,295
	UDIS	48,733	50,537	47,372	48,014	(642)
	Euro	37,935	57,236	39,483	60,157	(20,674)
	Yen	-	67	-	68	(68)
	Colombian Peso	1,250	-	1,238	-	1,238
	GBP	1,081	1,081	1,124	1,130	(6)
	CLP	3,918	3,918	4,144	4,124	20
				$ 572,367	**$ 566,029**	**$ 6,338**
			Notional amount			
Interest rates	Peso [1]		$ 8,604,023	$ 1,226,979	$ 1,230,528	$ (3,549)
	Euro		232,057	13,044	12,950	94
	US dollar		1,490,552	159,493	160,875	(1,382)
	COP		-	-	-	-
				1,399,516	1,404,353	(4,837)
Stocks	Peso		4,304	80	878	(798)
	US dollar		1,527	27	232	(205)
				107	1,110	(1,003)
CDS	US dollar		509	18	18	-
CVA / DVA IFRS 13				(396)	(10)	(386)
	Total			**$ 1,971,612**	**$ 1,971,500**	**$ 112**

(1) The Institution entered into Nominal Interest Rate Swap contracts in pesos with various institutions, the current inventory shows agreed rates between 3.50% and 20.26% annually.

Fair value coverage:

Underlying	Currency	Contract value receive	Contract value delivered	To receive	To deliver	Position net
Foreign exchange	Peso	$ 80,936	$ 21,505	$ 88,058	$ 21,669	$ 66,389
	US dollar	-	35,605	-	38,423	(38,423)
	GBP	-	-	-	-	-
	Euro	-	33,099	-	37,246	(37,246)
		$ 80,936	**$ 90,209**	**$ 88,058**	**$ 97,338**	**$ (9,280)**

		Notional amount	To receive	To deliver	Position net
Interest rates	Peso [1]	$ 58,072	$ 19,708	$ 18,216	$ 1,492
	US dollar	103,492	39,991	45,265	(5,274)
			59,699	63,481	(3,782)
	Total		**$ 147,757**	**$ 160,819**	**$ (13,062)**

(1) As of December 31, 2024, the Institution has open Nominal Interest Rate Swap contracts in pesos with various institutions at rates between 4.88% and 10.46% annually.

As of December 31, 2023, they are comprised as follows:

Fair value coverage:

Underlying	Currency	Contract value receive	Contract value delivered	To receive	To deliver	Position net
Foreign exchange	Peso	$ 64,950	$ 28,297	$ 69,358	$ 28,390	$ 40,968
	US dollar	10,010	19,630	10,083	20,300	(10,217)
	GBP	-	1,020	-	1,051	(1,051)
	Euro	-	20,724	-	23,086	(23,086)
		$ 74,960	**$ 69,671**	**$ 79,441**	**$ 72,827**	**$ 6,614**

		Notional amount	To receive	To deliver	Position net
Interest rates	Peso [1]	$ 62,978	$ 15,143	$ 14,811	$ 333
	US dollar	61,589	23,408	26,515	(3,107)
			38,551	41,326	(2,774)
	Total		**$ 117,992**	**$ 114,152**	**$ 3,840**

(1) As of December 31, 2024, the Institution has open Nominal Interest Rate Swap contracts in pesos with various institutions at rates between 4.88% and 11.51% annually.

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Collateral received in derivatives as of December 31, 2024 and 2023, are recorded in the item “Creditors on cash received as collateral” and are shown below:

	2024			2023
Collateral received in cash in derivative transactions:	**Acquisition cost**	**Accrued interest**	**Value in books**	**Value in books**
Alsea, S.A.B. de C.V.	$ -	$ -	$ -	$ 260
Banca Afirme, S.A. IBM	-	-	-	42
Banco Mercantil del Norte, S.A. IBM	107	1	108	1,364
Banco del Bajío, S.A.	2	-	2	6
Banco Santander Mexico, S.A. IBM	-	-	-	584
Invex Bank	44	-	44	-
BBVA Madrid	689	-	689	3,452
BBVA Colombia	22	-	22	-
BNP Paribas	1,181	4	1,185	2,657
Credit Agricole CIB	469	2	471	589
Banco Nacional de Comercio Exterior	1,066	8	1,074	-
Deutsche Bank	474	2	476	87
Goldman Sachs Mexico Casa de Bolsa	-	-	-	626
HSBC México, S.A. IBM	217	1	218	725
J. Aron & Company	-	-	-	12
Kaluz, S.A.	500	2	502	-
Masari Casa de Bolsa, S.A. de C.V.	6	-	6	84
Consubanco on Ibm	28	-	28	-
Banco Inbursa	611	1	612	-
Morgan Stanley & CO	51	-	51	534
Morgan Stanley Capital	9	-	9	5
MUFG Bank Mexico IBM	181	1	182	4
Natixis	872	3	875	1,223
Scotiabank Inverlat	420	3	423	308
Banca Mifel	197	1	198	-
Nacional Financiera	758	5	763	-
Actinver Casa Bolsa GFA	-	-	-	10
Banamex, S.A. IBM USD	-	-	-	1,059
Banco JP Morgan, S.A.	-	-	-	792
Banco Monex, S.A. IBM M	-	-	-	27
Banco Nacional de México	-	-	-	292
Comisión Federal Electricidad	-	-	-	431
Intercam Casa de Bolsa	-	-	-	2
Ubs Ag (Zurich)	50	-	50	-
Wells Fargo Bank	8	-	8	-
Vector Casa de Bolsa	1	-	1	12
Collateral received in cash for derivatives	7,963	34	7,997	15,187
Guarantees received in cash for operations other than derivatives	1,965	-	1,965	1,574
	$ 9,928	**$ 34**	**$ 9,962**	**$ 16,761**

E. Counterparty and own credit risk.- The amounts recorded in the consolidated statement of financial position as of December 31, 2024 and 2023 corresponding to adjustments for the credit risk valuation of derivative positions amounted to ($758) and ($395) for CVA, and ($1,120) and ($514) DVA, respectively. The impact recorded in the consolidated statement of comprehensive income as of December 31, 2024 and 2023 corresponding to said adjustments amounted to ($362), ($606) and ($172), ($443), respectively.

F. Implicit derivative financial instruments.- The implicit derivatives, as of December 31, 2024 and 2023, shown below, are part of the derivatives position for trading purposes:

	2024			
	book value		Balance	
	Asset	Passive	Debtor	Creditor
Options purchased	$ 108	$ -	$ 108	$ -
Options sold	-	28	-	28
Swaps	2,778	2,674	791	687
	$ 2,886	**$ 2,702**	**$ 899**	**$ 715**

	2023			
	book value		Balance	
	Asset	Passive	Debtor	Creditor
Options purchased	$ 277	$ -	$ 277	$ -
Options sold	-	175	-	175
Swaps	2,988	3,110	114	237
	$ 3,265	$ 3,285	$ 391	$ 412

f.1. Embedded options (underlying)

Trading:

			2024	
		Underlying	Nominal amount	Fair value
Purchases	OTC Options	US dollar	$ 2,074	$ 49
		Interest rates	7,382	59
		Stocks and indexes	-	-
			$ 9,456	**$ 108**

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			2024	
		Underlying	Nominal amount	Fair value
Sales	OTC Options	US dollar	$ 424	$ 26
		Interest rates	-	-
		Stocks and Indexes	122	2
			$ 546	**$ 28**

			2023	
		Underlying	Nominal amount	Fair value
Purchases	OTC Options	US dollar	$ 2,174	$ 12
		Interest rates	9,999	265
		Stocks and indexes	-	-
			$ 12,173	**$ 277**
Sales	OTC Options	US dollar	$ 961	$ 36
		Interest rates	-	-
		Stocks and indexes	1,954	139
			$ 2,915	**$ 175**

f.2 Implicit Swaps (underlying)

Trading:

		2024			
Underlying	Currency	Notional amount	Market value to receive	Market value to be delivered	Fair value
Currency	Peso	$ 1,214	$ 622	$ 642	$ (20)
	US dollar	601	364	269	95
	Euro	788	385	374	11
			$ 1,371	$ 1,285	$ 86

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		2024			
Underlying	**Currency**	**Notional amount**	**Market value to receive**	**Market value to be delivered**	**Fair value**
Interest rate	Peso	$ 5,389	$ 1,407	$ 1,389	$ 18
	US dollar	-	-	-	-
			$ 1,407	$ 1,389	$ 18
		$ 7,992	**$ 2,778**	**$ 2,674**	**$ 104**

		2023			
Underlying	**Currency**	**Notional amount**	**Market value to receive**	**Market value to be delivered**	**Fair value**
Currency	Peso	$ 1,318	$ 1,335	$ 1,352	$ (17)
	US dollar	139	177	137	40
	Euro	-	1,121	1,109	12
			2,633	2,598	35
Interest rate	Peso	$ 4,521	$ 354	$ 512	$ (158)
	US dollar	-	-	-	-
			354	512	(158)
		$ 5,978	**$ 2,987**	**$ 3,110**	**$ (123)**

f.3 Implicit Forward (underlying)

As of December 31, 2024 and 2023, the Institution does not have implicit forwards.

Under the Structured Bank Bond issuance programs, as of December 31, 2024 and 2023, the Institution has registered options and implicit swaps for a nominal value of $10,001 and $15,088 and $7,993 and $25,541, respectively, with underlying Interest Rates for the swaps and Currencies, Indexes and Interest Rates for the options.

g. Alignment of coverage with the objectives of comprehensive risk management

In the Institution, the Board of Directors approves, at the proposal of the Risk Committee (i) the objectives, guidelines and policies of Comprehensive Risk Management, as well as any possible modifications, (ii) the global risk exposure limits and, where applicable, the Specific Risk Exposure Limits, considering the Consolidated Risk, broken down by business unit or risk factor, as well as, where applicable, the Risk Tolerance Levels. Risk, (iii) special cases or circumstances in which both the Global Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded.

To monitor and control the risk of the Structural Balance (Banking Book) of interest rates and exchange rates, the Assets and Liabilities Committee adopts investment and hedging strategies within the policies and risk limits approved by the Board of Directors, the Risk Committee delegated by the Board and the Risk Management Committee Strategies, for a hedging relationship to qualify as such, it must be aligned with the objectives and policies of the Comprehensive Risk Management, including the approved limits, and the strategies approved by the Committee. of Assets and Liabilities.

A scheme of risk limits of economic value and financial margin (note 30) of the structural balance has been established, the monitoring of which is done monthly in the Risk Committee and COAP and is presented quarterly to the Board of Directors; In the event of exceeding, communication and control procedures are established.

In addition to the above, for control purposes, the prospective effectiveness of the coverage relationships is monitored individually, and it is contrasted with the established effectiveness range (80-125), where, in case of ineffectiveness, the Assets and Liabilities Committee is notified, in order to decide if a rebalancing of any specific coverage(s) is required based on alignment with the Comprehensive Risk Management strategy, given that prospective measurement is not considered alone as a preponderant factor in determining whether a hedging relationship should be discontinued.

The evaluation that the exposure to credit risk does not dominate the changes in the value of the economic relationship between the hedged item and the hedging instrument is carried out globally for each counterparty. For these purposes, the Institution has formal processes established for constant monitoring and surveillance to ensure that said exposure is below the authorized credit limits for each client or counterparty in particular (counterparty risk), also considering mitigating factors of credit risk (collateral contract). This evaluation is carried out considering the accumulated credit risk for all derivative financial instrument operations carried out as a whole with said counterparty.

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In accordance with the strategy and objective defined in the COAP and CGL, Financial Management structures the coverages described below in such a way that the hedged item generally has values that move in opposite directions for the same risk (nominal, term and rate), thus ensuring the existence of an economic relationship and mitigating the risk covered.

On the other hand, the Global Markets unit carries out interest rate hedging to nullify the asymmetric sensitivity between the fixed rate credits granted and their variable rate funding through CGL transfer prices, and the risk management of said sensitivity that MG carries out in the swaps market.

g.1 Fair value hedges

In fair value hedges, the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment is hedged. Through IRS or CCY, the conversion from a fixed rate to a variable rate is carried out, depending on the currency in which the position is defined and the expected rate.

The risk to be hedged is the interest rate risk, both due to the sensitivity of the hedged instrument and the cost of funds attributable to the acquisition of the hedging element. The other risks to which the covered items are exposed, such as: credit risk, contagion risk, liquidity, etc., are not the subject of this coverage.

g.2 Cash flow hedges

Their purpose is to offset the exposure to variability in future cash flows attributable to a particular risk associated with a recognized asset or liability and may affect the results of the year in which said flows, firm commitment or highly probable forecast transaction occur, such as variable rate deposit coupons and the flow of expenses denominated in foreign currency. The application of these most relevant hedges is described below:

Cash flow coverage with IRS and CCY

The Monetary Regulation Deposit in MXN with a variable interest rate is covered by swaps, the variability of future cash flows is covered until the coverage term.

It is also possible to designate cash flow hedges for Eurobonds in which a fixed interest rate in USD or EUR is exchanged for a fixed rate in national currency.

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Exchange Rate Hedging with Forwards

Within this type of strategy, Financial Management can designate as a primary position the estimation of flows of the annual budget of expenses and investment in foreign currency in dollars and euros. The objective is to cover the risk of the possible depreciation of the national currency against the dollar or euro, currencies that affect the forecasted cash flows.

Interest rate hedges with FX Swaps

One of the main activities of the Financial Management area is the management of liquidity surpluses in pesos and dollars of the structural balance, therefore it controls and monitors foreign currency positions, seeking to cover the FX Swap market spreads (implicit forward rate) vs. short-term funding and investment rates.

The objective of hedging with FX Swaps is to cover the variability in the flows expected from the investment of dollars with the FED at the FED Funds rate. This would be achieved by the rate differential between the implicit forward curve of the FX Swap, versus the investment rate of the local currency, ensuring, through the FX Swap instrument, a rate of profitability.

As of December 31, 2024, the Institution has entered into coverage contracts as follows:

Type of Hedge: Cash Flow Hedge

Hedge Description	Covered risk	Instrument coverage	Maximum date maturity coverage	Fair value hedging instrument	Periods in which flows affect results	Recognized amount in the Comprehensive profit of the period	Reclassified amount from capital to results	Item of the consolidated statement of comprehensive income to which coverage is applied	Item of the consolidated statement of financial position where the primary position is recorded	Recognized ineffectiveness
Partial coverage of the DRM Monetary Regulation Deposit [1]	DRM variable streams	4 IRS FIXED/TIIE	one-25	$ (4)	1 us	$ 813	$ (921)	Availability interest margin	Cash and cash equivalents	$ -
UMS USD and EUR Cash Flow Hedging	Fixed to fixed domestic currency exchange	67 CCS FIXED/FIXED EUR 109 / USD	ago-36	(7,482)	141 months	(10,492)	1,847	Interest margin on investments in financial instruments	Investments in financial instruments	(27)
CCS Corporate Bond Cash Flow Hedge	Change from variable rate to receive to fixed rate. Amortized Cost.	1 FIXED CCS/VAR MXP	jul-25	(3)	7 months	9	24	Financial margin	Investments in financial instruments	-

* To date all forecasted cash flows from transactions have occurred within the initially agreed terms.

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Hedge type: Fair value

Hedge Description	Nature of risks covered	Hedging instrument	Maximum coverage expiration date	Fair Value hedging instrument	Revenue/ Hedging Instrument Loss as of December 2024	Revenue/ Loss item Covered as of December 2024	Line of the consolidated statement of financial position where the primary position is recorded	Recognized ineffectiveness
Credit coverage in USD and MXN at a fixed rate, to change to floating [1]	Fixed rate risk of credits in USD and fixed rate in MXN	1 IRS pays fixed interest in USD and receives variable 2 IRS pays fixed interest in MXP and receives variable	2040	$ 1,021	$ 628	$ (629)	Stage 1 loan portfolio	$ (1)
Hedging Mexican sovereign bonds in EUR/USD/GBP [1]	Fixed rate UMS bonds in EUR/USD/ GBP	5 CCS V/F	2030	322	(127)	127	Investments in financial instruments	-
Issuance coverage of USD subordinated notes [1] and [2]	Fixed rate on notes issued USD V/F	15 IRS F/V	2034	(5,093)	(580)	580	Financial instruments qualifying as liabilities	-
Issuance coverage of subordinated notes USD(1) and (2)	Fixed rate on USD V/F notes	0 CCS F/V	-	-	(2,238)	2,238	Financial instruments qualifying as liabilities	-
Corporate bond coverage [1] and [2]	Fixed rate in USD, EUR, UDI currency	4 CCS V/F	2025	2	(45)	45	Investments in financial instruments	-
Hedge of corporate bonds and M's bonds [1]	Fixed rate on USD/bonds	25 IRS V/F	2027	444	(90)	90	Investments in financial instruments	-
Stock certificate	Fixed rate in MXN at variable rate in MXN	14 IRS F/V	2031	(424)	(501)	501	Deposits	-
UMS UDI Bond Hedge	UMS Vento Margin Bond Risk	22 CCS Pay Udi / Receive Fixed MXp	2035	(1,425)	(1,236)	1,237	Deposits	1
Bonos UMS Eur Hedge	UMS Vento Margin Bond Risk	64 CCS Pay Eur / Receive Fixed Mxp	2033	(617)	(1,637)	1,642	Deposits	5

(1) As of December 31, 2024, the balance of interest on the open position of hedging derivatives amounts to $2,609.

(2) As of December 31, 2024, there is an effect per exchange rate component with an amount of ($9,273).

* The fair value of Cross Currency Swaps (CCS) does not include an exchange rate component, as this is not part of the hedging relationship.

IRS - Swaps de tasas de interés. CCS - Cross currency swaps

As of December 31, 2023, the Institution has entered into coverage contracts as follows:

Type of Hedge: Cash Flow

Hedge Description	Covered risk	Instrument coverage	Maximum date maturity coverage	Fair value hedging instrument	Periods in which flows affect results	Recognized amount in the Comprehensive profit of the period	Reclassified amount from capital to results	Item of the consolidated statement of comprehensive result in which coverage applies	Item of the consolidated statement of financial position where the primary position is recorded	Recognized ineffectiveness
Partial coverage of the DRM Monetary Regulation Deposit (1)	DRM variable streams	24 IRS FIXED/TIIE	one-25	$ (817)	12 months	$ 1,230	$ (1,599)	Availability interest margin	Cash and cash equivalents	$ -
Hedge of expenses and investment in USD and EUR (1)	Exchange rate variation in estimated spending flows	0 FWD de Venta USD/MXP 0 FWD for sale EUR/MXP	-	-	-	-	-	Expense line	Properties, plant and equipment	-
UMS USD and EUR Cash Flow Hedging	Fixed to fixed domestic currency exchange	69 CCS FIXED/FIXED USD/EUR	Oct-33	3,010	120 months	2,693	218	Interest margin on investments in financial instruments	Investments in financial instruments	(1)

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Hedge Description	Covered risk	Instrument coverage	Maximum date maturity coverage	Fair value hedging instrument	Periods in which flows affect results	Recognized amount in the Comprehensive profit of the period	Reclassified amount from capital to results	Item of the consolidated statement of comprehensive result in which coverage applies	Item of the consolidated statement of financial position where the primary position is recorded	Recognized ineffectiveness
CCS corporate bond cash flow coverage	Fixed currency exchange to fixed domestic currency.	1 CCS FIXED/FIXED USD	-	-	-	15	5	Interest margin on investments in securities	Investments in financial instruments	-
IRS Corporate Bond Cash Flow Hedge	Change from variable rate to receive to fixed rate. Amortized Cost.	1 IRS FIXED/VAR MXN	jul-25	(12)	19 months	(3)	25	Interest margin on investments in securities	Investments in financial instruments	-

* To date all forecasted cash flows from transactions have occurred within the initially agreed terms.

Hedge type: Fair value

Hedge Description	Nature of risks covered	Hedging instrument	Maximum coverage expiration date	Fair Value hedging instrument	Revenue/ Hedging Instrument Loss as of December 2023	Revenue/ Loss item Covered as of December 2023	Part of the balance sheet where the primary position is recorded	Recognized ineffectiveness
Credit coverage in USD and MXN at a fixed rate, to change to floating [1]	Fixed rate risk of credits in USD and fixed rate in MXN	2 IRS pays fixed interest in USD and receives variable 2 IRS pays fixed interest in MXP and receives variable	2040	393	(237)	235	Stage 1 loan portfolio	(3)
Hedging Mexican sovereign bonds in EUR/USD/GBP [1]	Fixed rate UMS bonds in EUR/USD/ GBP	12 CCS V/F	2030	449	198	(199)	Investments in financial instruments	-
Issuance coverage of USD subordinated notes [1] and [2]	Fixed rate on notes issued USD V/F	16 IRS F/V	2033	(3,080)	1,432	(1,432)	Financial instruments qualifying as liabilities	-
USD subordinated notes issuance coverage [1] and [2]	Fixed rate on USD V/F notes	9 CCS F/V	2024	2,238	(1,464)	1,464	Financial instruments qualifying as liabilities	-
Corporate bond coverage [1] and [2]	Fixed rate in USD, EUR, UDI currency	7 CCS V/F	2025	47	19	(19)	Investments in financial instruments	-
Hedge of corporate bonds and M's bonds [1]	Fixed rate on USD/bonds	15 IRS V/F	2027	534	(123)	146	Investments in financial instruments	23
Stock certificate	Fixed rate in MXN at variable rate in MXN	8 IRS F/V	2030	77	302	(303)	Deposits	(1)
UMS UDI Bond Hedge	UMS Vento Margin Bond Risk	12 CCS Pay Udi / Receive Fixed MXp	2035	(189)	130	(126)	Deposits	3
Bonos UMS Eur Hedge	UMS Vento Margin Bond Risk	74 CCS Pay Eur / Receive Fixed Mxp	2033	957	1,280	(1,272)	Deposits	8

(1) As of December 31, 2023, the balance of interest on the open position of hedging derivatives amounts to $921.

(2) As of December 31, 2023, there is an effect per exchange rate component with an amount of $5,289.

* The fair value of Cross Currency Swaps (CCS) does not include an exchange rate component, as this is not part of the hedging relationship.

IRS - Swaps de tasas de interés. CCS - Cross currency swaps

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(10) Loan portfolio-

The Institution's business model determines whether the cash flows will come from obtaining contractual cash flows, from the sale of the loan portfolio, or from both.

If the objective of the business model of the loan portfolio is to hold it to collect the contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest on the outstanding principal amount, then the portfolio is presented in the consolidated statement of financial position at its amortized cost. However, if the above is not met, it must be treated, in accordance with the provisions of FRS C-2, “Investment in financial instruments”.

Therefore, it is determined that the loan portfolio must be presented in the consolidated statement of financial position at its amortized cost.

On the other hand, the SPPI test (Principal and Interest Payment Only) is a tool that allows evaluating the cash flows of the loan portfolio, by homogeneous portfolio or individual credit operations. This test allows, through the analysis of contractual cash flows, to determine whether they correspond only to payments of principal and interest.

The loan portfolio by type of loan as of December 31, 2024 is shown below:

	Stage 1	Stage 2	Stage 3	Total
Commercial Loans				
Denominated in pesos				
Commercial	$ 514,200	$ 9,061	$ 7,914	$ 531,175
Rediscounted portfolio	7,333	121	58	7,512
Lease portfolio	3,470	-	17	3,487
Denominated in UDIs (equivalent to pesos):				
Commercial	1	-	3	4
Denominated in foreign currency (equivalent to pesos):				
Commercial	266,102	4,494	907	271,503
Rediscounted portfolio	1,173	-	8	1,181
Lease portfolio	4,115	-	-	4,115
Business or commercial activity	**796,394**	**13,676**	**8,907**	**818,977**
Denominated in pesos:				
Credits to financial entities	$ 45,796	5	16	45,817
Credits to government entities	189,485	-	-	189,485

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	Stage 1	Stage 2	Stage 3	Total
Denominated in foreign currency (equivalent to pesos):				
Credits to financial entities	676	-	-	676
Credits to government entities	14,391	-	-	14,391
Interest collected in advance	(511)	-	-	(511)
Total commercial credits	**1,046,231**	**13,681**	**8,923**	**1,068,835**
Consumer loans-				
Denominated in pesos:				
Credit card	193,224	5,953	6,293	205,470
Other consumer	278,593	6,479	8,068	293,140
Interest collected in advance	(286)			(286)
Denominated in foreign currency (equivalent to pesos):				
Other consumer				
Total consumer loans	**471,531**	**12,432**	**14,361**	**498,324**
Mortgage loans-				
Denominated in pesos:				
Medium class and residential	343,871	12,224	7,733	363,828
Low income	2,792	410	156	3,358
Denominated in UDIs (equivalent to pesos):				
Medium class and residential	1,459	187	77	1,723
Denominated in foreign currency (equivalent to pesos):				
Medium class and residential	2	-	-	2
Total mortgage loans	**348,124**	**12,821**	**7,966**	**368,911**
Total loan portfolio	**$ 1,865,886**	**$ 38,934**	**$ 31,250**	**$ 1,936,070**

The loan portfolio by type of loan as of December 31, 2023, is shown below:

	Stage 1	Stage 2	Stage 3	Total
Commercial loans				
Denominated in pesos				
Commercial	$ 450,848	$ 14,554	$ 7,227	$ 472,629
Rediscounted portfolio	8,647	37	98	8,782
Lease portfolio	3,445	-	17	3,462
Denominated in UDIs (equivalent to pesos):				
Commercial	1	-	3	4
Denominated in foreign currency (equivalent to pesos):				
Commercial	184,460	4,401	1,369	190,230
Rediscounted portfolio	869	-	7	876
Lease portfolio	2,424	-	-	2,424
Business or commercial activity	**650,694**	**18,992**	**8,721**	**678,407**

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	Stage 1	Stage 2	Stage 3	Total
Denominated in pesos:				
Credits to financial entities	36,643	20	6	36,669
Credits to government entities	179,675	-	-	179,675
Denominated in foreign currency (equivalent to pesos):				
Credits to financial entities	530	-	-	530
Credits to government entities	9,932	-	-	9,932
Interest collected in advance	(654)			(654)
Total commercial credits	**876,820**	**19,012**	**8,727**	**904,559**
Consumer loans-				
Denominated in pesos:				
Credit card	169,512	5,788	5,139	180,439
Other consumer	238,133	5,694	7,379	251,206
Interest collected in advance	(57)			(57)
Denominated in foreign currency (equivalent to pesos):				
Other consumer				
Total consumer loans	**407,588**	**11,482**	**12,518**	**431,588**
Mortgage loans-				
Denominated in pesos:				
Medium class and residential	313,346	11,347	6,586	331,279
Low income	3,439	476	184	4,099
Denominated in UDIs (equivalent to pesos):				
Medium class and residential	1,836	209	89	2,134
Denominated in foreign currency (equivalent to pesos):				
Medium class and residential	4	-	-	4
Total mortgage loans	**318,625**	**12,032**	**6,859**	**337,516**
Total loan portfolio	**$ 1,603,033**	**$ 42,526**	**$ 28,104**	**$ 1,673,663**

As of December 31, 2023, the current commercial loan portfolio includes a restricted portfolio for an amount of $20,286, granted as a guarantee for interbank loans and other organizations, to guarantee compliance with the institution's obligation with the financing that the Central Bank granted it for $26,206, with the purpose that BBVA in turn grants financing to SME, according to circular 25/2020 "Rules applicable to financing of the Banco de México guaranteed with qualified bank credit assets, for channeling to micro, small and medium-sized companies.

Below, the commercial loans as of December 31, 2024 and 2023 are broken down, identifying the troubled and non-problem portfolio, classified by risk stages, respectively.

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		2024						
		Distressed			Non-distressed			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Business or commercial activity		$ -	$ -	$ 8,349	$ 770,224	$ 13,363	$ -	$ 791,936
Ordinary portfolio								
	National currency	-	-	4,386	458,429	3,483	-	466,298
	Foreign currency	-	-	780	232,417	1,371	-	234,567
	UDIS	-	-	1	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	3,044	40,405	5,386	-	48,835
	Foreign currency	-	-	135	38,972	3,123	-	42,230
	UDIS	-	-	3	1	-	-	4
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credits to financial entities		-	-	16	46,472	5	-	46,493
Ordinary portfolio								
	National currency	-	-	16	45,575	-	-	45,591
	Foreign currency	-	-	-	676	-	-	676
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	221	5	-	226
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credits to government entities		-	-	-	203,876	-	-	203,876
Ordinary portfolio								
	National currency	-	-	-	144,731	-	-	144,731
	Foreign currency	-	-	-	14,391	-	-	14,391
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension		-	-	-	-	-	-	-
	National currency	-	-	-	44,754	-	-	44,754
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-

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		2024						
		Distressed			Non-distressed			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credit card Business		-	-	558	26,170	313	-	27,041
Ordinary portfolio								
	National currency	-	-	558	26,170	313	-	27,041
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
	Credit card companies	-	-	-	-	-	-	-
Ordinary portfolio								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Interest collected in advance		-	-	-	(511)	-	-	(511)
Total		$ -	$ -	$ 8,923	$ 1,046,231	$ 13,681	$ -	$ 1,068,835

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		2023						
		Distressed			Non-distressed			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Business or commercial activity		-	-	8,209	624,394	18,746	-	651,348
Ordinary portfolio								
	National currency	-	-	3,965	395,128	5,586	-	404,679
	Foreign currency	-	-	473	153,329	869	-	154,671
	UDIS	-	-	1	1	-	-	2
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	2,864	41,513	8,758	-	53,135
	Foreign currency	-	-	903	34,424	3,532	-	38,859
	UDIS	-	-	2	-	-	-	2
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credits to financial entities		-	-	6	37,173	20	-	37,199
Ordinary portfolio								
	National currency	-	-	6	36,643	10	-	36,659
	Foreign currency	-	-	-	530	-	-	530
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	-	10	-	10
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime		-	-	-	-	-	-	-
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credits to government entities		-	-	-	191,299	-	-	191,299
Ordinary portfolio								
	National currency	-	-	-	141,697	-	-	141,697
	Foreign currency	-	-	-	9,932	-	-	9,932
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	39,670	-	-	39,670
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-

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		2023						
		Distressed			Non-distressed			
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Credit Card business		-	-	512	24,609	246	-	25,367
Ordinary portfolio		-	-	-	-	-	-	-
	National currency	-	-	512	24,609	246	-	25,367
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
	Credit card companies	-	-	-	-	-	-	-
Ordinary portfolio								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Portfolio under term extension								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
Special amortization regime								
	National currency	-	-	-	-	-	-	-
	Foreign currency	-	-	-	-	-	-	-
	UDIS	-	-	-	-	-	-	-
	UMA	-	-	-	-	-	-	-
	VSM	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Interest collected in advance		-	-	-	(654)	-	-	(654)
Total		$ -	$ -	$ 8,727	$ 876,820	$ 19,012	$ -	$ 904,559

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The restructured and renewed portfolio as of December 31, 2024 and 2023 is as follows:

	Amount of the restructured and renewed portfolio during 2024
	Credits Commercials
Restructured or renewed stage 1 loans [(d)]	$ -
Restructured or renewed stage 2 loans	-
Restructured or renewed stage 3 loans	2,267
Restructured or renewed bullet credits transferred to stage 3 [(a)]	11,193
Credits maintained stage 1 with payment capacity [(c)]	94,093
Maintained stage 2 credits with payment capacity [(c)]	6,276
Consolidated credits transferred to stage 3 [(b)]	4,075
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-
	Government Entities
Restructured or renewed stage 1 loans [(d)]	$ -
Restructured or renewed stage 2 loans	-
Restructured or renewed stage 3 loans	-
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintained stage 1 with payment capacity [(c)]	44,079
Maintained stage 2 credits with payment capacity [(c)]	-
Consolidated credits transferred to stage 3 [(b)]	-
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

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	Credits from Consumer
Restructured or renewed stage 1 loans [(d)]	$ 1,338
Restructured or renewed stage 2 loans	519
Restructured or renewed stage 3 loans	1,425
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintained stage 1 with payment capacity [(c)]	435
Maintained stage 2 credits with payment capacity [(c)]	46
Consolidated credits transferred to stage 3 [(b)]	1,079
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

	Credits Mortgages
Restructured or renewed stage 1 loans [(d)]	4,331
Restructured or renewed stage 2 loans	2,143
Restructured or renewed stage 3 loans	2,203
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintained stage 1 with payment capacity [(c)]	13,580
Maintained stage 2 credits with payment capacity [(c)]	2,292
Consolidated credits transferred to stage 3 [(b)]	-
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

a) Bullet loans correspond to loans with a single payment of principal at maturity.
b) In accordance with the provisions of paragraph 110 of accounting criterion B-6.
c) In accordance with paragraphs 100 to 108 of accounting criterion B-6.
d) Credits that have already made sustained payment and are currently in stage 1
e) In accordance with paragraph 112 of accounting criterion B-6 and in addition to compliance with payment for the total amount required of principal and interest and modify the following original conditions of the credit such as: guarantees, the interest rate currency, payment date and/or extension of the line of credit

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	Amount of the restructured and renewed portfolio during 2023
	Commercial Credits
Restructured or renewed stage 1 loans [(d)]	$
Restructured or renewed stage 2 loans	
Restructured or renewed stage 3 loans	2,395
Restructured or renewed bullet credits transferred to stage 3 [(a)]	2,253
Credits maintained stage 1 with payment capacity [(c)]	80,029
Maintained stage 2 credits with payment capacity [(c)]	11,383
Consolidated credits transferred to stage 3 [(b)]	-
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-
	Government Entities
Restructured or renewed stage 1 loans [(d)]	$ -
Restructured or renewed stage 2 loans	-
Restructured or renewed stage 3 loans	-
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintained stage 1 with payment capacity [(c)]	38,202
Maintained stage 2 credits with payment capacity [(c)]	-
Consolidated credits transferred to stage 3 [(b)]	-
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

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	Consumer Credits
Restructured or renewed stage 1 loans [(d)]	$ 686
Restructured or renewed stage 2 loans	460
Restructured or renewed stage 3 loans	1,453
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintaine	
d stage 1 with payment capacity [(c)]	1,139
Maintained stage 2 credits with payment capacity [(c)]	100
Consolidated credits transferred to stage 3 [(b)]	494
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

	Mortgage Loans
Restructured or renewed stage 1 loans [(d)]	$ 4,382
Restructured or renewed stage 2 loans	2,194
Restructured or renewed stage 3 loans	2,233
Restructured or renewed bullet credits transferred to stage 3 [(a)]	-
Credits maintained stage 1 with payment capacity [(c)]	15,468
Maintained stage 2 credits with payment capacity [(c)]	2,466
Consolidated credits transferred to stage 3 [(b)]	-
Restructured loans in stage 1 that were not transferred due to compliance payment [(e)]	-
Restructured loans in stage 2 that were not transferred due to compliance payment [(e)]	-

a) Bullet loans correspond to loans with a single payment of principal at maturity.
b) In accordance with the provisions of paragraph 110 of accounting criterion B-6.
c) In accordance with paragraphs 100 to 108 of accounting criterion B-6.
d) Credits that have already made sustained payment and are currently in stage 1
e) In accordance with paragraph 112 of accounting criterion B-6 and in addition to compliance with payment for the total amount required of principal and interest and modify the following original conditions of the credit, such as: guarantees, the interest rate, currency, payment date and/or extension of the line of credit.

As of December 31, 2024 and 2023, the Institution maintains collateral in real estate for $9,792 and $6,687, respectively, for the restructured commercial loans.

As of December 31, 2024 and 2023, the commissions to accrue for initial granting by type of credit and for the average amortization period are integrated as shown below:

	2024				2023			
	By amortization period				By amortization period			
	1 to 5 years	6 to 15 years	More than 15 years	Total	1 to 5 years	6 to 15 years	More than 15 years	Total
Commercial or business activity	$ 1,021	$ 156	$ 134	$ 1,311	$ 1,003	$ 173	$ 116	$ 1,292
Consumer	1,552	251	-	1,803	1,227	248	-	1,475
Mortgage	1	28	508	537	2	28	515	545
Total	**$ 2,574**	**$ 435**	**$ 642**	**$ 3,651**	**$ 2,232**	**$ 449**	**$ 631**	**$ 3,312**

The amount of transaction costs associated with the loan portfolio corresponds to commissions and incentives paid for the placement of credits, as well as credit evaluation expenses. The balance to be amortized as of December 31, 2024 and 2023 is $3,483 and $1,882, respectively.

As of December 31, 2024 and 2023, the loan portfolio balances in stage 3 reserved in their entirety and eliminated from the consolidated statement of financial position are integrated as follows:

	2024	2023
Commercial or business activity	$ 7,713	$ 6,120
Consumer:		
Credit card	2,249	1,734
Other consummer	4,249	3,544
	6,498	5,278
Mortgage	2,215	2,973
Total	**$ 16,426**	**$ 14,371**

As of December 31, 2024 and 2023, the loan portfolio recognized at fair value amounts to $7,681 and $5,401, respectively; which is made up of capital of $7,608 and $5,370, accrued uncollected interest of $43 and $48, and a valuation of $30 and $(17), respectively.

As of December 31, 2024 and 2023, the amount of undrawn lines and letters of credit recorded in memorandum accounts amount to $975,666 and $826,305, respectively. The estimate associated with undrawn lines of credit amounts to $83 and $80, respectively.

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The lines and letters of credit recorded in memorandum accounts are detailed below:

	2024	2023
Irrevocable lines and letters of credit	$ 28,643	$ 27,592
Revocable lines and letters of credit	947,023	798,713
Total	**$ 975,666**	**$ 826,305**

The loans migrated to stage 3 in the year 2024 and 2023 are detailed below:

	Amount	
	2024	2023
Opening balance	$ 28,104	$ 23,848
Inflows:		
Transfer from stage 1 or 2 to stage 3	67,463	56,649
Restructured	4,807	3,264
	72,270	59,913
Outflows:		
Transfer from stage 3 to stage 1 or 2	(13,836)	(10,237)
Cash settlements	(2,078)	(3,936)
Restructured	(225)	(81)
Reductions (Quitas)	(5,987)	(4,275)
Write-offs	(46,998)	(37,128)
	(69,124)	(55,657)
Ending balance	**$ 31,250**	**$ 28,104**

Guarantees received are broken down below:

	2024	2023
Nature of guarantee:		
Guarantors	$ 2,570,709	$ 2,009,283
Mortgages	1,245,086	1,131,025
Government	209,421	206,639
Pledges	144,041	117,065
Documentary	219,982	180,251
Vehicles	127,954	100,220
Other Nafin Credit Institutions	47,704	41,733
Cash Deposit	18,928	17,757
Securities	15,697	10,353
Comfort Letters	14,659	12,943
Sociedad Hipotecaria Nacional	6,462	5,167
Other Bancomext Credit Institutions	7,110	5,631
Fondos de Fomento FIRA	6,149	4,642
Warrants	650	1,154
Money Investment	254	30
Total	**$ 4,634,806**	**$ 3,843,893**

In addition to the table above, the terms and conditions associated with the collateral are detailed below:

The guarantees or collateral associated with the various operations carried out by the Institution must be duly implemented and formalized, guarded and registered with the corresponding official organizations, in order to ensure due legal certainty for their effective execution if necessary. The guarantees admitted must be in accordance with the type of operation carried out and must be free of present and/or future limitations (non-seizable assets, limitations of previous liens, liability in personal guarantees), etc.

The interest and commission income recorded in the financial margin for the years ended December 31, 2024 and 2023, segmented by type of credit, is composed as follows:

	2024			2023		
Type of credit	**Interests**	**Commissions**	**Total**	**Interests**	**Commissions**	**Total**
Commercial-						
Denominated in pesos:						
Commercial	$ 70,747	$ 1,586	$ 72,333	$ 64,832	$ 1,281	$ 66,113
Rediscounted portfolio	1,309	-	1,309	1,354	-	1,354
Lease portfolio	335	-	335	295	-	295

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Type of credit	2024 Interests	2024 Commissions	2024 Total	2023 Interests	2023 Commissions	2023 Total
Commercial-						
Denominated in foreign currency (valued in pesos):						
Commercial	14,346	-	14,346	11,275	-	11,275
Rediscounted portfolio	151	-	151	122	-	122
Lease portfolio	132	-	132	83	-	83
Business or commercial activity	87,020	1,586	88,606	77,961	1,281	79,242
Credits to financial entities	4,322	6	4,328	3,885	5	3,890
Credits to government entities	22,514	29	22,543	21,271	54	21,325
Total commercial credits	113,856	1,621	115,477	103,117	1,340	104,457
Consumer:						
Credit card	101,107	1,194	102,301	89,463	955	90,418
Other consumer	7,996	176	8,172	6,500	332	6,832
Total consumer credits	109,103	1,370	110,473	95,963	1,287	97,250
Mortgage loans	33,478	126	33,604	30,648	148	30,796
Total, see note 30	**$ 256,437**	**$ 3,117**	**$ 259,554**	**$ 229,728**	**$ 2,775**	**$ 232,503**

The loans granted, grouped by economic sectors as of December 31, 2024 and 2023, are shown below:

Sector	2024 Amount	2024 Concentration percentage	2023 Amount	2023 Concentration percentage
Private (companies and individuals)	$ 824,337	42.41%	$ 679,888	40.49%
Credit card and consumer	500,134	25.73%	433,164	25.80%
Mortgage	368,911	18.98%	337,516	20.10%
Credits to government entities	203,876	10.49%	191,299	11.39%
Financial	43,729	2.25%	34,494	2.05%
External (foreign financial entities)	2,764	0.14%	2,703	0.16%
Other overdue debts	-	0.00%	-	0.00%
Total	**$ 1,943,751**	**100.00%**	**$ 1,679,064**	**100.00%**

The written-off loans that were in stage 3 for the fiscal year 2024 and 2023 amount to $41,564 and $32,849, respectively, of which there are no credits granted to related parties.

Related credits - As of December 31, 2024 and 2023, credits granted to related parties in accordance with the provisions of article 73 of the Banking Law, total $50,231 and $40,148, which include $17,337 and $17,406 of letters of credit, respectively, which are recorded in memorandum accounts.

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Credit defaults - Credit defaults with a payment frequency of less than 30 days (weekly, biweekly) are detailed below:

	2024					
	Stage 1		Stage 2		Stage 3	
No Defaults	No Contracts	Amount	No Contracts	Amount	No Contracts	Amount
Daily amortization	1094	$ 209	84	$ 9	218	$ 29
COMMERCIAL	1094	209	84	9	218	29
1	880	187	-	-	-	-
2	104	7	-	-	-	-
3	18	3	-	-	-	-
>=4	92	12	84	9	218	29
Biweekly amortization	40,642	2,516	66,149	4,595	81,780	5,535
CONSUMER PAYROLL	27,303	1,336	46,333	2,651	59,249	3,301
1	16,661	798	815	51	87	4
2	10,460	537	1,679	123	123	5
3	182	1	12,041	659	162	7
>=4	-	-	31,798	1,818	58,877	3,285
CONSUMER PERSONAL	13,339	1,180	19,816	1,944	22,531	2,234
1	8,736	762	520	48	94	14
2	4,547	417	1,059	105	102	12
3	56	1	5,176	504	113	11
>=4	-	-	13,061	1,287	22,222	2,197
Total	**41,736**	**$ 2,725**	**66,233**	**$ 4,604**	**81,998**	**$ 5,564**

	2023					
	Stage 1		Stage 2		Stage 3	
No Defaults	No Contracts	Amount	No Contracts	Amount	No Contracts	Amount
Daily amortization	610	$ 142	40	$ 7	85	$ 8
COMMERCIAL	610	142	40	7	85	8
1	480	130	-	-	-	-
2	54	3	-	-	-	-
3	20	1	-	-	–	-
>=4	56	8	40	7	85	8
Biweekly amortization	47,997	2,826	59,573	3,969	79,524	5,157
CONSUMER PAYROLL	29,862	1,372	40,938	2,287	56,182	3,118
1	19,436	855	608	38	80	4
2	10,426	517	1,576	114	101	4
3	-	-	11,156	599	163	9
>=4	-	-	27,598	1,536	55,838	3,101
CONSUMER PERSONAL	18,135	1,454	18,635	1,682	23,342	2,039
1	12,546	982	415	34	120	15
2	5,589	472	1,024	97	113	11
3	-	-	5,021	447	109	15
>=4	-	-	12,175	1,104	23,000	1,998
Total	**48,607**	**$ 2,968**	**59,613**	**$ 3,976**	**79,609**	**$ 5,165**

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As of December 31, 2024, the remaining balance of the special CETES and special CETES "C" is integrated as follows:

	Special CETES			Special CETES "C"		
Origin Trust	**No. of titles**	**Amount**	**Maturity date**	**No. of titles**	**Amount**	**Maturity date**
423-9	10,656,993	$ 1,915	01/07/2027	468,306	$ 25	01/07/2027
Total (note 7c)		**$ 1,915**			**$ 25**	

Policies and procedures for granting credits - The granting, control and recovery of credits are regulated in the Institution's Credit Manual, authorized by the Board of Directors. The Credit Manual establishes the framework of action of the officials involved in the credit process and is based on the regulations of the LIC, the prudential provisions on credit established by the Commission and sound banking practices.

The authorization of credits as the responsibility of the Board of Directors is centralized in the committees and authorized officials. For credit management, the general process is defined from promotion to recovery, specifying by business unit, the policies, procedures, responsibilities of the officials involved and the tools they must use at each stage of the process.

The credit process is based on a rigorous analysis of credit applications, in order to determine the comprehensive risk of the borrower. For most loans, you must have at least one alternative source of payment. The main policies and procedures to determine credit risk concentrations that are part of the Credit Manuals are shown below:

Common risk

– Know the criteria for determining the natural or legal persons that represent a common risk for the Institution.

– Know the criteria to determine when natural and/or legal persons act in a concentrated manner and are integrated into the same business group or consortium, in order to identify the potential accumulated risk and the maximum limit of financing to be granted.

Maximum financing limit

– Publicize the rules issued by the authorities on the maximum legal credit limit.

– Report the updated maximum limit for the Institution, as well as the handling of exceptions.

Risk diversification

– As of December 31, 2024 and 2023, the Institution maintains the following credit risk operations, in compliance with the general rules for risk diversification in carrying out active and passive operations of the Provisions.

– As of December 31, 2024 and 2023, the amount of financing with the four largest debtors was $79,321 and $70,874, which represented 23.6% and 23.3% of the Core Capital, respectively.

Potential risk

– That credit applications be sanctioned in terms of the amount of the risk.

– Avoid risk exposure above the legal limit and other established institutional limits.

In consumer and mortgage loans and in the small and micro business segment, automated evaluation and monitoring mechanisms have been implemented, based on certain standard factors that, in the opinion of the Institution, are significant for decision-making, allowing greater efficiency to handle high volumes of requests.

(11) Restructured loans denominated in UDIS-

As of December 31, 2024 and 2023, the amount of restructured loans denominated in UDIS is $853 and $1,018, respectively.

(12) Allowance for loan losses-

As of December 31, 2024 and 2023, the rating of the Institution's loan portfolio, which includes the amounts for opening irrevocable credits and letters of credit that are recorded in memorandum accounts, the basis for the recording of allowance for loan losses made pursuant to the provisions of note 3, is shown below:

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	2024				
		Preventive reserves			
Risk category	Portfolio exposure rating base	Commercial	Consumer	Mortgage	Total allowances
A1	$ 1,589,380	$ 2,316	$ 3,197	$ 214	$ 5,727
A2	108,697	733	1,811	34	2,578
B1	97,881	144	3,525	14	3,683
B2	48,276	167	2,183	15	2,365
B3	49,242	589	2,083	32	2,704
C1	46,886	410	3,105	277	3,792
C2	37,492	154	5,148	289	5,591
D	21,207	1,753	4,792	381	6,926
E	31,344	4,072	14,176	4,105	22,353
	2,030,405	10,338	40,020	5,361	55,719
Additional allowance	-	910	3,702	-	4,612
Total	**$ 2,030,405**	**$ 11,248**	**$ 43,722**	**$ 5,361**	**$ 60,331**

	2023				
		Preventive reserves			
Risk category	Portfolio exposure rating base	Commercial	Consumer	Mortgage	Total allowances
A1	$ 1,287,109	$ 2,048	$ 2,647	$ 222	$ 4,917
A2	86,510	522	1,449	35	2,006
B1	93,721	99	3,181	41	3,321
B2	50,077	186	2,082	37	2,305
B3	31,619	408	1,417	43	1,868
C1	44,153	428	2,731	301	3,460
C2	32,530	310	4,198	138	4,646
D	21,601	1,559	4,650	858	7,067
E	27,031	4,963	11,935	1,789	18,687
	1,674,351	10,523	34,290	3,464	48,277
Additional allowance	-	1,365	5,553	-	6,918
Total	**$ 1,674,351**	**$ 11,888**	**$ 39,843**	**$ 3,464**	**$ 55,195**

The balance of the total base rating portfolio includes the amounts for opening irrevocable credits and letters of credit, which are recorded in memorandum accounts.

The balance of the estimate as of December 31, 2024 and 2023 is determined based on the portfolio balances as of those dates.

Preventive estimates include reserves that cover 100% of interest due as of December 31, 2024 and 2023.

The amount of the estimate as of December 31, 2024 and 2023 includes the qualification of credits granted in foreign currency valued at the exchange rate on those dates.

As of December 31, 2024 and 2023, allowance for loan losses represents 193.06% and 196.40%, respectively, of the stage 3 portfolio.

The preventive estimate for credit risks as of December 31, 2024 and 2023 amounts to $60,331 and $55,195, which includes $55,719 and $48,277, respectively, of an estimate calculated in accordance with the methodologies approved by the Commission under the Standard General Methodology and Internal Methodologies of reserves based on FRS C-16, and $4,612 of additional reserves. created as part of the modification during 2024 and $6,918 during 2023 to the variables Arrears (ATRi), Probability of Default (PI), Severity of Default (SP), (%PAGOiA) and “amount due”.

As of December 31, 2024 and 2023, allowance for loan losses by type of portfolio is integrated as follows:

	2024	2023
Commercial:		
Business or commercial activity	$ 10,385	$ 11,098
Financial entities	193	157
Governmental entities	670	633
	11,248	11,888
Consumer	43,722	39,843
Mortgage loans	5,361	3,464
Total loan allowances	**$ 60,331**	**$ 55,195**

Movements in allowance for loan losses - Below is an analysis of the movement of allowance for loan losses for the years ended December 31, 2024 and 2023.

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	2024		
	Stage 1-3	**Additional**	**Total**
Opening balance	$ 48,277	$ 6,918	$ 55,195
Allowance charged to year's results [1]	58,950	(2,306)	56,644
Applications and write-offs of the year	(51,872)	-	(51,872)
Exchange rate fluctuations	364	-	364
Ending balance	**$ 55,719**	**$ 4,612**	**$ 60,331**

	2023		
	Stage 1-3	**Additional**	**Total**
Opening balance	$ 42,670	$ 6,918	$ 49,588
Allowance charged to year's results [1]	46,608	-	46,608
Applications and write-offs of the year	(40,763)	-	(40,763)
Exchange rate fluctuations	(238)	-	(238)
Ending balance	**$ 48,277**	**$ 6,918**	**$ 55,195**

[1] The amount of the recoveries of loan portfolio previously written off or eliminated as of December 31, 2024 and 2023 amounts to $1,972 and $1,642, respectively, and are presented in allowance for loan losses item in the consolidated statement of comprehensive income, therefore the net movement in results for the years ended December 31, 2024 and 2023, is ($54,672) and ($44,966), respectively.

Cancellation of allowance for loan losses -

The preventive cancellation for credit risks for 2024 and 2023 amounts to ($51,872) and ($40,763), respectively.

The reasons for this cancellation are described below:

A. foreclosure;
B. disposal;
C. write-off;
D. loan prepayment; etc

(13) Other accounts receivable, net-

The balance of other accounts receivable as of December 31, 2024 and 2023 is integrated as follows:

	2024	2023
Debtors from settlement of operations [(a)]	$ 181,365	$ 54,478
Loans to officers and employees [(b)]	25,475	21,152
Miscellaneous debtors	9,045	5,874
Collateral provided by OTC derivatives [(c)]	11,194	7,999
Income tax (net)	5,925	-
Others	3,836	3,856
	236,840	93,359
Allowance for irrecoverability	(726)	(488)
	$ 236,114	**$ 92,871**

(a) The debtors from settlement of operations as of December 31, 2024 and 2023, are integrated as shown below:

	2024	2023
Currency [(a1)]	$ 138,108	$ 36,007
Investments in securities	40,029	14,194
Derivatives	3,228	4,277
	$ 181,365	**$ 54,478**

(a1) As of December 31, 2024 and 2023, the transaction settlement balance is netted of the purchase and sale of foreign currencies for $109,977 and $41,280, respectively.

(b) As of December 31, 2024 and 2023, it corresponds to officials and employees who belong to the Institution.

(c) The debtors for collateral granted by OTC derivatives as of December 31, 2024 and 2023, are integrated as follows:

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	2024			2023
	Acquisition cost	Accrued interest	Book value	Book value
Collateral granted by derivatives:				
Actinver Casa Bolsa, S.A. de C.V.	$ 156	$ 1	$ 157	$ -
Banca Mifel, S.A. IBM	-	-	-	76
Banco Actinver S.A. IBM	37	-	37	227
Affirm Bank	3	-	3	-
Banco Base, S.A. IBM	8	-	8	7
Banco Bilbao Vizcaya Argentaria	-	-	-	-
Banco Intercam, S.A. IBM	56	-	56	52
Banco Invex, S.A. IBM	-	-	-	115
Banco JP Morgan, S.A. IBM	188	1	189	-
J Aron Bank	286	-	286	927
Banco Mercantil del Norte, S.A. IBM	-	-	-	-
Banco Monex S.A.	-	-	-	-
Banco Nacional de Comercio Exterior, S. N. C.	29	-	29	1,702
Banco Nacional de Obras	2,752	19	2,771	1,692
Banco Nacional de México, S.A.	2,504	10	2,514	-
Banco Regional del Norte	117	-	117	78
Banco Santander, S.A. IBM	1,218	6	1,224	23
Banco Scotiabank Inverlat, S.A. IBM	-	-	-	592
Banco Ve por más, S.A. IBM	45	-	45	94
Bank of America México, S.A. IBM	1,165	4	1,169	136
Barclays Bank PLC	695	-	695	279
Bofa Charlotte Ibf	13	-	13	-
Casa de Bolsa Finamex, S.A. B. de C.V.	29	-	29	158
Goldman Sachs	982	3	985	475
HSBC London	-	-	-	-
Merril Lynch Capital	215	1	216	505
Morgan Stanley	469	2	471	56
Nacional Financiera	-	-	-	614
Societe Generale	163	1	164	73
Standard Chartered Bank	16	-	16	19
UBS Ag Zurich	-	-	-	71
BBVA Colombia	-	-	-	28
	$ 11,146	**$ 48**	**$ 11,194**	**$ 7,999**

(14) Foreclosed assets, net-

Foreclosed assets balance as of December 31, 2024 and 2023, is integrated as follows:

	2024	2023
Buildings	$ 2,200	$ 2,208
Land	639	627
Securities and rights	-	-
	2,839	2,835
Allowance for derecognition	(1,279)	(1,691)
Total	**$ 1,560**	**$ 1,144**

During fiscal year 2024 and 2023, there are no assets foreclosed for the Institution's use.

For the years ended December 31, 2024 and 2023, the movements in the reserve for impairment of foreclosed assets are summarized below:

	2024	2023
Initial balance	$ 1,691	$ 1,951
Reserves created in:		
"Other operating income"	125	145
Reserve application for foreclosure sales and others	(537)	(405)
Ending balance	**$ 1,279**	**$ 1,691**

As of December 31, 2024 and 2023, fully reserved foreclosed assets are presented below:

	2024	2023
Buildings – Foreclosed value	$ 798	$ 1,047
Land – Foreclosed value	304	424
Securities and rights – Foreclosed value	-	-
Total	**$ 1,102**	**$ 1,471**

(15) Property, plant and equipment, net-

As of December 31, 2024 and 2023, property, plant and equipment are analyzed as follows:

	2024		2023	
	Investment	Accumulated depreciation	Investment	Accumulated depreciation
Components subject to depreciation				
Furniture and equipment	$ 27,357	$ (18,902)	$ 25,385	$ (16,633)
Office furniture and equipment	19,226	(6,115)	19,340	(5,856)
Installation costs	26,874	(16,938)	23,662	(15,132)
	73,457	(41,955)	68,387	(37,621)

	2024	2023
	Investment	**Investment**
Components not subject to depreciation		
Land	5,414	5,493
Works in progress	-	1
Ongoing installation costs	2,092	3,151
	7,506	8,645
Property, plant and equipment, net	**$ 39,008**	**$ 39,411**

Total depreciation for 2024 and 2023 was recorded in results for an amount of $3,003 and $2,737, respectively; and amortization for $2,079 and $1,998, respectively; which were recorded in “administrative and promotional expenses”.

(16) Assets for rights of use of property, plant and equipment (net) and lease liabilities-

The Institution leases real estate to install its branches. Leases are generally executed for a period of 5 years, of which as specified in the contract, between 1 and 3 years are obligatory for both parties and the remaining years the mandatory term in only for the lessor, at the end of the term there is the option to renew the lease after that date. Lease payments are renegotiated at the end of the lease. The amount of lease payments is mostly updated based on the INPC, annually.

Information on leases for which the Institution is a lessee is presented below.

Lease assets (right-of-use assets)

Right-of-use assets related to leased properties that do not meet the definition of investment property are made up as follows:

	Real state	
	2024	**2023**
Balance as of January 1	$ 5,519	$ 5,009
Accumulated depreciation	(2,442)	(2,406)
Additions	1,970	2,919
Derecognition	-	(3)
Net balance of right-of-use asset	**$ 5,047**	**$ 5,519**

Lease liabilities

The amount of its commitments as of December 31, 2024 and 2023 amounts to $5,503 and $5,876, respectively.

Amounts recognized in results:

	2024	2023
Financial Margin:		
Interest on lease liabilities	$ 472	$ 462
Overheads:		
Depreciation of the right of use asset	(2,521)	(2,433)
Expenses related to short-term leases	255	264
Expenses related to leases of low value assets, excluding short term	-	-
Others	466	382

Total lease cash outflows during 2024 and 2023 amounted to $2,937 and $2,680, respectively.

(17) Permanent investments-

As of December 31, 2024 and 2023, investments in associates companies were valued based on the equity method and there are other permanent investments without significant influence that are recorded at their acquisition cost, the main ones are detailed below:

	Share %		Amount	
	2024	2023	2024	2023
Fideicomiso No.1729 INVEX - Disposal of Portfolio [(1)]	32.25%	32.25%	$ 188	$ 222
Servicios Electrónicos Globales, S.A. de C.V.	46.14%	46.14%	926	668
Compañía Mexicana de Procesamiento, S.A. de C.V.	50.00%	50.00%	122	137
Fideicomiso FIMPE	28.50%	28.50%	31	20
Other investments recognized at cost	Several	Several	140	138
Total			**$ 1,407**	**$ 1,185**

The investment in shares of associated companies was determined in some cases, based on unaudited financial information, which is adjusted if there are differences, once it is available.

For the years ended December 31, 2024 and 2023, the Institution recognized the participation in results of associates for $406 and $308, respectively.

(1) In October 2013, Trust named Fideicomiso 1729 Invex Enajenación de Cartera (Trust 1729) was created by the banks that had a distressed factoring portfolio with “Corporación GEO.” Banco Invex, S. A., acted as trustee. The settlors contributed the collection rights and cash for expenses. On the other hand, “Corporación GEO” exchanged the collection rights transferred to the trust for real estate located in different parts of Mexico.

The value of the Institution's contribution and the changes of its reserve, in Trust 1729 as of December 31, 2024 and 2023, is shown below:

Concept	2024	2023
Total contributions	$ 644	$ 747
Associated reserve	(270)	(270)
Net value	374	477
Allowance for derecognition	(186)	(255)
Net value	**$ 188**	**$ 222**

As a result of the updates in the appraisals and the various recovery advances by the Trust, the Institution recorded during the year ended December 31, 2024 and 2023, movements in the reserve on the Trust 1729´s interest for $(70) and ($119), respectively.

(18) Sundry creditors and other accounts payable-

For the years ended December 31, 2024 and 2023, they are integrated as follows:

	2024	2023
Currency deliverable (note 5)	$ 84,702	$ -
Other deposits and obligations	17,052	14,438
Provisions for administrative and personnel expenses	10,016	10,307
Legal, tax and labor contingencies	2,940	2,559
Others	11,657	8,563
Total	**$ 126,367**	**$ 35,867**

(19) Intangible assets (net)-

As of December 31, 2024 and 2023, intangible assets are comprised as follows:

	2024	2023
Initial balance	$ 5,021	$ 4,451
Additions	3,280	2,398
Derecognition	(575)	(140)
Amortization of the year	(1,686)	(1,688)
Ending balance	**$ 6,040**	**$ 5,021**

The total amortization for 2024 and 2023 was recognized in the results of those periods, in the amount of $1,686 and $1,688, respectively.

(20) Deposits-

As of December 31, 2024 and 2023, traditional deposits are comprised as follows:

	2024	2023
Demand deposits [(a)]:		
Demand deposits	$ 1,540,914	$ 1,478,577
Time deposits:		
General public	266,837	244,984
Money market	21,855	21,948
Securities issued [(b)]	135,432	100,862
Global deposit account without transactions	7,019	6,560
Total	**$ 1,972,057**	**$ 1,852,931**

(a) As of December 31, 2024, the average rates in national currency of immediately deposits (unaudited) according to their short-term and long-term immediately are 2.22 and 8.42%, respectively. As of December 31, 2023, the average rates in local currency of immediately deposits (unaudited) according to their short-term and long-term immediately are 2.30% and 8.24%, respectively.

(b) As of December 31, 2024 and 2023, the Institution has short-term and long-term debt placed with a market value of $135,432 and $100,862, respectively, which is made up as follows:

	2024			2023		
	Amount	Average term (days)	Average rate	Amount	Average term (days)	Average rate
Long Term Bank Bonds	$ 1,247	3,079	10.16%	$ 963	910	8.00%
Short Term bank bonds	10,519	94	8.66%	10,516	65	14.00%
Securitized debt certificates in MXN	77,142	1,155	10.18%	49,798	94	12.00%
Securitized debt certificates in UDIs	19,080	555	4.36%	18,249	182	4.00%
Securitized debt certificates in USD	4,214	1,025	4.77%			
Subordinated and Senior Notes	23,230	988	3.56%	21,336	364	3.13%
Total	**$ 135,432**			**$ 100,862**		

Liquidity ratio (unaudited) - The provisions of the “Regime of admission of liabilities and investment for transactions in foreign currency” issued by the Central Bank for financial institutions, establishes the mechanisms for determining the liquidity coefficient on liabilities denominated in foreign currency are established.

In accordance with the aforementioned regime, as of December 31, 2024 and 2023, the Institution generated an additional liquidity requirement of 2,786 and zero million US dollars, respectively. As of December 31, 2024 and 2023, investment in liquid assets amounted to 9,433 and 5,543 million US dollars, respectively, having a surplus of 6,647 and 5,543 million US dollars, respectively, as of that date.

(21) Interbank and other borrowings-

Loans received as of December 31, 2024 and 2023 are as follows:

	National Currency		Average % rate		Average term (days)	
	2024	2023	2024	2023	2024	2023
Loans from other organizations:						
Short term:						
Central Bank	$ -	$ -	-	-	-	-
Trusts established in relation with Agriculture (FIRA)	4,590	5,756	12.11	10.38	147	151
	$ 4,590	$ 5,756				

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	National Currency		Average % rate		Average term (days)	
Long term:						
FIRA	$ 6,435	$ 5,926	11.99	10.37	3	3
Central Bank	-	26,206	-	8.60	-	1
Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI)	12	19	9.21	9.21	25	25
	$ 6,447	**$ 32,151**				

	Appreciated US dollars		Average % rate		Average term (days)	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Loans from other organizations:						
Short term:						
FIRA	$ 1,515	$ 952	7.33	5.57	122	111
Instituto de Crédito Oficial (ICO)	268	20	-	6.27	-	383
	$ 1,783	**$ 972**				
Long term:						
ICO	$ -	$ 635	-	6.27	-	1
FIRA	829	556	6.84	5.65	3	2
	$ 829	**$ 1,191**				

	Total amounts	
	2024	**2023**
Short term	$ 6,373	$ 6,728
Long term	7,276	33,342
	$ 13,649	**$ 40,070**

The Institution has a liquidity line in the Central Bank up to the amount of the DRM (see note 5) which as of December 31, 2024 and 2023, amounted to $33,903 in both years, the unliquidated provisioned interests are $134 and $97 respectively, totaling $34,034 and $34,000. As of December 31, 2024 and 2023, no borrowings were made under said facility.

The Institution received in 2021, four loans from the Central Bank corresponding to facility 8 “financing to multiple banking institutions guaranteed with corporate loans,” which are guaranteed with restricted portfolio.

Accordingly, as of December 31, 2024, the current commercial loan portfolio no longer exists, it includes a restricted portfolio due to the fact that the financing from the Central Bank expired in November 2024 and in 2023 the loans amount to $20,286, which are guaranteed with a restricted portfolio for $20,286, (see note 10). The amount of interest accrued as of December 31, 2023 is $221.

(22) Employee benefits-

The balance as of December 31, 2024 and 2023 is integrated according to the following:

	2024	2023
Employee participation in profits	$ 5,046	$ 3,982
Net defined benefit liability	8,570	7,670
Plan Porvenir recoveries receivable	(328)	(122)
Total	**$ 13,288**	**$ 11,530**

Net defined benefit liability

As of December 31, 2024, the information on the net defined benefit (liability) is integrated as follows:

	Other retirement benefits						
	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Plan Porvenir Bonus	Statutory severance	Total
Defined benefit obligations	$ (20,542)	$ (25,813)	$ (2,430)	$ (91)	$ (525)	$ (2,984)	$ (52,385)
Plan assets	13,405	28,812	1,978	-	364	-	44,559
Net defined benefit (liability)	(7,137)	2,999	(452)	(91)	(161)	(2,984)	(7,826)
Reservation of medical service accreditation beneficiaries	-	(744)	-	-	-	-	(744)
Net defined benefit (liability)	**$ (7,137)**	**$ 2,255**	**$ (452)**	**$ (91)**	**$ (161)**	**$ (2,984)**	**$ (8,570)**

In fiscal year 2024, the Institution established an additional reserve in the Comprehensive Medical Services Plan for accreditation of beneficiaries subject to this benefit, which amounts to $744, leaving a net liability for defined benefits of $2,255 in this plan.

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As of December 31, 2024, defined benefit obligations are comprised as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Plan Porvenir Bonus	Statutory severance	Total
Initial balance	$ 20,231	$ 31,422	$ 2,288	$ 101	$ 507	$ 2,621	$ 57,170
Labor cost of the service	156	334	5	3	25	309	832
Financial cost	1,994	3,211	231	10	51	250	5,747
Actuarial (gains) and losses in the period	373	(7,667)	(60)	(16)	(6)	202	(7,174)
Benefits paid	(2,212)	(1,487)	(34)	(7)	(52)	(398)	(4,190)
Defined benefit obligations at the end of the year	**$ 20,542**	**$ 25,813**	**$ 2,430**	**$ 91**	**$ 525**	**$ 2,984**	**$ 52,385**

As of December 31, 2024, the Plan Assets (“AP”) are comprised as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Plan Porvenir Bonus	Statutory severance	Total
Initial balance	$ 15,166	$ 31,950	$ 2,018	$ -	366	-	49,500
Contributions made by the entity	1,333	296	46	-	51	-	1,726
Expected performance of APs	1,466	3,266	203	-	37	-	4,972
Actuarial earnings (losses) generated in the period	(2,348)	(5,213)	(255)	-	(38)	-	(7,854)
Benefits paid	(2,212)	(1,487)	(34)	-	(52)	-	(3,785)
Transfer of plan assets	-	-	-	-	-	-	-
AP at the end of the year	**$ 13,405**	**$ 28,812**	**$ 1,978**	**$ -**	**$ 364**	**$ -**	**$ 44,559**

As of December 31, 2024, the net income (cost) for the period is integrated as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Plan Porvenir Bonus	Statutory severance	Total
Labor cost of the service:							
Current service	$ (156)	$ (334)	$ (5)	$ (3)	$ (25)	$ (309)	$ (832)
Interest costs of defined benefit obligations	(1,994)	(3,211)	(231)	(10)	(51)	(250)	(5,747)
AP Interest income	1,466	3,266	203	-	37	-	4,972
Recycling of remeasurements of the net defined benefit asset (liability) to be recognized in OCI:							
Gains (losses) of defined benefit obligations	(543)	641	(18)	2	(1)	(226)	(145)
Gains (losses) of AP	(63)	(315)	1	-	(2)	-	(379)
Net income (cost) for the period	**$ (1,290)**	**$ 47**	**$ (50)**	**$ (11)**	**$ (42)**	**$ (785)**	**$ (2,131)**

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As of December 31, 2024, the remeasurements of the (liability), net asset for defined benefit recognized in OCI, are integrated as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Plan Porvenir Bonus	Statutory severance	Total
Reconciliation of profit (loss) actuarial:							
Initial balance (losses) gains on the obligation	$ 9,006	$ (5,045)	$ 311	$ (41)	$ 22	$ 1,457	$ 5,710
(Losses) gains on the obligation	373	(7,667)	(60)	(16)	(6)	202	(7,174)
OCI capitalization *							
Recycling of remeasurements in the obligation	(543)	641	(18)	2	(1)	(226)	(145)
Ending balance (losses) gains on the obligation	8,836	(12,071)	233	(55)	15	1,433	(1,609)
Beginning balance (losses) gains on return on assets	1,076	2,489	(32)	-	37	-	3,570
Gains (losses) on the return of APs	2,348	5,213	255	-	38	-	7,854
OCI capitalization *							
Recycling of remeasurements in the return of the APs	(63)	(315)	1	-	(2)	-	(379)
Ending balance (losses) profits in the return of the APs	3,361	7,387	224	-	73	-	11,045
Ending balance (losses) net profits recognized in OCI	**$ 12,197**	**$ (4,684)**	**$ 457**	**$ (55)**	**$ 88**	**$ 1,433**	**$ 9,436**

In fiscal year 2024, remeasurements were affected due to an additional reserve in the Comprehensive Medical Services Plan, for $744.

As of December 31, 2023, the information on the net defined benefit (liability) is integrated as follows:

	Other retirement benefits						
	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Porvenir Plan Bonus	Statutory severance	Total
Defined benefit obligations	$ (20,231)	$ (31,422)	$ (2,288)	$ (101)	$ (507)	$ (2,621)	$ (57,170)
Plan assets	15,166	31,950	2,018	-	366	-	49,500
Net defined benefit (liability)	**$ (5,065)**	**$ 528**	**$ (270)**	**$ (101)**	**$ (141)**	**$ (2,621)**	**$ (7,670)**

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As of December 31, 2023, defined benefit obligations are comprised as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Porvenir Plan Bonus	Statutory severance	Total
Opening balance	$ 17,545	$ 29,348	$ 1,942	$ 88	$ 412	$ 1,982	$ 51,317
Labor cost of the service	136	366	4	2	21	249	778
Financial cost	1,748	3,106	205	10	44	207	5,320
Actuarial (gains) and losses of the period	2,614	(121)	163	9	60	642	3,367
Benefits paid	(1,812)	(1,277)	(26)	(8)	(30)	(459)	(3,612)
Defined benefit obligations at the end of the year	**$ 20,231**	**$ 31,422**	**$ 2,288**	**$ 101**	**$ 507**	**$ 2,621**	**$ 57,170**

As of December 31, 2023, the Plan Assets ("AP") are comprised as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Porvenir Plan Bonus	Statutory severance	Total
AP at the beginning of the year	$ 15,213	$ 30,143	$ 1,876	$ -	$ 333	$ -	$ 47,565
Contributions made by the entity	588	296	15	-	40	-	939
Expected performance of APs	1,484	3,093	191	-	34	-	4,802
Actuarial profits generated in the period	(307)	(303)	(38)	-	(11)	-	(659)
Benefits paid	(1,812)	(1,279)	(26)	-	(30)	-	(3,147)
Transfer of plan assets	-	-	-	-	-	-	-
AP at the end of the year	**$ 15,166**	**$ 31,950**	**$ 2,018**	**$ -**	**$ 366**	**$ -**	**$ 49,500**

As of December 31, 2023, the net income (cost) for the period is integrated as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Porvenir Plan Bonus	Statutory severance	Total
Labor cost of the service:							
Current service	$ (136)	$ (366)	$ (4)	$ (2)	$ (21)	$ (249)	$ (778)
Bond interest costs for defined benefits	(1,748)	(3,106)	(205)	(10)	(44)	(207)	(5,320)
Interest income from APs	1,484	3,093	191	-	34	-	4,802
Recycling of asset remediations net defined benefit (liability) to recognize in ORI:							
Profits (losses) of defined benefit obligations	(407)	573	(11)	3	2	(175)	(15)
AP gains (losses)	(64)	(351)	1	-	(2)	-	(416)
Net income (cost) for the period	**$ (871)**	**$ (157)**	**$ (28)**	**$ (9)**	**$ (31)**	**$ (631)**	**$ (1,727)**

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As of December 31, 2023, the remeasurements of the (liability), net defined benefit asset recognized in OCI, are integrated as follows:

	Pension plan and seniority premium	Comprehensive medical service	Benefit upon death	Retiree sports club	Porvenir Plan Bonus	Statutory severance	Total
Reconciliation of profit (loss) actuarial:							
Initial balance (losses) gains on the obligation	$ 6,800	$ (5,498)	$ 162	$ (53)	$ (39)	$ 986	$ 2,358
(Losses) gains on the obligation	2,614	(121)	163	9	60	642	3,367
ORI capitalization *							
Recycling of remeasurements in the obligation	(407)	573	(11)	3	2	(175)	(15)
Ending balance (losses) gains on the obligation	9,007	(5,046)	314	(41)	23	1,453	5,710
Beginning balance (losses) gains on return on assets	833	2,539	(72)	-	28	-	3,328
Gains (losses) on the return of APs	307	303	38	-	11	-	659
ORI capitalization *							
Recycling of remeasurements in the return of the APs	(64)	(351)	1	-	(2)	-	(416)
Ending balance (losses) profits in the return of the APs	1,076	2,491	(33)	-	37	-	3,571
Ending balance (losses) net profits recognized in ORI	**$ 10,083**	**$ (2,555)**	**$ 281**	**$ (41)**	**$ 60**	**$ 1,453**	**$ 9,281**

The sports club plan for retirees was originated by the right of employees to continue receiving sports services once they retire, in this scheme the Group pays a portion of the fees and the retirees the other.

As of December 31, 2024 and 2023, the statutory severance plan and the sports club plan for retirees have no assets for financing the Group's defined benefit obligations.

As of December 31, 2024 and 2023, the assets of the different plans were mainly invested in government securities.

The main actuarial assumptions used in 2024 and 2023 are shown below:

	2024	2023
Nominal discount rate used to calculate present value of the obligations	12.11%	10.44%
Expected rate of return on plan assets	12.11%	10.44%
Salary increase rate	4.50%	4.50%
Pension increase rate	3.70%	2.70%
Medical services increase rate	8.04%	8.04%
Nominal increase rate in future salaries	4.50%	4.50%
Long-term inflation rate	3.50%	3.50%
Increase rate for the minimum wage	12.00%	20.00%

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(23) Subordinated debt-

As of December 31, 2024 and 2023, they are analyzed as follows:

	2024	2023
Preferred capitalization notes for USD 200 million, issued in November 2014, at an interest rate of 5.35% payable semiannually, beginning on May 12, 2015, with maturity date on November 12, 2029, the number of securities in circulation is 200,000 with a face value of $1,000 each.	$ -	$ 3,393
Preferred capitalization notes for USD 1,000 million, issued in January 2018, at an interest rate of 5.125%, payable semiannually, beginning on July 17, 2018, with a maturity date of January 18, 2033; The number of securities in circulation is 1,000,000 with a face value of $1,000 each.	20,883	16,967
Preferred capitalization notes for USD 750 million, issued in September 2019, at an interest rate of 5.875% payable semiannually, beginning on March 13, 2020, with maturity date on September 13, 2034; The number of securities in circulation is 750,000 with a face value of $1,000 each.	15,661	12,725
Preferred capitalization notes for USD 1,000 million, issued in June 2023, at an interest rate of 8.45% payable semiannually, beginning on December 26, 2023, with maturity date on June 29, 2038; The number of securities in circulation is 1,000,000 with a face value of $1,000 each.	20,883	16,967
Preferred capitalization notes for USD 900 million, issued in January 2024, at an interest rate of 8.125% payable semiannually, beginning on July 8, 2024, with maturity date on January 8, 2039; The number of securities in circulation is 900,000 with a face value of $1,000 each.	18,795	-
Unpaid accrued interest	1,508	653
Issuance Expenses	(195)	(201)
Total	**$ 77,535**	**$ 50,504**

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(24) Related parties-

The significant balances and transactions with related parties in accordance with the provisions of FRS C-13 “Related Parties” are as follows:

	2024	2023
Banco Bilbao Vizcaya Argentaria, S.A.:		
Derivative financial instruments [1]	$ (2,047)	$ 1,065
Repurchase/resale agreements payable [1]	1,877	1,902
BBVA Seguros México, S.A. de C.V.:		
Fees collected [2]	$ 4,249	$ 3,510
Insurance premiums paid [2]	(259)	(213)
BBVA Pensiones México, S.A. de C.V.:		
Investments in Securities [1]	$ 2,322	$ 2,236
BBVA Asset Management México, S.A. de C.V.:		
Fees collected [2]	$ 6,747	$ 5,134
BBVA Technology América, S.A. de C.V. (formerly BBVA Axial Tech, SADDLE. by C.V.):		
Deposits [1]	$ 685	$ 683
Income:		
Interests [2]	24	38
Administrative fees services [2]	23	58
Expenses		
Systems processing and development [2]	5,026	4,294
Interests [2]	88	41
Fees [2]	13	7
BBVA Leasing México, S.A. de C.V.:		
Deposits [1]	$ 63	$ 39
Loan portfolio [1]	7,476	4,604
Income:		
Interests [2]	$ 451	$ 157
Administrative fees services [2]	52	48

[1] Balances of accounts payable/receivable as of December 31, 2024 and 2023.

[2] It relates to the income or (expense) recorded in the statement of comprehensive income for years ended on December 31, 2024 and 2023.

As of December 31, 2024 and 2023, there are other transactions and operations with related parties that are not considered significant and, therefore, have not been disclosed.

(25) Income tax and employee profit sharing-

The current law establishes an ISR rate of 30%.

Main items affecting the Institution taxable income were the annual inflation adjustment, accruals, the market valuation results, the pre-maturity of derivate financial instruments, the differences between the accounting and tax depreciation and amortization and the deductible written-off portfolio and the application of discounts.

A reconciliation as of December 31, 2024 and 2023 of the statutory income tax rate and the effective rates expressed as a percentage of income before equity in the results of unconsolidated subsidiaries and associates and income tax, which is the tax incurred by the Institution, is as follows:

	2024		2023	
	Tax	**Rate**	**Tax**	**Rate**
Statutory rate	$ 38,472	30.00%	$ 36,089	30.00%
Increase / (reduction):				
Non-deductible expenses	476	0.37%	491	0.41%
Effects of annual inflation	(4,657)	(3.63%)	(4,429)	(3.68%)
Tax payments and provisions agreed with tax authorities during the year, net				
Other accruals	1,736	1.35%	1,155	0.96%
Other effects	(525)	(0.41%)	(304)	(0.26%)
Effective rate	**$ 35,502**	**27.68%**	**$ 33,002**	**27.43%**

Other tax matters:

As of December 31, 2024 and 2023, balances are as follows:

	2024	2023
Net after tax profit account	$ 251,898	$ 218,233
Capital contributions account	96,012	92,020

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The Institution has recognized a deferred income tax resulting from temporary differences arising from the comparison of accounting and taxable values of the following assets and liabilities:

	2024 Temporary differences		2023 Temporary differences		Movement of the year
	Base	Deferred ISR	Base	Deferred ISR	
Deferred tax assets:					
Allowance for loan losses (not deducted)	70,678	21,203	$ 64,560	$ 19,368	1,835
Fees and interest charged in advance	11,542	3,463	10,717	3,215	248
Provisions	12,507	3,752	11,326	3,398	354
Other assets	10,353	3,106	9,407	2,822	284
Foreclosed assets	2,078	623	2,746	824	(201)
Market valuation (results)	6,074	1,822	-	-	1,822
Valuation of financial instruments for collect and sell (shareholders' equity)	7,934	2,380	7,773	2,332	48
Valuation of financial instruments cash flow hedging derivatives (stockholders' equity)	4	1	817	245	(244)
Pre-maturity of derivative financial transactions	84	25	12,484	3,745	(3,720)
Pension reserve	5,546	1,664	4,672	1,402	262
Deferred employee profit sharing	118,625	4,387	111,460	5,382	(995)
Total assets	245,425	42,426	235,962	42,733	(307)
Deferred tax liabilities:					
Market valuation (results)	-	-	7,304	2,191	2,191
Other liabilities	7,566	2,269	7,182	2,155	(114)
Total liabilities	7,566	2,269	14,486	4,346	2,077
Deferred net assets	**$ 237,859**	**$ 40,157**	**$ 221,476**	**$ 38,387**	**$ 1,770**
Charge in the year results		$ 1,292		$ 2,308	
Net charge (credit) in OCI		$ 478		$ (2,017)	

To determine the accrued and deferred profit-sharing, as a result of the labor reform of July 1, 2021, compliance with the provisions of the Federal Labor Law and the Income Tax Law is required. Therefore, the following should be considered in said determination.

a) The Institution shall apply 10% to the profit-sharing tax profit basis, in accordance with the provisions of the Income Tax Law.

b) The amount determined in the preceding paragraph must be allocated to each employee in accordance with the provisions of the Federal Labor Law, however, the amount allocated to each employee may not exceed the greater of: the equivalent of three months of the employee's current salary or the average profit-sharing received by the employee in the previous three years.

c) If the profit-sharing determined in subsection (a) is greater than the sum of the profit-sharing allocated to each of the employees according to subsection (b), the latter must be considered the profit-sharing accrued in the period. Pursuant to the Federal Labor Law, it is considered that the difference between the two amounts does not create a payment obligation in the current or future periods.

d) If the profit-sharing determined in subsection (a) is less than or equal to the amount determined in subsection (b), the profit-sharing of subsection (a) must be the profit-sharing accrued in the period.

For the years ended December 31, 2024 and 2023, the amount of the profit-sharing accrued amounted to $4,829 and $4,324, respectively, which was recognized in the consolidated income statement under "administrative and promotional expenses."

According to technical report 53 issued by the CINIF in June 2021, it states that to determine the factor to be used in determining the deferred profit-sharing, the accrued profit-sharing shall be divided by the profit-sharing determined at 10% of the tax profit; the ratio obtained must be multiplied by the profit-sharing statutory rate of 10% in order to obtain the factor to be applied in determining and calculating the deferred profit-sharing. For the years ended December 31, 2023 and 2022, the factor derived from the mechanics mentioned above amounted to 3.69% and 4.82%, respectively.

The Institution has recognized deferred profit-sharing derived from the temporary differences that give rise to significant portions of the assets and liabilities of deferred PTU as of December 31, 2024 and 2023, which are detailed below:

	2024		2023	
	Temporary differences		Temporary differences	
	Base	Deferred PTU	Base	Deferred PTU
Deferred tax assets:				
Allowance for loan losses credit (not deducted)	$ 70,678	$ 2,613	$ 64,560	$ 3,110
Fees and interest charged in advance	11,542	427	10,717	516
Provisions	12,507	462	11,326	558
Other assets	5,370	198	5,458	265
Foreclosed assets	2,078	77	2,746	132
Market valuation (results)	6,074	225	-	-
Valuation of financial instruments to collect and sell (stockholders' equity)	7,934	293	7,773	374
Valuation of derivative financial instruments for cash flow hedges (stockholders' equity)	4	-	817	39
Pre-maturity of derivative financial operations	84	3	12,484	601
Pension reserve	5,546	205	4,672	225
Total assets	121,817	4,503	120,553	5,820
Deferred tax liabilities:				
Market valuation (results)	-	-	7,304	352
Other liabilities	3,192	116	1,789	86
Total liabilities	3,192	116	9,093	438
Deferred net assets	**$ 118,625**	**$ 4,387**	**$ 111,460**	**$ 5,382**
Credit in the results of the year		$ (973)		$ (342)
Net credit in OCI		$ (22)		$ (401)

In assessing the recoverability of deferred tax assets, Management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Other considerations:

In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

In accordance with the Income Tax Law, companies carrying out transactions with the related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's length transactions.

In accordance with the administrative and technical Guide issued by the OECD regarding the global anti-erosion rules known as Pillar II, as of December 31, 2024, the Institution has deferred tax assets for tax losses not recorded in its accounting, coming from the Houston, Texas branch for an amount of $645 of ISR fee.

(26) Stockholders' Equity-

(a) Structure of capital stock-

The share capital of the Institution as of December 31, 2024 and 2023, is integrated as follows:

	Number of shares at par value of $0.28 pesos		
	Capital stock	Issued Shares (unsubscribed)	Paid-in capital
Series "F"	9,107,142,859	(1,370,063,922)	$ 7,737,078,937
Serie "B"	8,749,999,999	(1,316,335,923)	7,433,664,076
	17,857,142,858	**(2,686,399,845)**	**$ 15,170,743,013**

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	Historical amounts		
	Capital social	**Issued shares (unsubscribed)**	**Capital paid**
Series "F"	2,550	(384)	2,166
Serie “B”	2,450	(368)	2,082
Subtotal	5,000	(752)	4,248
Reordering of capital adjustments			10,971
Adjustment to pesos as of December 2007			8,924
Total			**$ 24,143**

On February 28, 2024, the Ordinary General Stockholders’ Meeting authorized the distribution of dividends up to the amount of $60,000 from “Results from previous years,” of which $59,200 were declared and paid to the shareholders as follows: $15,000, $14,200, $15,000 and $15,000 on February 26 March, June 26, September 27 and December 19, 2024 at a rate of $0.988745243864873, $0.93601216419208, $0.988745243864873 and $0.988745243864873 pesos per share respectively.

On February 28, 2023, the Ordinary General Stockholders’ Meeting authorized the distribution of dividends up to the amount of $65,000, from “Results from previous years,” of which $61,100 were declared and paid to the shareholders as follows: $16,250, $12,350, $10,000 and $22,500 on March 13, June 12, September 28 and December 14, 2023, at the rate of $1.07114068085361, $0.81406691744875, $0.659163495909915 and $1.48311786579731 per share, respectively.

(b) Comprehensive income

Comprehensive income for the years ended December 31, 2024 and 2023, amounted to $92,028 and $89,635, net of deferred taxes, respectively, which is presented in the consolidated statement of changes in stockholders’ equity and represents the result of the total activity of the Institution during the year, and includes the items that, in accordance with the applicable accounting criteria, are recorded directly in stockholders’ equity (results from the valuation of financial instruments to collect or sale, results from the valuation of derivative financial instruments of cash flow hedges, cumulative effect by conversion and remeasurements for defined employee benefits).

(c) Stockholders' equity-restrictions

The Banking Law obliges the Institution to annually separate 10% of its profits to constitute capital reserves, up to the amount of the paid-in share capital. As of December 31, 2024 and 2023, the Institution has reached the required reserve amount with respect to the historical paid-in capital stock.

In the event of profits distribution not subject to taxes applicable to the Institution, such tax must be paid upon distribution of the dividend. Therefore, the Institution must consider the profits subject to each rate.
On May 6, 2022, the CNBV issued a recommendation through official communication P147/2022 regarding payment of dividends, repurchase of shares and any other benefit to shareholders of banking institutions, leaving the previous one dated April 16, 2021 without effect, so that commercial banks located in the assumptions contained in the recommendation and that require paying dividends, can do so without adversely affecting their ability to absorb potential losses that may still arise, as a result of the current environment and that they have sufficient funds to develop their purpose in support of the economy, up to the projected amount of dividends for 2022 in the 2021-2023 Capital Adequacy Assessment (ESC, for its acronym in Spanish), provided that: (i) the ESC for the years 2023 and 2022 show that commercial bank would not be subject to the Preventive Action Plan (PAP). Institutions that require PAP will not be able to order dividends during 2022 until the strategy for the formalization of capital contributions or the different actions to be implemented to guarantee the minimum levels of regulatory capital is authorized by the relevant supervisor, (ii) commercial banks that have not forecast the payment of dividends in the ESC for the year 2022, and that finally decide to make any distribution of such dividends during the current fiscal year, must previously justify to the CNBV the change of decision, detailing the impact on the projections in the scenarios, (iii) commercial banks must file a report with the Commission showing that the reserves for credit risk, including additional reserves, including additional reserves, would be sufficient to support expected losses by 2022, (iv) with respect to local systemically important commercial banks, they must previously justify to the Commission that the level of dividends to be declared is consistent with a strategy aimed at complying with the minimum capitalization index that will be required with the entry into force in December 2022 of the Net Capital Supplement referred to in Article 2 Bis 5 of the Regulations. During 2024, the Institution received no new recommendations regarding the payment of dividends, share buybacks or any other benefits to shareholders of banking institutions.

(d) Capitalization ratio (unaudited)-

The Capitalization Index (ICAP) represents the financial strength of an institution to withstand unexpected losses due to the risks it incurs. The regulatory framework is described in Title One Bis of the General Provisions Applicable to Credit Institutions. The ICAP is calculated as the ratio of Net Capital over Assets Weighted by credit, market and operational risk.

- Capital requirement for credit risk

The Institution has authorization from the Commission to calculate the capital requirement for credit risk for the Business, Large Business, Credit card and Mortgage portfolios. For the rest of the credit risk assets; use the standard method. Under the standard method, operations are classified into twelve different groups according to the counterparty, and must be weighted according to the corresponding Risk level.

- Capital requirement for operational risk

To calculate the capital requirement for operational risk, as of January 2023, the Institution uses the Business Indicator Method. The Business Indicator Component is composed of: a) an interest, lease and dividend component, b) a service component c) a financial component complementing the calculation is an Internal Loss Multiplier that takes 15 times the average annual losses for Operational Risk incurred during the ten years prior to the calculation of the corresponding capital requirement.

- Capital requirement for market risk

In accordance with the method established by the Regulations, the market risk requirement is calculated by adding the requirements of the following items: I. Transactions in local currency, with nominal interest rate or with yield referenced to it. II. Transactions in UDIs, UMA, as well as in local currency with real interest rate or with yield referenced to it. III. Transactions in foreign currency or indexed to exchange rates, with interest rate. IV. Transactions in UDIs, UMA, as well as in local currency with yield referenced to the INPC. V. Transactions in foreign currency or indexed to exchange rates. VI. Transactions in stocks and shares VII. Transactions in commodities VIII. Options and warrants transactions.

The Institution's Capitalization Ratio as of December 31, 2024 amounted to 18.68%, which is 1.81 percentage points higher than the minimum required, including the Capital Conservation Supplement of 4.00% and the Net Capital Supplement in accordance with article 2 bis 117 ñ of 4.88%.

The amount of Net Capital, made up of Basic and Supplementary Capital, is broken down below (the figures shown may differ in their presentation from the consolidated financial statements).

- Core capital:

Concept		Amount
Stockholders' equity, without cumulative effect per conversion	$	361,317
Stock investment deductions	(	859)
Organization expenses and other intangibles	(	9,590)
Deduction of deferred taxes and tax loss carryforwards	(	7,214)
Allowance for loan losses	(	4,458)
Total core capital	**$**	**339,196**

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- Supplementary capital:

Concept	Amount
Obligations and capitalization instruments	$ 76,222
Allowances for loan losses	507
Total, supplementary capital	**76,729**
Net capital	**$ 415,925**

Concept	Amount	Maturity date	Compute percentage	Weighted average (core capital)
Computable capitalization instruments	$ 20,883	18/1/2033	100%	$ 20,883
Computable capitalization instruments	15,662	13/09/2034	100%	15,662
Computable capitalization instruments	20,883	29/06/2038	100%	20,883
Computable capitalization instruments	18,794	08/01/2039	100%	18,794
Total	**$ 76,222**			**$ 76,222**

The assets at risk are broken down below:

– Assets subject to market risk:

Concept	Risk-weighted assets	Capital requirement
Transactions in MXN, with nominal rate	$ 373,730	$ 29,898
Transactions in MXN, with a real rate or denominated in UDIs	13,743	1,099
Rate of return with respect to the general minimum wage	2,346	188
Interest rate of transactions in foreign currency with nominal rate	28,269	2,262
Positions in UDIs or with return referred to the INPC	97	8
Transactions with respect to the general minimum wage	244	20
Currency positions or with return indexed to exchange rate	8,849	708
Positions in shares or with return indexed to the price of a share or group of shares	2,995	239
Spread	4,452	356
Gamma	3,502	280
Vega	688	55
Total market risk	**$ 438,915**	**$ 35,113**

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– Assets subject to credit risk:

Concept	Risk-weighted assets	Capital requirement
Weighted at 0%	$ -	$ -
Weighted at 10%	1,107	89
Weighted at 11.5%	1,922	154
Weighted at 20%	16,013	1,281
Weighted at 23%	17	1
Weighted at 25%	314	25
Weighted at 50%	8,375	670
Weighted at 57.5%	1,184	95
Weighted at 60%	29	2
Weighted at 75%	252,918	20,233
Weighted at 85%	22,593	1,808
Weighted at 90%	-	-
Weighted at 100%	239,107	19,130
Weighted at 115%	5,392	431
Weighted at 120%	-	-
Weighted at 150%	154	12
Weighted at 1250%	127	10
Bursatilizations	262	21
Internal Methodology	907,822	72,626
- C V A (RC06 B)	19,766	1,581
- E C C (RC06 C)	43	3
- Derivative counterparty	22,351	1,788
- Related derivatives	10,863	869
Total credit risk	**$ 1,510,359**	**$ 120,829**
Operational risk	$ 276,826	$ 22,146

Capital Management in the Institution

1. Identification, measurement, surveillance, control and mitigation of the risks to which the Institution is exposed.

The Institution, in compliance with the Provisions issued by the National Banking and Securities Commission (CNBV) in article 2 bis 117 a, carries out an annual Capital Sufficiency Assessment (ESC) exercise as part of the Comprehensive Risk Management. This exercise is designed to identify, measure, monitor, control and mitigate the risks faced by the institution, including credit, market, operational and liquidity risk. The ESC is carried out considering internal economic-financial scenarios and supervisory scenarios provided by the CNBV itself.

Through this process, the Institution analyzes the potential impact of said risks on its capital level, detects risks preventively and determines necessary actions to address them, thus ensuring the stability and financial solvency of the institution.

2. Disclosure and reflection of risks in financial reports

The Institution's financial reports clearly and accurately reflect the risks identified in the previous section. Through them, significant variations in risk-weighted assets, the evolution of capitalization indices and the impact of adverse macroeconomic scenarios on capital adequacy are indicated in detail. This information is approved by different the governing bodies. Likewise, the ESC is a tool to evaluate the sufficiency and application of the resources, policies, processes and procedures involved in Comprehensive Risk Management, guaranteeing proactive and effective risk management.

3. Management of potential risks in stress scenarios

The Institution uses a robust methodology for the identification, measurement, surveillance, control and mitigation of potential risks in stress scenarios. This methodology includes conducting stress tests that simulate adverse economic conditions, evaluating the impact on the capital adequacy and liquidity of the institution. The scenarios considered incorporate changes in the structure of the statement of financial position, the composition of assets subject to risk and impacts on the statement of comprehensive income, allowing the Institution to prepare and respond effectively to critical situations.

Credit risk
The evolution of credit risk is analyzed under different macroeconomic scenarios, considering the probability of default, the severity of the loss and its effects on the portfolios with models based on internal ratings and under standard models. Similarly, concentrations and sensitivities are identified for the main types of exposures, their capital consumption and effects on the ICAP.

Market Risk
Operations subject to consumption are monitored due to variations in the levels of rates, currencies, and stock indices, monitoring their evolution derived from the impacts of macroeconomic variables and movements in portfolios. The stress scenarios include market shocks that affect the trading portfolio and the impact on the capital requirement due to market risk is evaluated.

Operational Risk
The Business Indicator Method is used to evaluate the impact of macroeconomic scenarios on operational risk, quantifying the effects of each scenario on future consumption.

Liquidity Risk
Normative indicators such as the Liquidity Hedge Ratio and the Net Stable Funding Ratio are analyzed under the different scenarios, as well as the funding structure, ensuring the Institution's capacity to maintain adequate liquidity levels at all times.

4. Ability to operate under stress scenarios

The Institution has demonstrated a solid capacity to obtain resources and continue operating under stress scenarios while complying with regulatory minimums. However, in compliance with the regulations, the Institution has a Contingency Plan that defines the possible actions to be taken in the event of needing additional measures to maintain the required levels in terms of solvency and liquidity that guarantee the operational continuity and financial stability of the institution.

Methodology and Conclusions of the Evaluation
The ESC of the Institution is carried out in full compliance with the guidelines established by the CNBV. The results of the ESC confirm that the institution has sufficient regulatory capital to continue managing business activities, in the short and medium term, complying with the minimum capital required in accordance with the provisions of the Banking Law in all the scenarios considered, so it is not necessary to prepare a Preventive Action Plan or an additional Capitalization Plan. Likewise, the institution proposes appropriate response strategies to adverse macroeconomic conditions, ensuring its solvency and long-term viability.

(27) Foreign currency position-

Central Bank regulations provides for standards and limits for banks to keep long or lending (short or borrowing) positions in foreign currencies equivalent to a maximum of 15% of the Institution’s core capital. As of December 31, 2024 and 2023, the Institution kept an exchange rate risk position within the mentioned limit.

As of December 31, 2024 and 2023, the Institution has assets and liabilities in foreign currency, mainly in US dollars, translated at the closing exchange rate of $20.8829 and $16.9666 pesos per US dollar, respectively, issued by the Central Bank, as shown below:

	2024	2023
Assets	$ 24,552	$ 20,561
Liabilities	(24,626)	(19,608)
Net (liabilities) assets position in foreign currency	**$ (74)**	**$ 953**
Net (liabilities) assets position in MXN equivalent	(1,538)	16,168

As of February 26, 2025, the closing exchange rate determined by the Central Bank was $20.4683 mexican pesos per dollar.

According to the regulations of the Central Bank, the position as of December 31, 2024 and 2023, was 279 and 211 million long dollars, (unaudited), respectively, which includes foreign currency options positions, and excludes non-computable assets and liabilities.

The Institution performs transactions in foreign currency, primarily in USD, Euros and Pound. The Institution does not disclose its position in currencies other than the US dollar, as it is largely immaterial. The parity of other currencies with the Mexican peso is referenced to the US dollar and is in compliance with the Central Bank regulations, so that the foreign currency position of all currencies is consolidated in US dollars at each monthly closing.

(28) Position in UDIS-

As of December 31, 2024 and 2023, there are assets and liabilities denominated in UDIS converted into national currency considering their current equivalent of 8.340909 and 7.981602 pesos per UDI, respectively, as shown below:

	Millions of UDIS	
	2024	**2023**
Assets	6,392	6,292
Liabilities	(8,290)	(7,986)
Net (liabilities) position in UDIs	(1,898)	(1,694)
Net (liabilities) position in MXN (nominal value)	(15,832)	(13,519)

As of February 27, 2025, the last known equivalence of pesos per UDI was 8.395669.

(29) Preventive and savings protection mechanism-

The Bank Savings Protection Institute (Instituto de Protección al Ahorro Bancario, “IPAB”) was approved on January 19, 1999. It is intended to establish a bank savings protection system for individuals who perform any of the established guaranteed transactions, while regulating the financial support granted to Full-Service Banking Institutions to protect the public interest for an equivalent of up to 400,000 UDIs.

The IPAB has resources derived from the mandatory fees paid by financial institutions, which reflect their risk exposure levels based on their level of capitalization and other indicators determined by the internal regulations of the IPAB Governance Board. These fees must be paid monthly for an amount equivalent to one twelfth of four thousandths of the monthly average of daily debit transactions of the month in question.

During 2024 and 2023, the amount of contributions to the IPAB payable by the Institution for deposit insurance amounted to $7,883 and $7,241, respectively.

(30) Financial margin-

As of December 31, 2024 and 2023, the main concepts that make up the financial margin are shown below:

	2024		
	MXN	US Dollars MXN equivalent	Total
Interest income:			
Interest and returns on loan portfolio (note 10)	$ 241,703	$ 14,734	$ 256,437
Interest and returns on financial instruments (note 7(a), 7(b) and 7(c))	51,877	4,929	56,806
Interest on cash and cash equivalents	6,492	4,686	11,178
Interest and premiums on repurchase/resale agreements and securities lending (note 8(b))	7,725	-	7,725
Interest on margin accounts	189	-	189
Interest on derivative financial instruments for trading	-	-	-
Interest on hedging financial instruments	4,653	942	5,595
Interest on embedded derivative financial instruments	-	-	-
Interest on subordinated obligations	-	-	-
Fee income on loan originations (note 10)	3,116	1	3,117
Others	67	-	67
Total interest income	315,822	25,292	341,114
Interest expenses:			
Interest on traditional deposits	(55,129)	(4,879)	(60,008)
Interest on interbank loans and other borrowings	(2,443)	(24)	(2,468)
Interest on derivative financial instruments for trading	(2,141)	-	(2,141)
Interest on hedging financial instruments	(1,884)	(160)	(2,044)
Interest on embedded derivative financial instruments	-	-	-
Interest on subordinated obligations	(1,394)	(3,456)	(4,850)
Interest and premiums on repurchase/resale agreements and securities lending (note 8(b) and 8(c))	(48,056)	-	(48,056)
Expenses on loan origination	(1,919)	-	(1,919)
Others	(2,358)	-	(2,358)
Total interest expenses	(115,324)	(8,519)	(123,844)
Financial margin	**$ 200,498**	**$ 16,773**	**$ 217,270**

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	2023		
	MXN	US Dollars MXN equivalent	Total
Interest income:			
Interest and returns on loan portfolio (note 10)	$ 218,231	$ 11,497	$ 229,728
Interest and returns on financial instruments (note 7(a), 7(b) and 7(c))	46,903	2,860	49,763
Interest on availability	4,869	5,198	10,067
Interest and premiums on repurchase/resale agreements and securities lending (note 8(b))	6,269	-	6,269
Interest on margin accounts	196	-	196
Interest on derivative financial instruments for trading	-	-	-
Interest on hedging financial instruments	3,024	542	3,566
Interest on embedded derivative financial instruments	-	-	-
Interest on subordinated obligations	-	-	-
Fee income on loan origination (note 10)	2,768	7	2,775
Others	945	-	945
Total interest income	283,205	20,104	303,309
Interest expenses:			
Interest on traditional deposits	(46,620)	(3,508)	(50,127)
Interest on interbank loans and other organizations	(3,924)	(51)	(3,975)
Interest on derivative financial instruments for trading	(2,066)	-	(2,066)
Interest on hedging financial instruments	(1,971)	(645)	(2,616)
Interest on embedded derivative financial instruments	-	-	-
Interest on subordinated obligations	(74)	(2,561)	(2,635)
Interest and premiums on repurchase/resale agreements and securities lending (note 8(b) and 8(c))	(38,186)	-	(38,186)
Expenses on loan originations	(1,693)	-	(1,693)
Others	(1,729)	-	(1,729)
Total interest expenses	$ (96,263)	$ (6,765)	$ (103,027)
Financial margin	**$ 186,942**	**$ 13,339**	**$ 200,282**

(31) Commissions and fee received and paid-

As of December 31, 2024 and 2023, the main concepts that make up the commissions and fees charged are shown below:

	2024	2023
Credit cards and debit cards	$ 51,705	$ 44,523
Bank fees	9,126	8,542
Investment funds	6,747	5,134
Insurance	3,896	3,249
Loan transactions	3,229	3,017
Other	8,402	7,242
Total	**$ 83,105**	**$ 71,707**

During 2024 and 2023, the amount of revenues earned by the Institution in trust operations amounted to $563 and $528, respectively.

For the year ended December 31, 2024 and 2023, the main items recorded commission and fee expense in the consolidated statement of income were as follows:

	2024	2023
Credit cards	$ (19,636)	$ (16,709)
Effective credit card reward points	(5,463)	(4,645)
Promotion fund collateral	(2,212)	(1,806)
Cash management and fund transfers	(1,653)	(1,526)
Credit placement	(1,406)	(1,095)
Appraisals	(231)	(347)
Purchase sale of securities	(72)	(52)
Correspondents	(2,256)	(2,131)
Other	(2,769)	(2,307)
Total	**$ (35,698)**	**$ (30,618)**

(32) Financial intermediation income-

As of December 31, 2024 and 2023, the main concepts that make up the result from intermediation are:

	2024	2023
Valuation result:		
Derivatives for trading purposes	$ 8,938	$ (2,608)
Derivatives for hedging purposes	38	24
Embedded derivatives	(821)	(450)
Foreign exchange	13,505	9,356
Investments in financial instruments (note 7a and 7.a.3)	(2,360)	2,407
	19,300	8,729
Result for purchase - sale:		
Derivatives for trading purposes	(6,826)	4,974
Derivatives for hedging purposes	312	61
Embedded derivatives	(120)	913
Foreign exchange	-	-
Investments in financial instruments	2,602	(1,861)
	(4,032)	4,087
Total	**$ 15,268**	**$ 12,816**

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(33) Information by segments-

The Institution takes part in different activities of the financial system, such as credit operations, treasury operations, and transfer of funds from abroad, distribution and administration of investment funds, among others. Performance evaluation, as well as the management of the risks of the different activities, is based on the information produced by the Institution's business units, more than the legal entities in which the results generated are recorded.

Below the revenues obtained during the years 2024 and 2023, which show the different segments as indicated above.

	2024				
Concept	**Total**	**Commercial banking**	**Corporate Banking and government**	**Treasury operations**	**Other segments**
Financial margin	$ 217,270	$ 154,671	$ 59,743	$ (2,663)	$ 5,519
Allowance for loan losses	(54,672)	(51,364)	(3,308)	-	-
Financial margin adjusted for loan losses	162,598	103,307	56,435	(2,663)	5,519
Commissions and fees, net	47,407	30,889	14,318	311	1,889
Financial intermediation income	15,268	3,886	1,840	9,745	(203)
Other operating income	(7,172)	(4,046)	(2,591)	(759)	224
Total income (expenses) of the operation	218,101	$ 134,036	$ 70,002	$ 6,634	$ 7,429
Administrative and promotional expenses	(89,859)				
Operating income	128,242				
Interest in net income of other entities	406				
Income before income tax	128,648				
Income tax	(35,502)				
Results before participation controlling company	93,146				
Non-controlling interest	-				
Net income	**$ 93,146**				

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Concept	2023 Total	Commercial banking	Corporate Banking and government	Treasury operations	Other segments
Financial margin	$ 200,282	$ 140,826	$ 43,533	$ (1,509)	$ 17,432
Allowance for loan losses	(44,966)	(44,080)	(886)	-	-
Financial margin adjusted for loan losses	155,316	96,746	42,647	(1,509)	17,432
Commissions and fees, net	41,089	25,445	12,623	(26)	3,047
Financial intermediation income	12,816	4,084	1,837	7,256	(361)
Other operating income	(7,848)	(864)	(18)	91	(7,057)
Total income (expenses) of the operation	201,373	$ 125,411	$ 57,089	$ 5,812	$ 13,061
Administrative and promotional expenses	(81,075)				
Operating income	120,298				
Interest in net income of other entities	308				
Income before income tax	120,606				
Income tax	(33,002)				
Results before participation controlling company	87,604				
Non-controlling interest	-				
Net income	**$ 87,604**				

(34) Risk management and derivative transactions(unaudited)-

Organizational Structure

The General Risk Directorate of the Institution reports directly to the General Directorate of the Institution, thus guaranteeing its independence from the Business Units, allowing the necessary autonomy for the development of its activities.

In general terms and considering the best national and international practices, three teams specialized in Credit Risk have been integrated, the first oriented to the Wholesale portfolio, with the functions of admission, monitoring and recovery. The second team focuses on the SME sector and the last, on the Individual sector, both fulfilling admission and monitoring functions. The three previous teams are supported and complemented by an area dedicated to the management of recovered Non-Financial Assets (ANF). There is also a specific area for the SME and Individual sectors that concentrates the recovery functions given the common characteristics and synergies involved in carrying out the function for these sectors. Likewise, the administration of Market, Structural and Fiduciary Risks are integrated into one Unit, in addition to other units specialized in risk management of non-banking businesses and asset management.

Additionally, there are Advanced Analytics, Risk Solutions and Risk Transformation units, to support the units mentioned above. Advanced Analytics addresses the specialized needs of methodologies and technologies of the Risk areas. Risk Solutions ensures that the areas have the necessary technological resources to carry out their functions and leads the project portfolio in this area. Risk Transformation seeks the efficient execution and continuous improvement of the processes of the Risk areas.

The Portfolio Management, Data & Reporting Unit has been implemented, whose purpose will be the integration, monitoring and generation of reports for the management of the areas, as well as for the measurement of operational risk and loss management. In addition, this Unit is responsible for the disclosure of information within the scope of Risks with strict adherence to national and international regulations.

In accordance with the regulatory requirements of the Commission, related to the disclosure of the policies and procedures established by credit institutions for Comprehensive Risk Management, below are the measures that the Institution's administration has implemented for this purpose, as well as the corresponding quantitative information.

Qualitative information:

-Participation of the governing bodies:

The risk governance model in the Institution is characterized by the direct involvement of its corporate bodies, both in the establishment of the risk strategy and in the continuous monitoring and supervision of its implementation.

The Board of Directors of the Institution approves, at the proposal of the Risk Committee: (i) the objectives, guidelines and policies of Comprehensive Risk Management, as well as any possible modifications, (ii) the global risk exposure limits and, where applicable, the Specific Risk Exposure Limits, considering the Consolidated Risk, broken down by business unit or risk factor, as well as, where applicable, the Risk Levels. Risk Tolerance, (iii) special cases or circumstances in which both the Global Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded, (iv) the Capital Adequacy Assessment including the capital estimate and, where applicable, the capitalization plan, and (v) the Contingency Plan and its modifications.

The Risk Committee, Delegate of the Board of the Institution, approves: (i) the Specific Risk Exposure Limits and the Risk Tolerance Levels, as well as the indicators on liquidity risk, (ii) the methodologies and procedures to identify, measure, monitor, limit, control, report and reveal the different types of risk to which the Institution is exposed, as well as their eventual modifications, (iii) the models, parameters, scenarios, assumptions, including those related to stress tests, which are used to carry out the Capital Adequacy Assessment and which must be used to carry out the valuation, measurement and control of the risks proposed by the Comprehensive Risk Management Unit, which must be in accordance with the Institution's technology, (iv) the methodologies for the identification, valuation, measurement and control of the risks of the new operations, products and services that the Institution intends to offer to the market, (v) the correction plans proposed by the General Director, (vi) the evaluation of the aspects of Comprehensive Risk

Management, and (vii) the level of effectiveness that the validation mechanisms of the security elements of the identifications presented by potential clients must have, as well as the technology to carry out the biometric recognitions contemplated in the legislation.

Likewise, it approves other activities in accordance with the applicable regulations and those that are delegated to it by the Board of Directors of the Institution.

-Policies and Procedures:

There are risk manuals that outline the strategy, organization, operational framework, technological framework, methodological framework and regulatory processes according to the needs of each procedure or policy of the Comprehensive Risk Administration of the Institution.

A training program is carried out on risks and regulatory disclosure, including the responsibility of third parties defined and delimited.

-Tactical decision making:

The Institution's management model guarantees the independence of the Comprehensive Risk Management Unit. Establishes monitoring processes through reports and alerts to timely detect deteriorations and deviations from business objectives and the limit structure defined by type of risk.

Regarding risk appetite, the different risk units participate in the preparation of the Risk Appetite that the Institution is willing to assume to achieve its business objectives and which must be submitted in general terms and particular exposures and sub-limits by the Risk Committee to the Board of Directors, if applicable, for approval.

Appropriate authorization processes are carried out for new products and/or services that imply risk for the Institution, which include the ratification of the new product and/or service by the Risk Committee.

-Tools and analytics:

Continuous measurement of credit, market and liquidity risks under consistent methodologies and parameters. Budgets are prepared for these metrics, which serve as the direction of risk management.

The reports analyze and monitor the risks incurred by the different business units of the Institution. This monitoring considers Risk Metrics, Risk Appetite, Main Concentrations, Compliance with Normative Limits, Credit Stress Analysis, Normative Capital Requirement Calculation, Structural Risks, Market Risks, Liquidity Risk, Operational Risk and Legal Risk.

The methodologies and parameters used to measure risks are periodically calibrated and presented for approval to the authorized bodies.

The establishment of periodic sensitivity analysis processes, tests under extreme conditions, as well as review and calibration of models is carried out.

Likewise, methodologies are established for the monitoring and control of operational and legal risks in accordance with international standards.

-Information:

Information, as an essential pillar in risk management, is used to carry out early management, through the definition and establishment of early warning indicators and metrics that make it possible to foresee movements – positive and negative – in the risk profile (clients, portfolios, products, asset classes), avoid deterioration and point out deviations and potential threats, in all risks, for all the defined axes, in all their phases (current, deteriorated and in recovery), at all organizational levels of the risk function (units). risk in the business areas, corporate area and specialist areas) and to the corporate bodies, ensuring compliance and coherence with the regulatory requirements in this matter.

It is ensured that the data used in the preparation of the reports comes from sources unified by type of risk, reconciled, is traceable, automated to a greater extent (or if manual, has controls), with a single definition, guaranteeing the frequency, distribution and confidentiality of the “reporting”, among other aspects.

-Technological Platform:

The source and calculation systems for risk measurements are periodically reviewed and a continuous improvement process is carried out in order to guarantee the quality and sufficiency of data and aiming, to the extent possible, to automate processes.

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-Audit:

Annually, Internal Audit, in compliance with the obligations indicated in the Single Bank Circular (CUB), carries out a Comprehensive Risk Management Audit, in accordance with the legal provisions applicable to the matter, for subsequent sending to the Commission. The recommendations in each of the audits carried out are periodically followed up by the Audit Committee delegated by the Board of Directors.

In the same way, audits of compliance with the Banking Law, the CUB and other legal provisions applicable to the Institution are carried out by independent experts, through which it has been concluded that the models, systems, methodologies, assumptions, parameters and risk measurement procedures comply with their functionality in response to the characteristics of the operations, instruments, portfolios and risk exposures of the Institution.

The Institution considers that, to date, it fully complies with the provisions regarding Risk Management. Likewise, it continues in projects to improve measurements and limitations, process automation and methodological refinements.

Methodological framework:

The consolidated statement of financial position of the Institution is displayed for risk purposes, as follows:

a) Market Risk:

Operations and investments portfolios. - Negotiable financial instruments, repos and operations with derivative financial instruments for trading purposes.

Structural Balance. - Financial instruments to collect and sell, financial instruments to collect principal and interest and derivative financial instruments for hedging purposes to manage the structural risk of interest rates and exchange rates, as well as other banking positions on the balance sheet such as loans, deposits, issues, among others.

Counterparty Risk.- Quantifies the possible loss that would arise from the “default” of a counterparty, given a level of confidence, from the current moment until the expiration of all operations with that counterparty. The measurement of counterparty risk includes the identification of products subject to counterparty risk (derivatives, financing with security guarantee and interbank deposits).

b) Credit Risk

Internal Models and Methodologies, 4 approved portfolios:

Revolving Consumer. - Credit card

Mortgage. - Mortgage loans.

Companies and Large Companies or Corporate. - Individuals with Business Activity are included and clients of Investment Projects and Mortgage Developers are excluded, while a closed group called Large Developers G9, are qualified by business or corporate tools according to their characteristics and resources. These portfolios of Companies and Large Companies or Corporates consider the following annual sales volumes:

Sales volume	Segment
Segment 1: Greater than 60 million and less than or equal to 130 million pesos and belongs to a group. Greater than 130 and less than or equal to 250 million pesos.	Companies
Segment 2: Greater than 250 million pesos and less than 50 million dollars. Greater than 50 million dollars	Large Companies (Corporate)

c) Liquidity Risk:

Banking business. - with on- and off-balance sheet positions, including credits, traditional deposits, investments in financial instruments, derivatives, wholesale financing, etc.

Likewise, if the contractual obligation exists, the monitoring and control of the liquidity risk of the banking business includes the liquidity that its subsidiaries, entities belonging to the same financial group or relevant related persons may require, and the liquidity that the banking business itself may require from any of the aforementioned entities or related persons.

d) Concentration Risk:

This type of risk applies to Negotiable Financial Instruments (NFI), Financial Instruments to Buy and Sell (IFCV) and Financial Instruments to Collect Principal and Interest (FICPI) when a significant part of an entity's operations are carried out with one or more counterparties, which are similarly affected by economic changes and other conditions.

e) Interest Rate Risk:

Investments in financial instruments.- This risk applies to Financial Instruments to Buy and Sell (IFCV) and Financial Instruments to Collect Principal and Interest (FICPI) and implies that the fair value or future cash flows of a financial instrument fluctuate due to changes in the market interest rate.

f) Currency Risk:

Investments in financial instruments.- This type of risk applies to Negotiable Financial Instruments (NFI), Financial Instruments to Buy and Sell (IFCV) and Financial Instruments to Collect Principal and Interest (FICPI) and occurs when the value or future cash flows of a financial instrument can be modified by fluctuations in the exchange rate as they are denominated in foreign currency.

Credit risk

Methodological information

The measurement of credit risks is associated with the volatility of expected income and there are two basic measures: Expected Loss (EL) and Unexpected Loss (UL).

The PE of a portfolio represents the average of the credit balance that was not paid, plus the net of the costs incurred for its recovery and is considered as an inevitable loss of the credit granting business over time. The calculation of the global PE of each portfolio requires that the PE for each borrower be determined first, therefore, the model initially focuses on an individual area.

Expected Loss Stage 1 and 3 (Standard Model Portfolios) = Probability of Default x Severity of Loss x Exposure. Expected Loss Stage 2 credits with periodic payment and revolving credit (Standard Model Portfolios) = (Probability of Default x Severity of Loss x Exposure / 1+ Annual interest rate charged to the client)x[1-(1-Probability of default)^n/Probability of default] - Probability of Default x Severity of Loss customer)x1+Annual interest rate charged to the customer x[1-(1-Probability of default)^Remaining term/PD]+Probability of Default x Severity of Loss x Theoretical annual amortizable payment/annual interest rate x annual interest rate charged to the customer+pdx[1-(1-probability of default/1+ interest rate charged)^remaining term]Expected Loss Stage 2 credits with a single amortization = Probability of Default x Severity of Loss x Theoretical annual amortizable payment/annual interest rate charged to

client+severity of lossx[1-(1-probability of default/1+ interest rate charged)^remaining term]Expected Loss Stage 1 (NIFC 16 Model Portfolios) =(Probability of Default (Marginal) x Marginal Loss Severity x Exposure (Marginal) / ((1 + annual interest rate /100))^(6/12)Expected Loss Stage 2 (NIFC 16 Model Portfolios) =(Probability of Default (Marginal) x Severity of Marginal Loss x Exposure (Marginal) / ((1 + annual interest rate /100))^(12*(t-1)+6 / 12)Expected Loss Stage 3 (NIFC 16 Portfolios) = Probability of Default x Severity of Loss x Exhibition.

Portfolio *	Expected loss percentage
Commercial	0.47%
Consumer	4.88%
Mortgage	0.26%

Portfolio *	PD	Severity
Commercial	1.27%	39.93%
Consumer	9.91%	84.12%
Mortgage	1.50%	13.87%

* The parameters are weighted on the current portfolio of each of the portfolios and are calculated under the Institution's internal models, for the portfolios for which these models have been approved (Credit card, Companies, Large Companies and Mortgages) and under the standard method for the rest.

Probability of non-compliance, implies the possibility that a client will fail to comply with its obligations. The elements that allow this factor to be determined are risk rating per client, migration of credit quality and situation of the overdue portfolio.

Severity of the loss is the net economic loss from the recovery of financing. The elements that allow this factor to be determined are recovery expenses (foreclosed and sale) and type of guarantee.

Exposure refers to the maximum balance amount at the time of default. The elements that determine this factor are line size, line utilization and type of product.

Once the level of expected loss is determined, its volatility determines the amount of economic capital necessary to cover the identified risks. Given that credit losses can vary significantly over time, it can be inferred that creating a fund with an amount equal to the average loss will cover credit risk in the long term; However, in the short term the fluctuations and, therefore, the risk persists, generating uncertainty, which is why it must also be covered with a second fund that serves as a guarantee to cover when these exceed the average losses.

From this point of view, average losses can be supported with the creation of a preventive reserve that must be assimilated as a cost of the credit business, while the second fund to face unexpected losses must be ensured by setting aside a certain amount of capital that may or may not be used, but that ensures the solvency of the Institution against losses above the average. This assigned capital depends, then, on how volatile credit losses are over time and is called Economic Capital, to give it a connotation of risk.

In the calculation of the economic capital, required to support the PE, the level of solvency desired by the Institution must be established, in such a way that the amount assigned covers a certain number of times the volatility of the losses, ensuring a certain credit quality for the Institution at a certain level of probability. This probability of solvency is determined using the risk rating with which you wish to operate, so the economic capital will have to be equal to the amount necessary for this probability to be met. Likewise, at all transaction and portfolio levels, origination models (Scorings or Ratings) have been defined for use and, in the case of behavioral models, they are for the most important portfolio, which are credit card, Mortgages and Non-Revolving Consumer. These models, in addition to supporting the credit decision, are linked to the indicated probability of default.

For more information on credit risk and details of article 88 of the CUB, please consult the website (BBVA.mx) where a file with the entire requirement is published (within the investor information section).

Capital requirement by Standard Method

The calculation of the capital requirement by standard method is carried out in the Finance area. To do this, the methodology described in the Second Section of Chapter III of the First Bis Title of the General Provisions Applicable to Credit Institutions is applied. Under the standard method, operations are classified into twelve different groups according to the counterparty, and must be weighted according to the degree of risk that corresponds to each group; In the case of risk groups II, III and VI, the external ratings of S&P, MOODY'S, FITCH, HR RATINGS, A.M. Best and DBRS provided by the Market Risk area. The rating selection algorithm is carried out in accordance with what is described in Section E and Schedule 1-B of said Provisions.

External ratings issued by S&P, MOODY'S, FITCH, HR RATINGS, A.M. Best and DBRS are applied for operations subject to credit risk such as loans, derivatives, spots and fixed income in accordance with the provisions of Section D "External credit ratings" of said Provisions.

No public issue ratings are assigned to comparable assets.

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Scope and nature of risk information and measurement systems and their reporting

The information systems reside in a system developed internally for the Institution, which runs in an IBM Mainframe environment (Host), within the unified banking management platform ALTAMIRA, DB2 databases and is developed in COBOL language.

The Institution ensures that the data used in the preparation of the reports comes from sources unified by type of risk, reconciled, is traceable, automated to a greater extent (or if manual, with controls), with a single definition guaranteeing the frequency, distribution and confidentiality of the reporting among other aspects.

Models based on internal ratings for capital calculation

The Institution applies internal methodologies to homogeneous portfolios, that is, it does not partially adopt internal methods within the portfolios.

The Commission authorized for the first time the use of advanced internal models on June 22, 2009 for the Credit Card portfolio, on April 21, 2014 in the case of Companies and Large Companies, and on November 16, 2018 for the Mortgage Portfolio.

The most recent authorizations to update parameters so that they apply in the capital requirement calculations were given on December 17, 2024 for Credit Cards, on June 26, 2024 for Companies, on August 8, 2024 for Large Companies and on December 13, 2023 for the Mortgage Portfolio.

The description of each of these portfolios corresponds to what is defined in note 3, section (m).

Scores and Ratings

The Scoring module provides analysis and valuation tools that allow obtaining an order for risk classification through a rating with a focus on both the product level and the client level for retail portfolios, based on data and homogeneous criteria for the Institution.

The Ratings allow obtaining an order for the classification of risk through a rating for the wholesale portfolio.

Exposure to Default

Exposure to Default (EAD) is defined as the calculation of the drawn balance in the analysis period, plus the available balance and granted line affected by credit conversion factors (CCF1 and CCF2), respectively, CCF1 and CCF2 are calibrated based on historical information.

$$EAD = Used\ Balance + CCF1 * Unused\ Balance + CCF2 * Limitis$$

Probability of Default

In the calibrations of the Probabilities of Default, a definition of default corresponding to 90 days is used, which agrees with the Basel II definition of default.

Therefore, for the Institution, an operation/client will be considered "bad" or in default when any of the following options are met:

— 90 days have passed since the day of the first non-payment.
— The amount must pass a materiality filter for the operation/client to be considered delinquent.

The concept of materiality filter constitutes the only difference to the definition of non-compliance established in Article 2 Bis 68 of the CUB.

Loss Given Default

The method used to estimate the severity or LGD is the so-called Workout LGD, based on the discounting of cash flows from defaulted exposures recovered at different moments in time derived from the portfolio recovery process. A recovery cycle is defined as the process in which a contract goes into default and ends when it comes out of default. As soon as a contract goes into default, a recovery process called the recovery cycle begins in which those movements that increase the debt and those that reduce it are counted. That part that could not be recovered is known as loss and if it is expressed as a percentage of the Exposure to Default it is known as Severity of Loss.

Throughout this recovery process, the amounts of entries in capital accounts, recoveries in memorandum accounts and capital accounts, as well as the amount of exposure at the time of default, are identified. Then, the severity is calculated as the difference between the accumulated inflows minus discounted recoveries (taken to present value) at the opening date of the cycle, on the exposure to non-compliance.

$$Loss\ Given\ Default = LGD = (\Sigma\ entries\ in\ default - \Sigma\ recoveries) / EAD$$

Coverage and/or mitigation policies for each type of risk

The constitution of real and personal guarantees, in addition to improving the credit structure of the operation, allows mitigating the estimate of the Expected Loss in order to reduce the credit reserves derived from the regulatory portfolio rating.

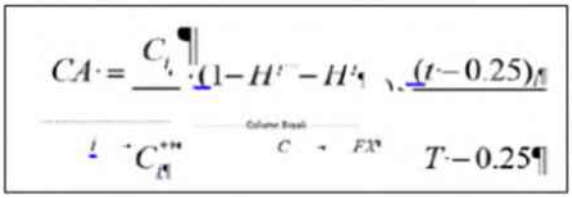
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The Institution carries out revaluations of credits depending on the type of guarantee using statistical methods or verifying its existence and physical condition. The value of movable and real estate collateral is periodically updated during the life of the loan, except for those that require continuous valuation (shares listed on the stock market) or for discontinuous periods (investment projects).

The Institution has a robust system for the management of financial collateral and a calculation engine. These have been certified before the Commission, in accordance with the comprehensive method to recognize credit risk coverage established in Articles 2 Bis 31, 2 Bis 36, 2 Bis 37 and 2 Bis 48 of the CUB.

The comprehensive approach used to recognize coverage is governed by the following points:

Adjusted collateral amount: The adjusted amount of collateral reduces its market value to take into account the loss in value that it may suffer due to the effects of the fluctuation of its market price and the fluctuation of exchange rates.



Covered and uncovered exposure: The calculation of uncovered exposure (E*) is a cyclical process in which each iteration is incorporated into a new collateral (CA_i) according to the prioritization determined, until there is no eligible collateral to be included in the process.

Internal rating process: The Institution for the internal model of Companies and Large Companies, considers in accordance with the Rules for the Capitalization Requirements of the Multiple Banking Institutions and the National Credit Societies and Development Banking Institutions of Commission V, Groups III and IV and some cases of group V. Within group IV, clients with Investment Projects are excluded, as well as Medium and Small Mortgage Developers and SMEs according to their Sales level (customers with operations less than $60).

Group III are considered the Great Promoters.

— Profitability Measurement

In addition to calculating capital requirements for credit risk, the Institution uses internal estimates to measure the profitability of the operations to be accepted and the stock. In the case of loans granted to Companies, Large Companies, IFIs, States and Sovereigns, Profitability and Added Economic Benefit indicators are calculated during the client evaluation process.

To measure the profitability of loan portfolios, two methodologies are followed, one that is based on the measurement of profitability with respect to regulatory capital calculated from risk-weighted assets (RoRC) and the second measures profitability with respect to economic capital (RAROEC).

The Risk area identifies, measures and establishes control mechanisms for the rating systems through periodic monitoring. The Internal Validation area, which is independent of the Credit Risk units, evaluates the rating systems, in accordance with the provisions of section V of Schedule 15.

Internal methodologies under FRS C-16 for calculating Reserves

Through official letter number 121-1/14591541/2023, dated January 10, 2022, the Commission authorized the implementation plan of the Internal Reserve Methodologies based on FRS C-16, to determine the preventive reserves for credit risks by credit risk level of the relevant BBVA modelable portfolios as of January 2022: in particular the Credit Card portfolios, Mortgage, Companies and Large Companies. The foregoing, in accordance with the provisions of article 139 Bis 3, section I of the Provisions. This methodology was estimated with data cut-off as of September 2019.

It is planned to continue with the implementation of modelable portfolios.

The calculation of the Expected Credit Loss requires a temporary structure during the validity of the operation and is based on the following components, in accordance with the minimum requirements for the own estimates of the risk parameters established in Schedule 15 Bis of the Provisions:

- Probability of Default (PI or PD): An estimate of the probability of default for a given time horizon.
- Loss Given Default Severity (SP or LGD): An estimate of loss given default, based on the difference between contractual cash flows and those the lender would expect to receive, including those from any collateral.

- Exposure at Default (EI or EAD): An estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments and expected drawdowns of committed credit facilities (CCFs).
- Term to maturity
- Discount interest rates: Discounting an expected loss to the current value on the reporting date using the annual interest rate of the transaction, which must be determined in accordance with the original terms and conditions of the contract.
- Prepayment rate: For some portfolios, the prepayment amount is considered in the future contractual cash flows of the loans.
- Prospective scenarios: The design of prospective scenarios is considered, which complement the historical experience, by incorporating scenarios that allow the institution to identify potential future situations prospectively and consider market perspectives, the economic and financial environment of the market where the institution operates. BBVA Research is the area within BBVA specialized in the creation of internal prospective scenarios for various processes of the Institution, including those used in provision estimates under FRS C-16 and which are updated at least annually. The description of these prospective scenarios can be consulted within the Mexico Situation reports, which are published on the BBVA website at -> Corporate Information -> Economic Studies -> Publications.

The procedures to estimate the probability of default, the severity of the loss and the exposure to default, to appropriately assign and modify the level of credit risk of the exposures are consistent and in accordance with the criteria, to recognize the level of credit risk of a debtor, in stages 1, 2 or 3, including prospective scenarios.

Expected credit losses will be assessed for one of two time horizons, depending on whether the borrower's credit risk has increased significantly since origination. If it has increased (stage 2), the expected credit losses over the entire life of the asset will be calculated. Otherwise, provisions will be based on 12-month expected credit losses. Expected credit losses on impaired assets (stage 3) will be expected credit losses over the entire life of the asset.

Description of portfolios with internal methodologies

Below is a description of the Wholesale Portfolio qualified under internal methodologies.

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Closing of Companies and Large Companies December 2024

Degree of real risk	Available	Balance	Exposure to breach	Weighted average severity	Risk weighting	Non-financial collateral exposure	Financial guarantee exhibition
A1	$ 118,642	$ 643,994	$ 689,211	39.60%	0.38%	$ 345,477	$ 7,209
A2	22	4,809	4,815	52.14%	3.15%	4,063	36
B1	26	1,082	1,097	44.46%	4.99%	1,304	38
B2	11	838	841	55.59%	6.58%	293	17
B3	64	4,783	4,829	44.28%	8.38%	8,106	14
C1	51	1,785	1,813	36.55%	12.30%	1,188	-
C2	1	335	335	40.00%	1.38%	-	-
D	-	3,416	3,416	60.78%	67.28%	13,429	-
E	-	3,905	3,904	80.77%	99.98%	4,077	11
Total	**$ 118,817**	**$ 664,947**	**$ 710,261**	**40.06%**	**1.37%**	**$ 377,937**	**$ 7,325**

* Weighted average percentage

Below is a description of the credit card and mortgage portfolio qualified under internal models:

Credit card closure December 2024

Degree of real risk	Available	Balance	Non-compliance exposure	Weighted average severity	Risk weighting
A1	$ 365,452	$ 112,455	$ 217,421	80.05%	1.78%
A2	11,817	22,310	27,918	80.78%	7.85%
B1	3,885	15,756	17,969	81.12%	10.12%
B2	1,942	9,172	10,299	81.38%	12.37%
B3	1,575	7,919	8,864	81.29%	15.40%
C1	1,894	12,500	13,704	81.46%	20.41%
C2	1,328	13,726	14,668	81.61%	34.53%
D	1	5,657	5,658	80.69%	89.89%
E	63	5,975	5,997	89.38%	99.98%
Total	**$ 387,957**	**$ 205,470**	**$ 322,498**		

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Mortgage Closing December 2024

Degree of real risk	Balance	Exposure to breach	Weighted average severity	Risk weighting	Current exhibition	Exhibition expired
A1	$ 337,687	$ 337,687	13.74%	0.50%	337,687	$ -
A2	5,899	5,899	17.23%	3.84%	5,899	-
B1	1,592	1,592	16.38%	6.31%	1,591	-
B2	1,257	1,257	12.85%	10.44%	1,257	-
B3	1,859	1,859	13.78%	12.45%	1,858	-
C1	8,115	8,115	15.14%	15.33%	8,115	-
C2	3,971	3,971	15.94%	40.40%	3,839	132
D	2,022	2,022	22.10%	81.19%	698	1,324
E	6,509	6,509	63.05%	100.00%	-	6,509
Total	**$ 368,911**	**$ 368,911**			**$ 360,944**	**$ 7,965**

* The current exhibition includes stage 1 and stage 2
* Weighted average percentage

— · Analysis of estimated losses under internal methodologies FRS C-16

Backtest exercise
September 2023 Millions of pesos

Portfolio	Prov/1 sep'23	OL 12 months/2 oct23-sep24	DIFF $ (OL-ALLO)	%Use of Allo 12 months/3 sep'23
Cards	$ 14,732	$ 12,831	$ (1,901)	87%
EyGE	4,917	1,680	(3,237)	34%
Mortgages	3,421	1,297	(2,124)	38%
Total	**$ 23,070**	**$ 15,808**	**$ (7,262)**	**69%**

/1 gp = Observed loss
/2 PROV = Provisions
/3% Uso de Prov = PO / Prov

The use of the global expected loss of internal reserve methodologies based on FRS C-16 is 69% ACCEPTABLE.

— Scoring

The Scoring module provides analysis and valuation tools that allow setting a credit rating with a product approach for retail portfolios, based on data and criteria homogeneous for the Institution. There are two types of Scoring:

— The Origination Scoring, which is obtained at the time of contracting, based on information specific to the operation and information requested from the client, generates a score for each operation.

— Behavioral Scoring is obtained monthly, based on payment behavior with the Institution. This model, which is used in assigning scores to each of the operations, is easy to understand, stable and allows the expert to use it in decision making.

The Ratings allow setting a credit rating for the wholesale portfolio.

These scores and ratings are used both in the estimation of reserves with Internal Methodologies based on FRS C-16 and in models based on internal capital ratings.

Use of internal estimates

One of the uses of internal estimates is to calculate Reserves. Internal Models allow for comprehensive credit risk management.

The Risk area identifies, measures and establishes control mechanisms for the rating systems through periodic monitoring. The Internal Validation area, which is independent of the Credit Risk units, evaluates the rating systems, in accordance with the provisions of section XII of Schedule 15 Bis.

Interest Rate Risk

Structural Balance

Regarding the risk of the Structural Balance of interest rates and exchange rates, sensitivities of Economic Value and Financial Margin are calculated to parallel movements in the curves of +/-100 bp and in aggregate for Pesos and UDIs with respect to the Dollar, based on the effects of correlation and volatility between currencies, according to the methodology authorized by the Risk Committee. An alert scheme has been established for the above metrics, which is monitored monthly by the Risk Committee and presented quarterly to the Board of Directors; If the alert limits are exceeded, mitigation measures are established.

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The structural risk measurement system is QRM (Quantitative Risk Management), which in turn incorporates the characterization of the Structural Balance items according to the financial characteristics of each item. The methodology behind the Economic Value metrics consists of estimating the fair value of the Structural Balance positions, by calculating the present value of their net future flows (expected flows of their assets minus the expected flows of their liabilities) discounted at market interest rates. For its part, the methodology behind the Financial Margin metrics is based on the projection of interest income and expenses from the Structural Balance, month by month over a 12-month horizon, considering the business growth forecasts. Specifically, the main assumptions behind the characterization of the Structural Balance items are the following:

— Prepayment rates: Early amortization of certain items of the Structural Balance such as mortgage, consumer and SME loans is assumed.

— Evolution of products that do not have a maturity date: For demand deposits and cards, “core” or stable balances and volatile balances are calibrated and, subsequently, their evolution over time is forecast.

The assumptions behind the characterization of the Structural Balance items are modeled based on historical observations, both of the Structural Balance items themselves and the evolution of risk factors. With a minimum annual frequency, a review and validation of the adequacy of the models and systems that integrate the risk metrics of the Structural Balance is carried out.

To monitor the risk of the Structural Balance of interest rates and exchange rates, the Assets and Liabilities Committee is the executive body in charge of managing it. This committee is not a delegated body of the Board of Directors. Adopts investment and coverage strategies within the risk policies and limits approved by the Board of Directors and Risk Committee delegated by the Board.

As of December 31, 2024, the sensitivity of Economic Value and Sensitivity of Financial Margin +/- 100 bp and aggregated are presented below:

Note: Figures from the Structural Balance without the portfolio of Commitments to employees

Sensitivity Estimated Economic Value (SVE)

Portfolio	(100) basis points	+100 base points	Added	Red flag
National Currency	$ 13,215	$ (13,143)	$ (17,695)	
Foreign currency	(6,254)	5,615	(7,928)	
Total	**$ 6,961**	**$ (7,528)**		
Total Aggregate			**$ (16,123)**	**69%**

Projected 12-month Financial Margin Sensitivity (SMF)

Portfolio	(100) basis points	+100 base points	Added	Red flag

National Currency	$ (3,989)	$ 3,992	$ (5,558)	
Foreign currency	(2,385)	2,345	(2,992)	
Total	**$ (6,374)**	**$ 6,337**		
Total Aggregate			**$ (7,422)**	**61%**

In terms of Alerta consumption in the quarter, they show the following exposure:

Portfolio	Uso Alerta EVERYTHING	Use SMF Alert
Total	74.00%	58.00%

In terms of annual Alert consumption, they show the following exposure:

Portfolio	Use Alert EVERYTHING	Use SMF Alert
Total	80.80%	54.40%

Market, Liquidity and Operational Risks

Market Risk

Regarding the process for measuring market risks and in relation to operating and investment portfolios, the daily measurement of market risk is carried out using statistical techniques of Value at Risk (VaR) as the central measure. By way of illustration, VaR consists of:

1) Define the degree of sensitivity in the valuation of positions to changes in prices, rates, types or indices.
2) Reasonably estimate the expected change for a specific time horizon with certain prices, rates, types or indices, considering the degree to which they can move together.
3) Reevaluate the portfolio in the face of such joint expected changes and thereby determine the maximum potential loss in terms of value.

In summary, the VaR has been set under the vision that no more than the calculated amount will be lost in one trading day 99% of the time.

Market, Structural and Non-Banking Risks (RMEyNB) has the responsibility of establishing and monitoring the guidelines, methodologies and limits of market risk, counterparty risk, structural risk and liquidity risk of the Institution, establishing the risk measurement parameters, and providing reports, analysis and evaluations to Senior Management, the Risk Committee and the Board of Directors.

The measurement of market risk quantifies the potential change in the value of positions assumed as a result of changes in market risk factors. When significant risks are identified, they are measured and limits are assigned in order to ensure adequate control. The overall risk measurement is done through a combination of the methodology applied to the Trading Portfolios and the Structural Balance. Currently, the official methodology used to calculate VaR is Historical Simulation without smoothing.

Trading Portfolios

In the particular case of the Institution, the VaR is calculated by Historical Simulation and under the view that no more than said VaR will be lost in the horizon of one day in 99% of the times. Two methodologies are used with and without "Exponential Smoothing", one that heavily weights the latest market data and another that gives the same weight to information from an entire year of trends.

	3Q 2024	4Q 2024
Value at risk of negotiable financial instruments:		
VaR 1 day	$ 235	$ 254
VaR 10 days	741	804
Total	**$ 976**	**$ 1,058**

	VaR 1 day	VaR 10 days
Value at risk of negotiable financial instruments:		
Fixed income	$ 245	$ 774
Variable income	4	14
Changes	26	86
Vega	17	56

Likewise, daily simulations of the losses or gains of the portfolios are carried out by reassessing them under catastrophic scenarios (stress tests). These estimates are generated by applying to the risk factors, percentage changes observed in a certain period of history, which encompasses significant market turbulence. Backtesting tests are carried out on a monthly basis to compare the daily profits and losses that would have been observed if the same positions had been maintained, considering only the change in value due to market movements against the value at risk calculation and consequently being able to calibrate the models used.

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Liquidity Risk

Quantitative Information

(a) Concentration limits regarding the different groups of guarantees received and the main sources of financing.

In addition to the regulatory liquidity ratios and the Institution's liquidity risk control scheme, they are based on the establishment of limits on three fundamental axes: a) self-financing through the LtSCD ratio (Loan to Stable Customer Deposits) that measures the maximum relationship of the financing of net credit investment with stable customer resources; b) diversification of the financing structure through a maximum amount of Short-Term Financing (FCP); and c) capacity to absorb liquidity shocks through the 30-day Basic Capacity (CB30d – ratio of available liquidity buffer and expected net liquidity outflows within the corresponding expiring term). There are also alerts to prevent the limits from being violated, including monitoring other deadlines to expire. Likewise, there are metrics to identify possible threats in advance to allow the adoption, where appropriate, of the necessary preventive management actions, including indicators of financing concentration, liquidity in foreign currencies, diversification of long-term financing, intraday liquidity, among others. These metrics are listed below.

Quarterly

LtSCD	10%	
FCP 12m	157,496	Mill. MXP
CB 30d	26%	

Annual

LtSCD	12%	
FCP 12m	201,005	Mill. MXP
CB 30d	37%	

(b) Exposure to liquidity risk and financing needs at the Institution level, taking into account the legal, regulatory and operational limitations on the transferability of liquidity.

The exposure to the liquidity risk of the Institution and its financing needs are based on the principle of decentralized and independent management of liquidity (including Banco Bilbao Vizcaya Argentaria, S.A. in Spain or any other entity thereof), in order to avoid dependencies or subsidies and possible contagions due to crises. At all times, the legal, regulatory and operational limitations on the transferability of liquidity of the applicable regulations are taken into account in establishing the liquidity risk policies of the Institution, including the liability admission and investment regimes for passive operations in Foreign Currency of the Central Bank, operating rules of payment systems, risk diversification in the performance of passive operations specified by the CUB, among others.

In the case of the investment regime for passive operations in Foreign Currency, in addition to the regulatory limit of Missing, there is a preventive warning that is stricter than the regulatory limit for the investment regime for passive operations in Foreign Currency of the Central Bank.

(c) The flows from the statement of financial position as of December 31, 2024 are detailed below by maturity dates and liquidity gaps.

Millions of pesos	In sight	30 days	6 months	1 year	Older 1 year	No expiration	Total
Cash and cash equivalents	$ 268,674	$ -	$ -	$ -	$ -	$ -	$ 268,674
Loan portfolio	-	190,084	330,054	160,315	1,263,298	-	1,943,751
Investments in instruments financial	-	-	84,934	44,672	528,289	-	657,895
Total Assets	**$ 268,674**	**$ 190,084**	**$ 414,988**	**$ 204,987**	**$ 1,791,587**	**$ -**	**$ 2,870,320**
Deposits	$ -	$ 212,673	$ 52,698	$ 1,748	$ 29	$ 1,547,893	$ 1,815,041
Financial instruments that qualify as passive	-	8,410	18,909	22,937	184,567	-	234,823
Creditors on repurchase/resale agreements	-	339,116	1,842	-	-	-	340,958
Net rest of balance	-	-	-	-	-	479,499	479,499
Total liabilities	**$ -**	**$ 560,199**	**$ 73,449**	**$ 24,685**	**$ 184,596**	**$ 2,027,392**	**$ 2,870,321**
Out of balance	$ -	$ 1,949	$ (7,057)	$ (8,439)	$ (24,980)	$ -	$ (38,527)
Liquidity gaps	268,674	(368,166)	334,482	171,863	1,582,011	(2,027,392)	(38,528)
Accumulated gaps	268,674	(99,492)	234,991	406,854	1,988,866	(38,526)	-

* The figures in the previous table only consider the Institution on an individual, non-consolidated basis.

Implicit derivatives

Under the Structured Bank Bond issuance programs, the Institution has registered currency options, indices and interest rates, equivalent to a nominal value of $10,001; Likewise, the Institution has registered interest rate and currency swaps with a nominal value of $7,993.

Qualitative Information

(a) The way in which liquidity risk is managed in the Institution, considering for this purpose the tolerance to said risk; the structure and responsibilities for liquidity risk management; internal liquidity reports; the liquidity risk strategy and the policies and practices across the business lines and with the Board of Directors.

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The management of liquidity risk in the Institution is governed by the following principles: decentralized and independent management of liquidity; self-financing of the credit activity of banks; liquidity planning in the activity growth planning process; clear segregation of duties to perform proactive liquidity risk management, including intraday liquidity and collateral management; establishment of a transfer pricing system and rules for the internal use of liquidity; and coherence with regulatory requirements.

The structure and responsibilities for liquidity risk management are clearly segregated by functions and areas:

— Setting general policies, fundamental metrics and limits. The liquidity risk policies are approved by its Board of Directors, following a favorable opinion from the Risk Committee; These bodies also approve the Institution's liquidity risk limit scheme.

— Identification, measurement and control of risks. The Risk area identifies, measures and establishes mechanisms to control the liquidity risk to which the Institution is subject through the establishment, monitoring and reporting of a limit scheme.

— Management of investment and fundraising activity. It is carried out in the business areas, taking into account risk policies.

— Liquidity and financing management. It is carried out by the Finance area, through the Financial Management area.

— Generation of tracking information. The Institution's Systems and Finance areas provide the relevant information for liquidity risk. In turn, the Risk area promotes continuous improvement in the quality of information for a correct decision-making process.

The status of the limits and alerts is reported through internal reports on a daily basis to Senior Management, the Internal Audit area and liquidity management areas, even more frequently in crisis situations.

The strategies are outlined within the risk limits approved by the Board of Directors and Risk Committee delegated by the Board and are agreed upon by the Assets and Liabilities Committee, always within the approved liquidity risk tolerance. Likewise, the evolution of liquidity risk and limit triggers in these bodies is monitored.

(b) Financing strategy, including diversification policies, and whether the financing strategy is centralized or decentralized.

Annually, the Institution prepares a growth plan for its activity, considering business growth projections, the maturity profile of assets and liabilities, risk appetite and projected market conditions.

From this, the financing plan is prepared in the wholesale markets, seeking to maintain diversification in financing and guaranteeing that there is no high dependence on Short-Term Financing.

(c) Liquidity risk mitigation techniques used by the Institution.

The Institution's liquidity risk model, based on the principles cited in subsection (a) of this section, takes into account at all times the legal, regulatory and operational limitations on the transferability of liquidity.

Specifically, one of the Institution's strengths lies in the quality of its funding, which is diversified by type of clients, instruments and markets.

On the acquisition side, there is a wide network of both retail and wholesale clients. This fundraising is complemented and strengthened with local and international issues, maintaining constant access to debt markets.

In the event of limit triggers or liquidity risk alerts, specific action and communication procedures are established within the Institution with a clear definition of roles for the different areas and decision-making bodies, distinguishing the level of communication depending on whether a limit or an alert was triggered. Likewise, there is a Liquidity Contingency Plan, which in case of activation has an inventory of action measures classified by their typology based on whether they are related to the Central Bank, the wholesale market or commercial activity.

(d) An explanation of how stress testing is used

Liquidity risk stress tests are carried out in various stress scenarios, evaluating in each one the coverage status of the available liquidity buffer with the liquidity needs of the scenario in question under different time horizons and delimiting the survival horizon under different situations. The results of these tests are an integral part of the Liquidity Contingency Plan, since they are part of its activation scheme.

(e) Description of contingent financing plans

The Liquidity Contingency Plan or Contingency Financing Plan is configured as a fundamental element of liquidity risk management in times of liquidity stress.

It contains clear procedures to facilitate decision-making, rapid adoption of contingent measures and effective communication, specifying the roles and responsibilities in these situations, as well as the authority to activate it. It is defined on the basis of four principles: coordination between the units involved, effective level of information, confidentiality of actions and information, and enforceability. This Plan and its modifications are approved by the Board of Directors of the Institution, at the proposal of the General Director. Its activation would be carried out by the Assets and Liabilities Committee, under a "traffic light approach" for the indicators that make up the Plan, allowing the severity of the situation to be distinguished.

Likewise, the Institution has a Contingency Plan or Recovery Plan that foresees the possible actions to be carried out to restore its financial position in the event of adverse scenarios that could affect solvency and/or liquidity. This plan describes the situation of the Institution, detailing key lines of business, recovery indicators, corporate governance for its preparation, as well as in the event of adverse scenarios and the processes to implement recovery measures. This plan is also approved by the Board of Directors at the proposal of the Risk Committee and prepared by the General Director.

Liquidity Coverage Ratio (LCR) (unaudited) –

The LCR quantifies the Institution's potential capacity to meet its 30-day liquidity needs in the event of a stress scenario, based on the liquid assets it has available.

In accordance with the information disclosure requirements, specified in Schedule 5 of the General Provisions on Liquidity Requirements for Multiple Banking Institutions, below is the Disclosure Format of the Institution's Liquidity Coverage Ratio corresponding to the fourth quarter of 2024.

During 2024, Financiera Ayudamos S.A de C.V. was liquidated. Therefore, there are no entities that consolidate for the purposes of calculating the LCR, in accordance with article 8 of the General Provisions on liquidity requirements for Multiple Banking Institutions.

Liquidity coverage ratio	Average unweighted amount	Average weighted amount
Computable liquid assets		
Total computable liquid assets	Not Applicable	$ 476,313

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Liquidity coverage ratio	Average unweighted amount	Average weighted amount
cash outflows		
Unsecured Retail Financing	$ 936,812	$ 63,804
Stable Financing	597,542	29,877
Less stable financing	339,271	33,927
Unsecured Wholesale Financing	795,433	272,382
Operational Deposits	430,353	99,500
Non-Operational Deposits	350,476	158,279
Unsecured Debt	14,604	14,604
Guaranteed Wholesale Financing	Not Applicable	718
Additional Requirements	896,690	71,226
Outputs related to derivative financial instruments and other collateral requirements	31,408	19,154
Outflows related to financing losses of debt instruments	-	-
Lines of Credit and Liquidity	865,282	52,072
Other Contractual Financing Obligations	104,675	18,168
Other Contingent Financing Obligations	-	-
Total cash outflows	Not Applicable	$ 426,298
Cash inflows		
Cash inflows from guaranteed transactions	$ 78,424	$ 25
Cash inflows from unsecured transactions	149,228	82,399
Other cash inflows	4,860	4,860
Total cash inflows	$ 232,512	$ 87,284
Total computable liquid assets	Not Applicable	$ 476,313
Total net cash outflows	Not Applicable	339,015
Liquidity coverage ratio	Not Applicable	140.36%

(a) The calendar days included in the fourth quarter of 2024 are 92 days.

(b) Main causes of the LCR results and the evolution of its main components:

The quarterly average LCR remains without relevant variation compared to the previous quarter. The increase in liquid assets covers the growth in the requirement for net outflows resulting from the increase in deposits, mainly wholesale.

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Concept	Weighted amount (average) 4T-24	3T-24	Variation Monetary	Percentage
Computable liquid assets	$ 476,313	$ 436,059	$ 40,254	9.2%
Outflows	426,298	391,543	34,755	8.9%
Inflows	87,284	82,165	5,119	6.2%
Net outflows	339,015	309,378	29,637	9.6%
LCR	140.36%	140.83%	-	(0.5%)

(c) Main changes in the components of the LCR within the quarter

Concept	oct-24	nov-24	dic-24
Computable Liquid Assets	$ 440,455	$ 460,149	$ 527,814
Outflows	398,800	421,514	458,427
Inflows	85,656	86,203	89,956
Net outflows	313,144	335,311	368,470
LCR	140.60%	137.37%	143.00%

During the quarter, liquid assets increase each month, however, in November the level of the average LCR decreases due to the greater requirement for outflows from the requirement for issue maturities.

(d) Evolution of the composition of Eligible and Computable Liquid Assets:

Computable Liquid Assets	4T-24	3T-24	Variation
N1 Cash and Banks	$ 252,361	$ 172,569	$ 79,792
N1 Securities	213,076	254,810	(41,734)
N2 A	9,835	7,743	2,092
N2 B	1,041	937	104
Total	**$ 476,313**	**$ 436,059**	**$ 40,254**

The increase in liquid assets this quarter occurs in the level 1 category in Cash and Banks and decreases in N1 Securities.

(e) Concentration of its financing sources

One of the main strengths of the Institution is the quality of its funding, which is diversified by type of clients, instruments and markets. On the acquisition side, there is a wide network of clients, both retailers and wholesalers. This fundraising is complemented and strengthened with local and international issues at different terms that allow maintaining access to debt markets. The following table shows the funding structure of the Institution at the end of December 2024:

**BBVA México, S.A., Institución de Banca Múltiple,
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Financing sources (December 2024)	% funding structure
Customer acquisition	75.49%
Collateralized financing	14.18%
Credit titles	5.63%
Subordinated obligations	3.22%
Money market	0.91%
Interbank	0.57%
Total	100%

(f) Exposures in derivative financial instruments and possible margin calls

The exposure, in accordance with the current derivatives guidelines for the LCR, corresponds to the contingent exit for operations with derivative financial instruments, also known as Look Back Approach (LBA). As of December 31, 2024, it is $16,112 million pesos.

Concept	4T-24
Contingent outlay (Lookback Approach)	$ 16,112

(g) Mismatch of foreign currencies

The liquidity risk associated with operations in foreign currency is covered in accordance with the provisions of the Liquidity Coefficient in foreign currency (ACLME), established by the Central Bank. Likewise, the risk associated with the exchange rate is duly funded and managed within regulatory limits.

(h) Outbound and inbound cash flows that, if applicable, are not captured in this framework, but that the Institution considers relevant to its liquidity profile.

The Institution considers that all flows relevant to the calculation of the LCR are included within the calculation of the metric, so there are no additional flows to consider.

(i) The impact on the Coefficient of the incorporation of the Entities Object of Consolidation, as well as the exits derived from financial support to entities and companies that are part of the same financial group, consortium or business group that, in accordance with the Policies and Criteria, the Board of Directors of the Institution has authorized to grant.

There is no impact due to consolidation on the Liquidity Coverage Ratio Hedge Ratio since there are no financial entities that consolidate in accordance with their nature, as part of the Entities Object of Consolidation, nor entities susceptible to receiving support in accordance with article 8 of the Provisions.

Net Stable Financing Ratio (NSFR) Schedule 10

The CFEN aims to encourage Institutions to maintain a stable financing profile in relation to the composition of their off-balance sheet assets and activities.

In accordance with the information disclosure requirements, specified in Schedule 10 of the General Provisions on Liquidity Requirements for Multiple Banking Institutions (Provisions), below is the Disclosure Format of the Institution's Net Stable Financing Coefficient corresponding to the fourth quarter of 2024, and which corresponds to the average of the punctual closings of the fourth quarter of 2024.

There is no impact due to consolidation on the Net Stable Financing Ratio since there are no financial entities that consolidate in accordance with their nature, as part of the Entities Object of Consolidation, nor entities susceptible to receiving support in accordance with Article 8 of the Provisions.

(a) The main causes of the results of the Net Stable Financing Ratio and the evolution of its main components.

The main changes in the CFEN for the fourth quarter of 2024 correspond to the increase in Current Loans and securities due to the growth of the loan portfolio and, in Available Stable Financing, there is an increase in Retail Deposits and Wholesale Financing in Required Stable Financing explained by the growth in deposits and issuances made in the quarter.

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Schedule Table 10 CFEN

Disclosure format for the Stable Net Financing Ratio

	Individual figures					Consolidated figures				
	Unweighted amount per residual term					Unweighted amount per residual term				
	without expiration	< 6 months	from 6 months to a year	>= 1 year	Weighted amount	s/ expiration	< 6 months	from 6 months to a year	>= 1 year	Weighted amount
Elements of the available stable funding pool:										
Capital	$ 363,142	$ -	$ -	$ -	$ 363,142	$ 363,142	$ -	$ -	$ -	$ 363,142
Fundamental and non-fundamental core capital	363,142	-	-	-	363,142	363,142	-	-	-	363,142
Other equity instruments	-	-	-	-	-	-	-	-	-	-
Retail deposits	-	990,359	1,331	20	924,307	-	990,359	1,331	20	924,307
Stable deposits	-	634,622	680	7	603,545	-	634,622	680	7	603,545
Less stable deposits	-	355,737	651	13	320,762	-	355,737	651	13	320,762
Wholesale financing	-	1,218,806	25,560	106,651	535,677	-	1,218,806	25,560	106,651	535,677
Operational deposits	-	29,235	-	-	14,618	-	29,235	-	-	14,618
Other wholesale financing	-	1,189,570	25,560	106,651	521,059	-	1,189,570	25,560	106,651	521,059
Interdependent liabilities	-	2,620	1,270	9,020	-	-	2,620	1,270	9,020	-
Other liabilities	14,159	159,288	-	134,740	134,740	14,159	159,288	-	134,740	134,740
Derivative liabilities for Net Financing Ratio purposes	Not applicable	-	-	-	Not applicable	Not applicable	-	-	-	Not applicable
All liabilities and shareholders' equity not in the above categories	14,159	159,288	-	134,740	134,740	14,159	159,288	-	134,740	134,740
Total Financing Amount Stable Available	Not applicable	Not applicable	Not applicable	Not applicable	1,957,866	Not applicable	Not applicable	Not applicable	Not applicable	1,957,866
Total liquid assets eligible for effects of the Coefficient of Net Financing	Not applicable	Not applicable	Not applicable	Not applicable	35,977	Not applicable	Not applicable	Not applicable	Not applicable	35,977
Deposits in Other Institutions with operational purposes	-	2,926	-	-	1,463	-	2,926	-	-	1,463
Current loans and securities	5,619	488,451	167,932	1,245,576	1,309,518	5,619	488,451	167,932	1,245,576	1,309,518
Guaranteed financing granted to financial entities with assets Tier I eligible liquids.	-	43,321	-	-	4,332	-	43,321	-	-	4,332
Guaranteed financing granted to financial entities with eligible liquid assets other than level I.	-	21,901	5,743	14,937	21,094	-	21,901	5,743	14,937	21,094
Guaranteed financing granted to counterparties other than financial entities, which:	-	399,949	136,732	892,629	998,390	-	399,949	136,732	892,629	998,390
They have a credit risk weight less than or equal to 35% according to the Basel II standard method for credit risk	-	52,605	10,984	143,428	125,022	-	52,605	10,984	143,428	125,022
Mortgage (current) of which:	-	22,294	25,083	333,825	276,664	-	22,294	25,083	333,825	276,664
They have a credit risk weight less than or equal to 35% according to the standard method established in the Provisions.	-	10,034	11,322	153,878	110,698	-	10,034	11,322	153,878	110,698
Debt securities and shares other than Eligible Liquid Assets (that are not in default)	5,619	985	374	4,185	9,037	5,619	985	374	4,185	9,037
Interdependent assets.	-	-	-	-	-	-	-	-	-	-
Other Assets	103,783	516,774	2,580	56,978	184,905	103,783	516,774	2,580	56,978	184,905
Physically traded basic raw materials (commodities), including gold.	-	Not applicable	Not applicable	Not applicable	-	-	Not applicable	Not applicable	Not applicable	-
Initial margin granted on transactions with derivative instruments and contributions to the loss absorption fund of central counterparties	Not applicable	18,659	-	-	15,860	Not applicable	18,659	-	-	15,860
Derivative assets for Net Stable Financing Ratio purposes	Not applicable	-	-	-	-	Not applicable	-	-	-	-
Derivative liabilities for purposes of the Stable Net Financing Ratio before the deduction for the variation in the initial margin.	Not applicable	-	-	-	3,722	Not applicable	-	-	-	3,722
All assets and operations not included in the previous categories.	103,783	498,115	2,580	56,978	165,323	103,783	498,115	2,580	56,978	165,323
Off-balance sheet operations	-	190,493	75,332	712,803	13,291	-	190,493	75,332	712,803	13,291
Total Amount of Stable Financing Required	Not applicable	Not applicable	Not applicable	Not applicable	1,545,154	Not applicable	Not applicable	Not applicable	Not applicable	1,545
Net Stable Financing Ratio (%)	Not applicable	Not applicable	Not applicable	Not applicable	126.62%	Not applicable	Not applicable	Not applicable	Not applicable	126.62%

(b) Changes in the main components within the reported quarter.

The main changes in the CFEN for the fourth quarter of 2024 correspond to the increase in Current Loans and securities due to the growth of the loan portfolio and, in Available Stable Financing, there is an increase in Retail Deposits and Wholesale Financing in Required Stable Financing explained by the growth in deposits and issuances made in the quarter.

(c) The evolution of the composition of the Amount of Stable Financing Available and the Amount of Stable Financing Required.

The Amount of Stable Financing Available increases due to the growth in deposits and issuances made in the quarter and the Amount of Required Financing increases due to the growth in the balance of credits.

(d) The impact on the Net Stable Financing Ratio of the incorporation of the entities subject to consolidation.

There is no impact due to consolidation on the Net Stable Financing Ratio since there are no financial entities that consolidate in accordance with their nature, as part of the Entities Object of Consolidation, nor entities susceptible to receiving support in accordance with Article 8 of the Provisions.

Operational Risk

1) Definition and assessment

The Institution, aware of the importance of considering all aspects linked to operational risk, pursues comprehensive management of the same, considering not only the quantitative aspects of the risk, but also addressing the measurement of other elements that require the introduction of qualitative evaluation mechanisms.

According to the "General provisions applicable to credit institutions" (CUB) issued by the Commission, operational (non-discretionary) risk is defined as: “The potential loss due to failures or deficiencies in internal controls, due to errors in the processing and storage of Operations or in the transmission of information, as well as due to adverse administrative and judicial resolutions, fraud or theft and includes, among others, technological risk and legal risk, with the understanding that:

a) Technological risk is defined as the potential loss due to damage, interruption, alteration or failures derived from the use of hardware, software, systems, applications, networks and any other information transmission channel in the provision of banking services to the Institution's clients.

b) Legal risk is defined as the potential loss due to non-compliance with the applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the operations that the Institution carries out.

Operational risk materializes in losses caused as a result of: human errors; inadequate or defective internal processes; inappropriate conduct towards clients, in the markets or against the entity; money laundering and terrorist financing; systems or communications failures, interruptions or deficiencies; theft, loss or misuse of information, as well as deterioration of its quality; internal or external frauds including, in all cases, those derived from cyber attacks; theft or physical damage to assets or people; legal risks, risks derived

from workforce management and occupational health, and inadequate service provided by suppliers; as well as damages derived from extreme weather events, pandemics and other natural disasters

Operational risk management at BBVA incorporates those derived from compliance and conduct risk and money laundering and terrorist financing and excludes strategic and/or business risk and reputational risk. However, the management of reputational risk, entrusted to the Responsible Business unit, will be carried out in a coordinated manner with that of operational risks to the extent that this occurs as a consequence of operational events.

Operational risk is integrated into the Institution's risk structure, which has established and maintains robust internal models that allow timely knowledge of the materialization of operational risk events.

The measurement of operational risk is the responsibility of the Portfolio Management, Data & Reporting Unit, which is independent of the Market Risk and Credit Risk units, as well as the Audit, Regulation and Internal Control units.

Losses derived from operational risk recorded in 2024 were $1,327, mainly due to operational items related to tax payments (surcharges) and fraud. The monthly average of losses derived from operational risk recorded in 4Q-24 was $83, highlighting events related to tax payments (surcharges), fraud and lawsuits.

2) General model of operational risk

Operational risk management is based on a cause-effect model in which the operational risk associated with the Institution's processes is identified through a continuous improvement circuit:

ID. - It consists of determining which are the risk factors (circumstances that can be transformed into operational risk events), which reside in the processes of each business / support unit.

Quantification. - The cost that a risk factor can generate is determined. It can be done with historical data (operational loss database) or in an estimated way if it involves risks that have not manifested themselves in the form of events in the past. The quantification is carried out based on two components: frequency of occurrence and monetary impact in case of occurrence.

Mitigation. - At least for the risks under management (critical), the identification, documentation and testing of the mitigants and controls that contribute to their reduction are carried out and the residual risk is calculated based on their effectiveness.

Follow-up. - The Institution promotes continuous monitoring, by the Areas, of the proper functioning and effectiveness of its control environment, and must, to this end, take into consideration, among other elements, the evolution of the management indicators defined for the Area, the events and failures experienced, as well as the results of the activity of the second line of defense, the internal audit, supervisors or external auditors.

It is added that specific management schemes have been established for technological risks and those derived from judicial processes.

In the case of the former, in addition to the general methodology of operational risks, the Information Security & CISO Directorate evaluates that the identified risks and the mitigation plans in process are uniform in the Institution and comply with the logical security standards.

With regard to judicial processes, in addition to the operational risk management circuit of legal processes, the probability of adverse resolution is calculated on the inventory of administrative processes and legal claims in which the Institution is a plaintiff or defendant. Based on the above, the Institution considers that the main factors that influence legal risk are: degree of non-compliance with regulation; types of judicial process in which it is involved; amount demanded and probability of unfavorable resolution.

There is an integrated methodology for internal control and operational risk in the Institution. This methodology allows identifying risks in organizational areas, assessing the identified risks to prioritize/determine which are the critical risks/in management, defining and implementing mitigation and control measures for critical/in management risks, determining the residual risk (risk assessment after the implementation of controls) and identifying weaknesses in the control model.

3) General model of operational risk

The operational risk management framework defined for the Institution includes a structure based on the three lines of defense model with clear delimitation of responsibilities, policies and procedures common to the entire Institution. For its operation, it has systems to identify, measure, monitor, control and mitigate operational risks and losses, as well as tools and methodologies for quantifying operational risk.

1st Line of Defense - Business Units

— The owners of the processes manage the operational risk of their respective areas and are responsible for identifying and evaluating operational risks, carrying out controls and executing mitigation plans for risks that present control weaknesses.

— Those responsible for Internal Control in the Business Units and support areas or Risk Control Assurers (RCA) coordinate and ensure the adequate management of the operational risk of their Units, extending the methodology for the identification of risks, promoting the establishment of the necessary mitigation measures and controls in all the operational processes carried out and outsourced by the Area and monitoring their adequate implementation and effectiveness.

2nd Line of Defense

i) The Non-Financial Risks Unit
ii) The Control Specialist Units or Risk Control Specialists (RCS)
iii) Responsible business

The Control Specialist Units or Risk Control Specialists (RCS) define the mitigation, control and monitoring Framework in their area of specialty and contrast it with that implemented by the first line.

Functions of the Non-Financial Risks Unit

The Non-Financial Risks Unit, in the General Directorate of Regulation & Internal Control, is responsible for designing and maintaining the Group's Operational Risk management model and for assessing the degree of application of the areas of the business and support areas.

– They define methodology, systems and tools.

– They promote interaction between the areas responsible for internal control and control specialists and ensure compliance with the corporate plan.

– Keeps Senior Management informed.

iii) Responsible Business, It is responsible for managing Reputational Risk, in coordination with the Group's internal control model in those cases in which Reputational Risk derives from operational events.

3rd Line of Defense - Internal Audit

— Conducts an independent review of the control model, verifying compliance and effectiveness of established policies.

Operational risk management in the Institution is designed and coordinated by the Non-Financial Risks Department, in harmony with the corporate criteria of the BBVA Group (in Spain). The business or support areas have, in turn, Internal Control Managers (RCA) coordinated by the Non-Financial Risks Directorate, and they are in charge of implementing the model in the day-to-day operations of the business areas. In this way, the Institution has a vision at the bottom of the process, which is where operational risks are identified and prioritized and mitigation decisions are made.

To carry out this task, the Institution has tools that cover the qualitative and quantitative aspects of operational risk:

— Operational Risk Management Tool: The MIGRO corporate tool documents the identification and management of the most relevant risks that constitute the reference to focus on the Internal Control Supervision Committees of the business and support units, as well as in the sessions of the Board's Delegated Risk Committee held during the year.

  At MIGRO, the mitigation, control and monitoring framework is documented, which includes details of the mitigants, indicators and controls implemented by the first line of defense to cover the different operational risks existing in its activity.

— SIRO Tool: Operational risk events almost always have a negative impact on the Institution's accounts. To have exhaustive control of them, they are registered in a database called SIRO (Integrated Operational Risk System). For it to be reliable, it is fed directly from the accounting through automatic interfaces in 98% of its entries.

4) Governance Model

The management of operational risks that each Area carries out is reported through the Area's Internal Control Supervision Committees, in which its Management analyzes the situation of its control environment and promotes and follows up on the necessary mitigation measures to address the observed weaknesses. In this forum, the Risk Control Specialists compare the proposed actions.

The relevant aspects regarding operational risk management derived from the Internal Control Supervision Committees are reported to Senior Management, as well as to the Board's Delegated Risk Committee, the Board's delegated Audit Committee and the Board of Directors, through a reporting scheme coordinated by the Non-Financial Risks Department, which ensures that the highest level of the Institution is permanently involved in the management of operational risks and the operation of the Internal Control System.

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5) Capitalization by operational risk

As of January 1, 2023, the Commission's Business Indicator Method comes into force to determine the capital requirement for operational risk, published on November 19, 2020 in the DOF. This method replaces all previous methods (basic, standard, alternative standard and advanced indicator).

6) The ROMIN Method (Operational Risk - Business Indicator Method) considers in its calculation:

Business Indicator (BI)

FIRST: Interest, lease and dividend component (Interest income, interest expenses and dividend income, etc.).
CS: Services Component (Other operating income, other operating expenses, commissions and fees both collected and paid, etc.).
CF: Financial Component (Result from the purchase and sale of financial instruments, currencies, metals, etc.).

From where the Business Indicator Component (BIC) is calculated.

The factors to be used by line of business are the following:

Level	BI level	Coefficient marginal (α)	Determination of CIN
I	If BI ≤ 3,500 mdu	12%	BIC = BI *12%
II	If 3,500 md < BI ≤ 104,000 md	15%	BIC = (3,500 mdu * 12%) + [(BI -3,500 mdu)*15%]
III	If BI > 104,000 mdu	18%	BIC = (3,500 mdu * 12%) +(100,500 mdu * 15%) + [(BI-104,000 mdu)*18%]

mdu = million Udis

Internal Loss Multiplier (ILM)

$$ILM = \max\left[Ln\left(\exp(1) - 1 + \left(\frac{PI}{BIC}\right)0.8\right), 1\right]:$$

BIC: Business Indicator Component
PI: 15 times the average annual losses due to Operational Risk incurred during the previous ten years.

Where the Capital Requirement for Operational Risk is determined by multiplying the BIC and the ILM.

The general objective of the risk management policies is to avoid significant losses derived from the exposure to the Institution's risks, which are demonstrated with the levels of the financial indicators revealed in note 35, which reflect the financial stability of the Institution.

(35) Financial indicators (unaudited)-

As of December 31, 2024 and 2023 and in accordance with article 182 of the Provisions, the financial indicators of the Institution are detailed below:

	2024	2023
Delinquency rate	1.61%	1.67%
Stage 3 loan portfolio hedge ratio	193.06%	196.40%
Operational efficiency	2.99%	3.02%
ROE	27.00%	27.87%
ROA	3.00%	3.07%
Credit, market and operational risk capitalization index	18.68%	18.27%
Core capital 1 on credit, market and operational risk	15.24%	15.66%
Liquidity	104.11%	94.27%
Adjusted net interest margin (NIM) / Average Productive Assets	5.66%	5.83%

(36) Ratings-

As of December 31, 2024, the ratings assigned to the Institution are shown below:

	Global M.E. Scale		National Scale		
Qualifiers	**Long Term**	**Short Term**	**Long Term**	**Short Term**	**Perspective**
Standard & Poor's	BBB	A-2	mxAAA	mxA-1+	Stable
Moody's	Baa1	P-2	AAA.mx	ML A-1.mx	Negative
Fitch	BBB	F2	AAA(mex)	F1+(mex)	Positva

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(37) Commitments and contingent liabilities-

Contingencies-

As of December 31, 2024 and 2023, there are claims against the Institution for ordinary civil and commercial actions, as well as contingencies and settlements by the tax authorities, however, in the opinion of its lawyers, the claims presented are considered inadmissible and in the event of rulings against, they would not significantly affect its financial position since as of December 31, 2024 and 2023, the Institution has considered the impacts of each of them and has registered a reserve for these matters for $1,696 and $1,293, respectively.

As of December 31, 2024 and 2023, there are claims for labor lawsuits against the Institution, however, in the opinion of its lawyers, the claims presented are considered inadmissible and in the event of rulings against, they would not significantly affect its financial position since as of December 31, 2024 and 2023, the Institution has weighed the impacts of each of them and has registered a reserve for these labor matters for $1,244 and $1,322, respectively.

Due to the type of contingencies referred to in the previous descriptions and because they depend on the actions of a third party, it is impractical to quantify the inflows or outflows of resources, as well as the eventuality of obtaining reimbursements.

(38) New regulatory pronouncements-

I. Improvements to FRS 2025

In December 2024, the CINIF issued the document called “Improvements to the FRS 2025”, which contains specific modifications to some existing FRSs. The main improvements that generate accounting changes are the following:

FRS A-1, “Conceptual Framework of Financial Reporting Standards”

The definition of “important accounting policies” is incorporated, which are those whose lack of disclosure affects the understanding of the financial statements by users. Likewise, consideration should be given to making disclosures in the financial statements considering “materiality” to make more effective disclosures.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS B-2, “Statement of cash flows”

It is necessary to disclose information on financing agreements for payment to suppliers, also known as reverse factoring, for a better understanding of the financial position and liquidity of an entity. Such agreements are those in which one or more financing providers undertake to pay the amounts that an entity owes to its suppliers and the entity, in turn, undertakes to pay on the same date that the suppliers are paid, or at a later date.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS B-3, "Statement of comprehensive income" FRS B-16, "Financial statements of entities with non-profit purposes" FRS C-3, "Accounts receivable"

These FRSs are homologated in order to specify the presentation in the financial statements of sales or income on a net basis, considering that discounts, bonuses and returns are included in these concepts. The breakdown of the concepts and amounts that make up net income or sales may be disclosed in the notes to the financial statements.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS B-14, "Earnings per share"

The scope of this FRS is modified to align with IAS 33, Earnings per share, so that it is applicable only to entities that have capital instruments listed or to be listed on a stock exchange.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS B-15, "Conversion of foreign currencies"

It is approved to converge with IAS 21, Effect of Variations in Foreign Currency Exchange Rates, to establish the mechanism for identification and the disclosures required when the conversion of foreign currency identifies that a certain currency is not interchangeable.

This improvement comes into force for years beginning on or after January 1, 2025, allowing for its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS C-6, "Property, plant and equipment"

The concept of “special depreciation method” is eliminated, since it is considered that it is not a method but only a practical way of applying any other of the methods mentioned in this FRS. Likewise, it is expected to continue using said method depending on its usefulness for the entity based on its relative importance.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS C-19, Financial instruments payable

Certain requirements are incorporated to write off a financial liability when payment is made in cash using an electronic payment system, among which are 1) that the entity does not have the capacity to withdraw, stop or cancel the payment instruction, 2) that the entity does not have practical capacity to access the cash that will be used to settle the operation; and 3) that the settlement risk associated with the payment system is minor.

It is added that it is required to disclose information when there are financial instruments payable with contingent clauses linked to the fulfillment of an environmental, social or governance objective, which allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instruments.

This improvement comes into force for years beginning on or after January 1, 2026, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS C-20, Financial instruments to collect principal and interest

Disclosure of information is required when there are financial instruments to collect principal and interest with contingent clauses linked to the fulfillment of an environmental, social or governance objective, which allow users of the financial statements to know the uncertainty of future cash flows, as an investor and/or issuer of this type of instruments.

This improvement comes into effect for exercises that begin on or after the 1st. January 2026, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

FRS D-1, Income from contracts with clients

The application of this FRS is incorporated to service providing entities that enter into contracts that in economic substance are similar to insurance contracts, that is, in which one of the parties accepts an insurance risk from the other party, agreeing to compensate the holder if an uncertain future event occurs that adversely affects the insurance holder and complying with certain requirements. An example of this could be tow truck assistance services or mechanical assistance on roads.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application in 2024. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

The improvements to the FRS that do not generate accounting changes are the following:

FRS A-1, Conceptual framework of financial reporting standards and FRS B-9, Financial information at intermediate dates

Modifications are made to the FRS to be consistent with the provisions of the Sustainability Information Standards (NIS). regarding the definition and needs of primary users and other users of financial information.

Operational risk and sustainability risk are added as some of the main risks that may affect the financial statements of the entity and for which it clarifies the need to disclose information that allows users of the financial statements to understand these risks through risk management practices, qualitative and quantitative information that allows us to understand how they arise, as well as the exposure to them.

Likewise, Public Interest Entities must disclose new risks that may impact the financial statements at intermediate dates.

FRS C-19 Financial instruments payable

It is specified that Other accounts payable, whose term exceeds more than one year, must be valued at their amortized cost, considering the time value of money.

Other convergence issues

Modifications are made derived from the review that was carried out on the FRS in order to identify the possible differences that exist with what is established in the International Standards.

FRS B-8, "Consolidated or combined financial statements"

The disclosure is standardized regarding when there is significant non-controlling participation, so the mention of the difference is eliminated within the convergence section with International Standards in FRS B-8.

FRS C-6, "Property, plant and equipment"

The disclosure of the amount of the accumulated and estimated investment for the completion of constructions in process is eliminated, therefore the difference with respect to the International Standard in the convergence section of FRS C-6 is eliminated.

FRS C-8 "Intangible assets"

A divergence with IAS 38 is required, excluding the option of considering as an intangible asset the price paid by the entity that reflects the probability of obtaining future economic benefits, since it is not considered that the payment in itself does not guarantee that it meets the definition of an intangible asset.

FRS C-9, "Contingency provisions and commitments"

FRS C-9 establishes rules applicable to onerous contracts, including those related to the costs of complying with the contract clauses. For a better understanding of these costs, a description of the costs to be considered in their determination is added, consistent with the International Standard.

FRS C-10 "Derivative financial instruments and hedging relationships"

A divergence is required with FRS 9 and FRS 7, in which this FRS includes an additional criterion as a requirement to determine the effectiveness of a hedging relationship, which refers to the counterparties having the economic and operational capacity to comply with the agreed commitments.

FRS D-8, "Share-based payments"

To converge with the international standard FRS 2, it is specified that the entity can retain an amount due to a tax obligation of the counterparty, retaining a number of equity instruments that equals the monetary value of said obligation, considering that the gross amount must be classified in its entirety as a transaction such as share-based payments settled with equity instruments.

Various Precisions

Various clarifications are made about some FRSs to help them better understand, make the wording clearer, maintain consistency with the definitions, standardize concepts, among others.

FRS A-1, “Conceptual framework of financial reporting standards” FRS B-1, “Accounting changes and corrections of errors” FRS B-5, “Financial information by segments” FRS B-9, “Financial information at interim dates” FRS B-17, “Determination of fair value” FRS C-2, “Investments in financial instruments” FRS C-20, “Financial instruments to collect and sell” FRS C-6, “Property, plant and equipment” FRS C-15, “Impairment in the value of long-lived assets”.

The Administration of the Institution is in the evaluation process to determine the effects of adopting the improvements to the FRS.

II. FRS that come into force on January 1, 2025

FRS A-2, “Uncertainties about going concern”

This FRS stipulates that a constant evaluation of the going concern at the closing date of the financial statements must be made under the assumption that an entity exists permanently unless proven otherwise. Uncertainty events and conditions must be identified, as well as mitigation actions in order to identify an action plan that is effectively carried out. On the other hand, the valuation and disclosure standards for a going concern without uncertainties, a going concern with uncertainties, a going concern in legal reorganization and whether it is considered not a going concern are detailed.

This improvement comes into effect for exercises that begin on or after the 1st. January 2025, allowing its early application. The accounting changes that arise must be recognized pursuant to the provisions of FRS B-1, Accounting changes and error corrections.

The Administration of the Institution is in the evaluation process to determine the effects of adopting this FRS.

III. Sustainability Reporting Standards (SRS)

SRS A-1, “General standards for the disclosure of sustainability information”

Establishes the conceptual framework and the foundations that support the development and application of these in the preparation and disclosure of the entity's sustainability information.

This SRS came into force for fiscal years beginning on or after the 1st. January 2025.

SRS B-1, “Basic sustainability indicators”

Establishes the standards for determining the Basic Sustainability Indicators (IBSO) associated with environmental and social factors related to human capital and governance, as well as their disclosure as part of the financial sustainability information.

This SRS came into force for fiscal years beginning on or after the 1st. January 2025, allowing its early application as long as it is applied as a whole with the SRS A-1.

The Administration of the Institution is in the evaluation process to determine the effects of adopting the Sustainability Information Standards.

(39) Financial and tax effects of the impact of hurricane “Otis”-

Given the unfortunate events caused by Hurricane Otis with severe impact in the state of Guerrero, the Ministry of Security and Citizen Protection, in accordance with the applicable regulations, issued on October 26, 2023 through press bulletin number BDE-007-2023, the "Agreement" by which an Emergency Situation is Established for the state of Guerrero due to the occurrence of severe rain and strong winds on October 24, 2023.

In this regard, based on article 175, first paragraph of the "General provisions applicable to credit institutions", H. the National Banking and Securities Commission has determined to temporarily issue through official letter P-307/2023 dated October 27, 2023, the special accounting criteria for borrowers who have their domicile or credits whose source of payment is located in the areas affected by the event indicated in the "Agreement" to which referenced in the previous paragraph.

The support programs consist of granting borrowers a deferral of capital and/or interest payments for up to 6 months and will be applicable with respect to consumer, housing and commercial loans, and for clients who are accounting classified as stage 1 and 2 as of October 24, 2023, observing that the adhesion procedures end no later than April 30, 2024.

The special accounting criteria are detailed below:

1. Credits with “single payment of principal at maturity and periodic payments of interest, as well as credits with a single payment of principal and interest at maturity”, that are restructured or renewed, will not be transferred to the next stage of higher risk in accordance with the provisions of Paragraph 99 of B-6 Loan portfolio contained in Schedule 33 of the Circular Única de Bancos (CUB). This is provided that the borrowers are accounting classified as stage 1 or 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

2. For loans with “periodic payments of principal and interest”, which are restructured or renewed, they may remain in the same risk category, without the provisions of Paragraphs 104 and 105 of B-6 being applicable. This is provided that the borrowers are accounting classified as a portfolio in stage 1 and 2 as of October 24, 2023, in accordance with paragraphs 10 and 11 of B-6.

3. Credits whose revolving nature is stipulated from their inception, which are restructured or renewed no later than April 30, 2024, may not be transferred to the next stage of higher risk in accordance with the

provisions of Paragraph 100 of B-6. This benefit may not exceed 6 months from the original maturity date of the operations and may only be applied to provisions authorized or agreed upon as of October 24, 2023 as long as the borrowers are accounting classified as a stage 1 or 2 portfolio on that date, in accordance with paragraphs 10 and 11 of B-6.

4. In relation to the credits mentioned in the previous paragraphs, these operations will not be considered as restructured in accordance with what is established in Paragraph 35 of Criterion B-6.

5. If reductions, forgiveness, bonuses or discounts are included on the balance of the credit to support borrowers, the Institutions may defer the constitution of EPRC. When the amount of reductions, forgiveness, bonuses or discounts is > that the EPRC will establish a reserve for the difference in a period not exceeding 12 months.

Institutions to apply the special accounting criteria must adhere to:* Not make contractual modifications that explicitly or implicitly consider the capitalization of interest, nor the collection of any commission for the restructuring.* In the case of revolving credits aimed at individuals, the lines of credit previously authorized or agreed upon as of October 24, 2023 must not be restricted or reduced by more than 50% of the undrawn part of said lines, or canceled.* For credits revolving lines agreed with legal entities, the lines of credit previously authorized or agreed upon as of October 24, 2023 must not be restricted to the previously authorized lines nor may they be cancelled. * Do not request additional guarantees or replacement.* Document the new conditions through evidence of the agreement between the parties (by email).

On April 4, 2024, the Commission issued official letter P-80/2024 through which it has determined to extend the deadline until October 31, 2024, for the application of the special criteria issued through official letters P-307/2023 and P318/2023, in the terms described therein. The Institution adopted the extension requirements established in this letter, however, there are few clients who requested the extension of the deadline and consequently the amount is irrelevant.

As a result of the borrowers joining the support programs, as of December 31, 2024, the total amount of extended receipts is $21, with a total balance of the supported portfolio corresponding to $58. These figures are broken down by number of cases and the deferred amount by type of credit is integrated below:

Portfolio	No. contracts supported	Supported amount	Stage 1	Stage 1	Stage 1	Total	Reservations
SME	**$ 35**	**$ 21**	**$ 58**	**$ -**	**$ -**	**$ 58**	**$ -**
Total	**$ 35**	**$ 21**	**$ 58**	**$ -**	**$ -**	**$ 58**	**$ -**

If the CCE had not been applied, the Institution would have had an immaterial impact on the classification of the portfolio on the consolidated statement of financial position. Considering that the support in BBVA Mexico was granted starting in November 2023 and since most of the adhered portfolio was in stage 1 and stage 2 accounting status as of that month, as of December 31, 2024, based on the actual count of non-payment days, the stage 3 portfolio would have been $2, which represents 4.16% of the total supported portfolio.

The accrued interest that would have been recognized in the Financial Margin as of December 31 would have been $9, if the support plans had not been applied.

As of December 31, the effect on solvency of applying the special accounting criteria did not have a relevant impact on the ICAP.

ANNEX A – SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN MEXICAN BANKING GAAP AND U.S. GAAP

Mexican banks prepare their financial statements in accordance with Mexican Banking Accounting Criteria ("**Mexican Banking GAAP**") as prescribed by the CNBV. Mexican Banking GAAP encompasses general accounting rules for Banks as issued by the CNBV and, to the extent that such accounting rules do not address a given accounting topic, Mexican Financial Reporting Standards ("**MFRS**") prescribed by the Mexican Board for the Research and Development of Financial Information Standards (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*). Mexican Banking GAAP differs in certain significant respects from U.S. GAAP. Such differences might be material to the financial information contained in this Offering Memorandum. A summary of certain differences is presented below. We have made no attempt to identify or quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the Bank, including the terms of this offering and the financial information contained in this Offering Memorandum. Potential investors should consult with their own professional advisors for an understanding of the differences between Mexican Banking GAAP and U.S. GAAP, and how those differences might affect the financial information herein.

This summary should not be taken as exhaustive of all differences between Mexican Banking GAAP and U.S. GAAP. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in financial statements, including the notes thereto. We have not included in this Offering Memorandum a reconciliation of our Mexican Banking GAAP financial statements to U.S. GAAP.

Loan Loss Reserve

Starting on January 1, 2022, the CNBV implemented new accounting criteria that aligns more closely with international standards and significantly reduces the differences between Mexican Banking GAAP and U.S. GAAP. These changes incorporate a forward-looking model for expected credit losses, including the classification of loans into Stage 1, Stage 2 and Stage 3 based on credit deterioration, consistent with MFRS C-16. Financial institutions may continue using internal provisioning models, subject to CNBV authorization and independent validation. This brings Mexican Banking GAAP closer in approach to the U.S. GAAP Current Expected Credit Loss (CECL) model, which has been in effect for public business entities since 2020 and for many private entities since 2023.

Under U.S. GAAP, CECL requires the recognition of lifetime expected credit losses upon initial recognition of a financial asset, using historical data, current conditions and reasonable and supportable forecasts.

Under both frameworks, loans (or portions thereof) must be written off when deemed uncollectible, based on objective evidence and after all collection efforts have been exhausted.

Past Due Loans

Under Mexican Banking GAAP, interest income recognition is suspended when a loan is classified as past due, based on the criteria issued by the CNBV.

Under U.S. GAAP, interest accrual is discontinued for loans placed on nonaccrual status, typically when the full collectability of principal or interest is in doubt.

Fair Value of Financial Instruments

Mexican Banking GAAP defines fair value as the amount that an informed market participant would be willing to exchange to buy or sell an asset, or to assume or settle a liability in an active market. This definition can consider either an entry or an exit price.

U.S. GAAP defines fair value strictly as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value must reflect the assumptions of market participants in the principal or most advantageous market and consider the highest and best use of the asset. This definition only considers an exit price.

Securitized Transactions and the Consolidation of Special-Purpose Entities

Under Mexican Banking GAAP, securitized transactions must comply with Accounting Criterion C-1 "Recognition and Derecognition of Financial Assets" in order to be considered a sale and transfer of assets. If the transfer does not meet these criteria, the related financial assets and liabilities must remain on the balance sheet.

Furthermore, a special-purpose entity (SPE) must be consolidated when the reporting entity has effective control over it.

Under U.S. GAAP, the guidance surrounding the derecognition of financial assets focuses on whether the transferor has surrendered control of the financial assets. If control is surrendered and all of the following criteria are met, the transfer is accounted for as a sale:

- Legal isolation: The transferred assets have been isolated from the transferor and its creditors, even in the event of bankruptcy or receivership.
- Right to pledge or exchange: Each transferee (or, for a qualifying SPE, each holder of its beneficial interests) has the right to pledge or exchange the transferred assets without restriction.
- No continuing control: The transferor does not maintain effective control over the transferred assets, either through (1) an agreement that both entitles and obligates the transferor to repurchase or redeem them before maturity or (2) through the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

If all these conditions are met, the transfer qualifies as a sale. If not, the transaction must be accounted for as a secured borrowing.

In addition, under the variable interest entity ("**VIEs**") model, an entity must consolidate a VIE if it is the primary beneficiary—that is, it has both the power to direct the VIE's most significant activities and exposure to potentially significant economic benefits or losses.

Business Combinations

Under Mexican Banking GAAP, identifiable assets and liabilities acquired in a business combination are measured at fair value at the acquisition date, except for acquired loan portfolios, which follow specific measurement criteria set forth by the CNBV.

Under U.S. GAAP, all assets acquired and liabilities assumed are measured at fair value as of the acquisition date, including any non-controlling interest.

Definition of a Business

Under Mexican Banking GAAP currently no initial "screen" test is applied to determine whether an asset acquisition constitutes a business.

Under U.S. GAAP, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets, the acquisition is not considered a business.

Employee Retirement Obligations

Mexican Banking GAAP requires the recognition of post-employment obligations, including severance, if such benefits are either contractually agreed or implied through past practices. These obligations are actuarially measured and recognized as services are rendered.

U.S. GAAP requires actuarial measurement and recognition of post-employment benefits, including pension and severance indemnity obligations.

Guarantees

Under Mexican Banking GAAP, guarantees are recorded at cost at inception and disclosed in memorandum accounts unless the payment is probable, in which case a liability is recognized.

Under U.S. GAAP, an entity must recognize a liability at the fair value of the guarantee at inception, regardless of the likelihood of payment.

Accounting Changes

Under Mexican Banking GAAP, accounting changes issued by the CNBV may be applied prospectively, and their effects recorded directly in retained earnings.

Under U.S. GAAP, accounting changes and error corrections generally require retrospective restatement of prior periods.

Deferred Income Tax

Both Mexican Banking GAAP and U.S. GAAP use an asset and liability approach. Under Mexican Banking GAAP, a valuation allowance must be established if it is highly probable that some or all of the deferred tax assets will not be realized.

Under U.S. GAAP, a valuation allowance is required when it is "more likely than not" that some or all of the deferred tax assets will not be realized. Recent cumulative losses may limit the consideration of future taxable income. U.S. GAAP also requires classification of deferred tax items as non-current.

(i)Consolidation

Mexican Banking GAAP requires consolidation of entities over which control is established through (1) power, (2) exposure to variable returns, and (3) the ability to influence those returns.

U.S. GAAP requires consolidation of voting interest entities and VIEs where a controlling financial interest exists. The primary beneficiary of a VIE must consolidate the entity.

Effects of Inflation

Mexican Banking GAAP applies inflation accounting only when cumulative inflation over the previous three years is 26% or more. As of 2025, Mexico remains classified as a non-inflationary economy under this criteria.

U.S. GAAP prohibits restatement for inflation except for entities operating in hyperinflationary economies, defined as those with a cumulative three-year inflation rate exceeding 100%.

ANNEX B – SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN MEXICAN BANKING GAAP AND IFRS

Mexican banks prepare their financial statements in accordance with Mexican Banking Accounting Criteria ("**Mexican Banking GAAP**") as prescribed by the CNBV. Mexican Banking GAAP encompasses general accounting rules for Banks as issued by the CNBV and, to the extent that such accounting rules do not address a given accounting topic, Mexican Financial Reporting Standards ("**MFRS**") prescribed by the Mexican Board for the Research and Development of Financial Information Standards (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*). Mexican Banking GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**"). Such differences might be material to the financial information contained in this Offering Memorandum. A summary of certain differences is presented below. We have made no attempt to identify or quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the Bank, including the terms of this offering and the financial information contained in this Offering Memorandum. Potential investors should consult with their own professional advisors for an understanding of the differences between Mexican Banking GAAP and IFRS, and how those differences might affect the financial information herein.

This summary should not be taken as exhaustive of all differences between Mexican Banking GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in financial statements, including the notes thereto. We have not included in this Offering Memorandum a reconciliation of our Mexican Banking GAAP financial statements to IFRS.

Classification and Measurement of Financial Assets

Under Mexican Banking GAAP, financial assets are reclassified in the period in which the change in the business model occurs. Under IFRS, financial assets are reclassified at the beginning of the period following the change in business model.

Under Mexican Banking GAAP, changes in the fair value of instruments that are not traded in the short term are irrevocably recognized within "Other Comprehensive Income." If these instruments are sold, the accumulated other comprehensive income is recycled into the net income or loss of the year. Under IFRS, this is not allowed.

Loan Loss Reserve

Starting on January 1, 2022, the CNBV adopted revised criteria for credit loss provisioning aligned with expected credit loss models. These changes significantly reduced the differences between Mexican Banking GAAP and IFRS. Entities now apply a forward-looking approach based on the deterioration of credit risk, classifying financial assets into stages, and recognizing 12-month or lifetime expected credit losses accordingly. The approach is conceptually aligned with IFRS 9.

Under both Mexican Bnaking GAAP and IFRS, loans (or portions thereof) may be written off when they are deemed uncollectible. Under Mexican Banking GAAP, this occurs after collection efforts have been exhausted or when the loan has been fully provisioned. Under IFRS, loans are written off when there are no reasonable expectations of recovering the asset in its entirety or a portion thereof.

Interest Accrual on Past Due Loans

Under Mexican Banking GAAP, the recognition of interest income is suspended when loans are classified as past due based on the criteria established by the CNBV.

Under IFRS, the accrual of interest income on past due loans is adjusted based on the amounts expected to be recovered.

Fair Value of Financial Instruments

Mexican Banking GAAP defines fair value as the amount an interested and informed market participant would be willing to exchange for the purchase or sale of an asset or to assume or settle a liability in a free market. This definition can consider either an entry or an exit price.

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition only considers an exit price. Consideration must be given to the principal and most advantageous market and the highest and best use of the asset.

Business Combinations

Under Mexican Banking GAAP, the separately identifiable assets acquired and liabilities assumed in connection with a business combination are measured at their acquisition-date fair values, with the exception of acquired loan portfolios, which are measured based on criteria set forth by the CNBV. Goodwill is recognized for the excess of purchase consideration paid over the fair value of net assets acquired.

Under IFRS, an acquirer in a business combination recognizes assets acquired and liabilities assumed at fair value as of the acquisition date. Noncontrolling interest is measured at fair value or the proportionate share held in the acquiree's identified net assets.

Employee Benefits

Under Mexican Banking GAAP, actuarial gains and losses recognized in other comprehensive income are amortized to income over the estimated service life of the employees.

Under IFRS, actuarial gains or losses are recognized directly in equity through other comprehensive income and are not subsequently recycled to earnings.

The benchmark rate used to discount employee benefit liabilities under Mexican Banking GAAP is the market rate for high quality corporate bonds denominated in pesos. Under IFRS, the benchmark rate is the market rate for debt issued by the Mexican government.

Deferred Statutory Profit Sharing ("PTU") Benefits

Under Mexican Banking GAAP, entities are required to recognize deferred PTU assets and liabilities arising from temporary differences between the income tax and financial reporting bases of assets and liabilities.

For purposes of IFRS, PTU benefits are accounted for as a short-term employee benefit under IAS 19, Employee Benefits. This accounting model does not contemplate the recognition of deferred PTU assets or liabilities.

Guarantees

For Mexican Banking GAAP purposes, guarantees are recorded at cost at inception and disclosed in memorandum accounts unless payments in connection with the guarantee are probable, in which case the amounts expected to be paid are recorded.

For IFRS purposes, an entity recognizes, at the inception of a guarantee, a provision for the fair value of the obligation undertaken in issuing such guarantee.

Accounting Changes

In certain cases, the accumulated effects of accounting changes issued by the CNBV pursuant to new or revised accounting criteria are charged or credited to retained earnings and not to the statement of income for the period.

Under IFRS, accounting changes such as changes in accounting principles or corrections of errors are generally recognized with retrospective adjustments to previously reported financial statements.

Effects of Inflation

Through December 31, 2007, Mexican Banking GAAP required that the effects of inflation be recorded in financial information and that financial statements be restated to constant pesos as of the latest balance sheet date presented. Beginning January 1, 2008, Mexican Banking GAAP modified the accounting for the recognition of the effects of inflation and defines two economic environments: (i) an "inflationary environment," in which the cumulative inflation of the three preceding years is 26% or more, in which case the effects of inflation should be recognized using the comprehensive method; and (ii) a "non-inflationary environment," in which the cumulative inflation of the three preceding years is less than 26%, in which case, no inflationary effects should be recognized in the financial statements.

Under IFRS, historical costs must be maintained in the basic financial statements unless the entity is deemed to operate in a hyperinflationary economy. A hyperinflationary economy is generally defined as one in which the cumulative three-year inflation rate exceeds 100%. As of 2025, Mexico remains classified as a non-inflationary economy under Mexican Banking GAAP.

ANNEX C – FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each series of Notes issued under the Program.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**").

Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**"") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

NOTICE TO PERSONS IN THE UNITED KINGDOM – In the UK, this communication is being distributed only to, and is directed only at, qualified investors (as defined in the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA) who are (i) persons having professional experience in matters relating to investments

falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), or (ii) high net worth entities and other persons to whom it may be lawfully communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Notes in the UK will be engaged in only with, relevant persons. Any person in the UK who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.]

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México [, acting through its Texas Agency]

Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
under the U.S.$10,000,000,000
Medium-Term Notes Program

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the section entitled "Description of the Notes" in the offering memorandum dated April 24, 2026 [and the supplement[s] to it dated [●] [and [●]] ([together,] the "**Offering Memorandum**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. [The Offering Memorandum has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**").]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "N/A" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1.	Issuer:		BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México [, acting through its Texas Agency]
2.	(a)	Title:	[ ]
	(b)	Series Number:	[ ][N/A]
	(c)	Tranche Number:	[ ][N/A]
			[The Notes will be consolidated and form a single Series with the [●] Notes issued [●] on [the Issue Date/the date that is 40 days after the Issue Date][1]
3.	Specified Currency or Currencies:		[ ]
	Specified Principal Payment Currency (if different from Specified Currency):		[ ]
	Specified Interest Payment Currency (if different from Specified Currency):		[ ]
4.	Aggregate Nominal Amount:		[ ]
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]

[1] To be included for Additional Notes only.

5.	Issue Price:		[ ] percent of the Aggregate Nominal Amount [plus accrued interest from [Insert Date]] [(if applicable)]
6.	(a)	Minimum Denominations:	[ ]
	(b)	Calculation Amount:	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[ ][Issue Date][N/A] (*N.B. An Interest Commencement Date will not be relevant for certain Notes*)
8.	Maturity Date:[2]		[ ]
9.	Interest Basis:		[[ ] percent Fixed Rate] [Fixed Reset Rate][Fixed/Floating Rate][Floating/Fixed Rate] [CD Rate/Commercial Paper Rate/CMT Rate/Federal Funds Rate/EURIBOR/Treasury Rate/Prime Rate/[Other]] +/- [ ] percent Floating Rate] [N/A] (see paragraph[s] [13]/[14]/[15] below)
10.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change (or vice versa) occurs or cross refer to paragraph[s] [13]/[15] below*][N/A]
11.	Investor Put/Issuer Call Option:		[Investor Put/Issuer Call][N/A] (see paragraph[s] [17]/[18]/[19]/[20]/[23] below)
12.	Status of the Notes:		[Senior/Subordinated]
	(a)	Status of Senior Notes:	[Senior][N/A]
	(b)	Status of Subordinated Notes:	[Tier 2 Subordinated][N/A]
	(c)	[Date of [Board] approval for issuance of Notes obtained:]	[ ] [N/A] (*N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:	[Applicable for the period to (but excluding) [ ] [the Maturity Date]][N/A]

[2] Include amortization schedule for Amortizing Notes.

			(If N/A, delete the remaining subparagraphs of this paragraph)
	(a)	Rate(s) of Interest:	[ ] percent per annum payable in arrears on each [Interest Payment Date]
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*
	(c)	Regular Record Date(s):	[ ]
	(d)	Fixed Day Count Fraction:	[30/360][Actual/360][Other]
	(e)	Interest Determination Date(s):	[[ ] in each year][N/A] *(Only relevant where Fixed Day Count Fraction is Actual/Actual (ISDA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
14.	Fixed Reset Note Provisions:		[Applicable][N/A] *(If N/A, delete the remaining subparagraphs of this paragraph)*
	(a)	Initial Fixed Reset Interest Rate:	[ ] percent per annum payable in arrears on each [Interest Payment Date] up to, but excluding, the Fixed Reset Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*
	(c)	Initial Fixed Reset Interest Period:	[ ]
	(d)	Regular Record Date(s):	[ ]
	(e)	Fixed Coupon Dollar Amount to, but excluding, the Fixed Reset Date:	[[ ] per Calculation Amount]
	(f)	Fixed Day Count Fraction:	[30/360][Actual/360][Other]
	(g)	Fixed Reset Date:	[ ] [N/A]
	(h)	Subsequent Reset Date(s):	[ ] [N/A]
	(i)	Reset Determination Date(s):	[ ]
	(j)	Reset Reference Rate:	[Treasury Yield (as defined in the Offering Memorandum)][Other][N/A]
	(k)	Reset Margin:	[+/-][ ] basis points

	(l)	Calculation agent/Party responsible for calculating the Rate of Interest:	[ ]
15.	Floating Rate Note Provisions:		[Applicable for the period to (but excluding) the Maturity Date][N/A] *(If N/A, delete the remaining subparagraphs of this paragraph)*
	(a)	Interest Payment Date(s)/Specified Periods:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (c) below/, not subject to any adjustment, as the Business Day Convention in (c) below is specified to be N/A]
	(b)	Regular Record Date(s):	[ ]
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [N/A]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination][Other]
	(e)	Calculation agent/Party responsible for calculating the Rate of Interest and Interest Amount:	[ ]
	(f)	Screen Rate Determination:	[Applicable][N/A] (*If N/A, delete the remaining sub-paragraphs of this paragraph*)
		● Reference Rate:	Reference Rate: [ ] month CD Rate/Commercial Paper Rate/CMT Rate/Federal Funds Rate/EURIBOR/Treasury Rate/Prime Rate/[Other]]
		● Specified Time:	[ ]
		● Interest Determination Date(s):	[ ]
		● Relevant Screen Page:	[ ]
		● Reference Rate Replacement:	[Applicable][N/A]
	(g)	Linear Interpolation:	[N/A][Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation of [ ] and [ ]]
	(h)	Margin(s):	[+/-] [ ] percent per annum
	(i)	Minimum Rate of Interest:	[ ] percent per annum
	(j)	Maximum Rate of Interest:	[ ] percent per annum

(k)	Floating Day Count Fraction:	[[Actual/Actual][Actual/Actual (ISDA)][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis]

PROVISIONS RELATING TO REDEMPTION

Tax Redemption:		[Applicable][N/A]
Make-Whole Redemption:		[Applicable][N/A]
		(If N/A, delete the remaining subparagraphs of this paragraph)
(a)	Optional Redemption Date(s):	[ ]
		(N.B., the redemption date for any Floating Rate Note will be an Interest Payment Date.)
(b)	Optional Redemption Price:	[ ]
(i)	Benchmark Security(ies):	[*Insert applicable Benchmark Security*]
(ii)	Reference Time:	[ ]
(iii)	Make Whole Margin:	[ ] basis points
(iv)	Par Call Date:	[ ]
(v)	Linear Interpolations:	[Applicable][N/A]
(vi)	Calculation Agent (if other than the Bank):	[ ][N/A]

19.	Special Event Redemption:	[Applicable][N/A]
	Notice Periods:	Minimum period: [ ] days
		Maximum period: [ ] days
20.	Subordinated Notes Optional Redemption:	[Applicable][N/A]
	(a) Subordinated Notes Optional Redemption Date:	[ ]
	(b) Notice Periods:	Minimum period: [ ] days
		Maximum period: [ ] days
21.	[Early Redemption Amount payable on redemption for taxation reasons, on an event of default or upon the occurrence of a Special Event Redemption or Subordinated Notes Optional Redemption:]	[[ ] per Calculation Amount]
22.	Final Redemption Amount:	[ ] per Calculation Amount
23.	Investor Put:	[Applicable][N/A]

		(If N/A, delete the remaining subparagraphs of this paragraph)
Optional Repayment Date(s):		[ ]
Notice Periods:		Minimum period: [ ] days Maximum period: [ ] days

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	[Registered Notes: [Regulation S Global Note ([ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream/a common safekeeper for Euroclear and Clearstream]]/[Rule 144A Global Note ([ ] nominal amount registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream /a common safekeeper for Euroclear and Clearstream]]) (specify nominal amounts)] [Global Note exchangeable for definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Global Note.]
25.	Additional Notes:	[Applicable][N/A]
26.	Additional Events of Default:	[Applicable][N/A]
27.	Other Terms:	[N/A][Insert different/additional/other terms][3] *(When adding any other terms consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Memorandum. If the Notes are SDG Notes, specify the Bank's website where the SDG Framework will be published.)*

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on Euronext Dublin (the "**Global Exchange Market**") and for listing on the Official List of Euronext Dublin of the Notes described herein pursuant to the listing of the U.S.$10,000,000,000 Medium-Term Note Program of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México.

[[*Relevant third party information]* has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[3] Include tax consequences not described in the Offering Memorandum and any details related to Indexed Notes, Extendible Notes or Dual Currency Notes.

Signed on behalf of BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México [, acting through its Texas Agency]:

By: _____
Duly authorized]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	Application [has been/is expected to be] made for the Notes to be admitted to the [Official List of Euronext Dublin].
(ii)	Admission to trading:	Application [has been/is expected to be] made for the Notes to be admitted to trading on the [Global Exchange Market].
(iii)	[Estimate of net proceeds (gross proceeds less commissions):]	[ ]
(iv)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated:][The following rating[s] reflect[s] ratings assigned to Notes of this type issued under the Program generally:]

[*insert details*] by [*insert legal name of the relevant credit rating agency*]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

Ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any security.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for [any fees/the fees] [*of insert relevant fee disclosure*]] payable to the [Dealers] [as discussed in "Plan of Distribution"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] [The [Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*.]

4. USE OF PROCEEDS

[ ]

(*See "Use of Proceeds" wording in Offering Memorandum – if reasons for offer are different from general corporate purposes and there is a particular identified use of proceeds, this will need to be stated here.*)

5. YIELD *(Fixed Rate Notes Only)*

Indication of yield:	[ ][N/A] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	CUSIP:	[ ]
(iii)	Common Code:	[ ]
(iv)	Issuer Legal Entity Identifier Code:	[ ]
(v)	Clearing System(s):	[DTC][Euroclear][Clearstream][Other Clearing System]
(vi)	Names and addresses of additional Agent(s) (if any):	[ ][N/A]
(vii)	Delivery:	Delivery [against/free of] payment

7. DISTRIBUTION

(i)	If syndicated, names [and addresses] of Dealers [and underwriting commitments]:	[N/A][give names, addresses and underwriting commitments] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Arrangers*)
(ii)	Arranger(s):	[N/A][give names, addresses and underwriting commitments]
(iii)	Stabilizing Manager(s) (if any):	[N/A][give name]
(iv)	If non-syndicated, name [and address] of Dealer(s):	[N/A][give name(s) and address(es)]
(v)	Total commissions and concessions:	[[ ] percent of the Aggregate Nominal Amount]
(vi)	U.S. Selling Restrictions:	[N/A][give details and address]
(vii)	Prohibition of Sales to EEA Retail Investors:	[N/A][Applicable]
(viii)	Prohibition of Sales to UK Retail Investors	[N/A][Applicable]

ISSUER

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