



Creating Opportunities

# Accelerating profitable growth in our main markets: Mexico

EDUARDO OSUNA,  
COUNTRY MANAGER MEXICO

A graphic element consisting of several horizontal lines of varying lengths, stacked vertically, with a single teal line that curves upwards from left to right, resembling a stylized sun or a rising line graph.

BBVA  
**Investor**  
Day

# Disclaimer

This document is only provided for information purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Reform Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to or incorporate various assumptions and projections, including projections about the future earnings of the business. The statements contained herein are based on our current projections, but the actual results may be substantially modified in the future by various risks and other factors that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could cause or result in actual events differing from the information and intentions stated, projected or forecast in this document or in other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not as described herein, or if such events lead to changes in the information contained in this document.

This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on Form 20-F and information on Form 6-K that are filed with the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing restrictions.

# Index

01 Macroeconomic environment

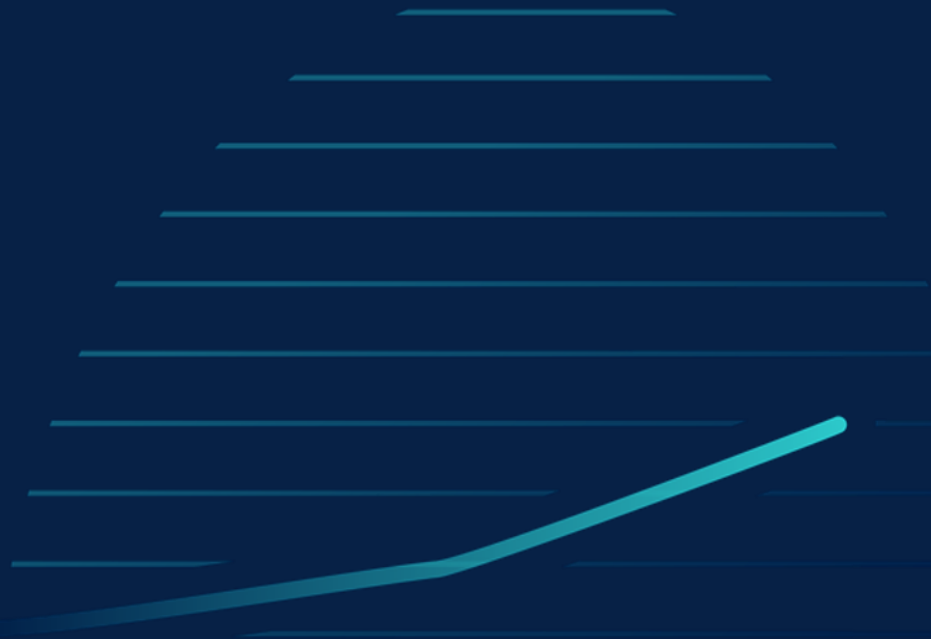
02 BBVA Mexico: Leading growth

03 Final remarks (ambitions)



01

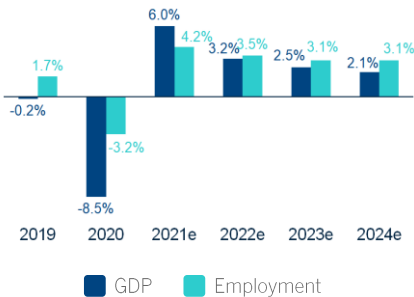
# Macroeconomic Environment



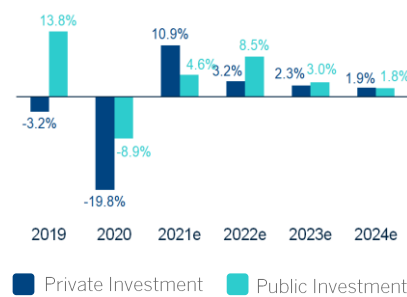
# Favorable Perspectives **for Mexico**

## Solid Economic Recovery

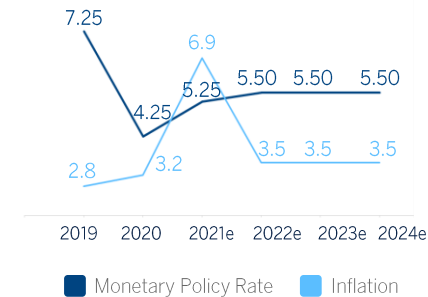
**GDP & EMPLOYMENT**  
(YoY %)



**INVESTMENT**  
(YoY %)



**INFLATION & MONETARY POLICY**  
(%, EOP)



**USA-MEXICO CONNECTION**  
(FIGURES AS OF 2020)

Remittances  
**USD 40.6 bn** | 11% YoY

MX Imports from USA | USA Imports from MX  
**USD 212 bn** | **USD 325 bn**

MX Exports to USA = **81%**

## With social, geographic & political balances



Democratic elections



BANCO DE MÉXICO

Solid institutions (counterweights)



Multiple Trade Agreements



Privileged geographic location

# Opportunity to continue boosting banking penetration

## POPULATION HIGHLIGHTS



2010-2020 growth

13.0%

1.4%

Mean population age

29

42

Adults w/ bank account

47%

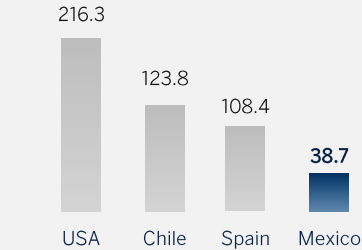
95%

Cash usage < 20€

95%

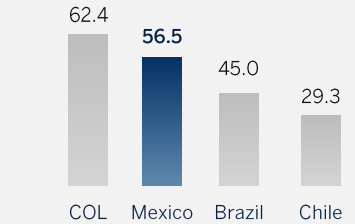
<78%

## LOANS TO PRIVATE SECTOR %



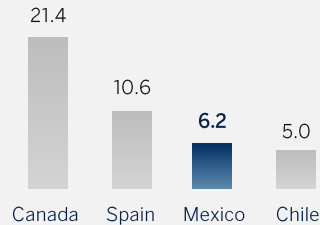
Source: World Bank, 2020.

## INFORMAL EMPLOYMENT 2019, %

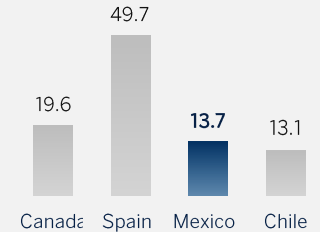


Source: BBVA Research / ILOSTAT

## ATMs / 10k HABITANTS 2019 figures



## BRANCHES / 100k HABITANTS 2019 figures



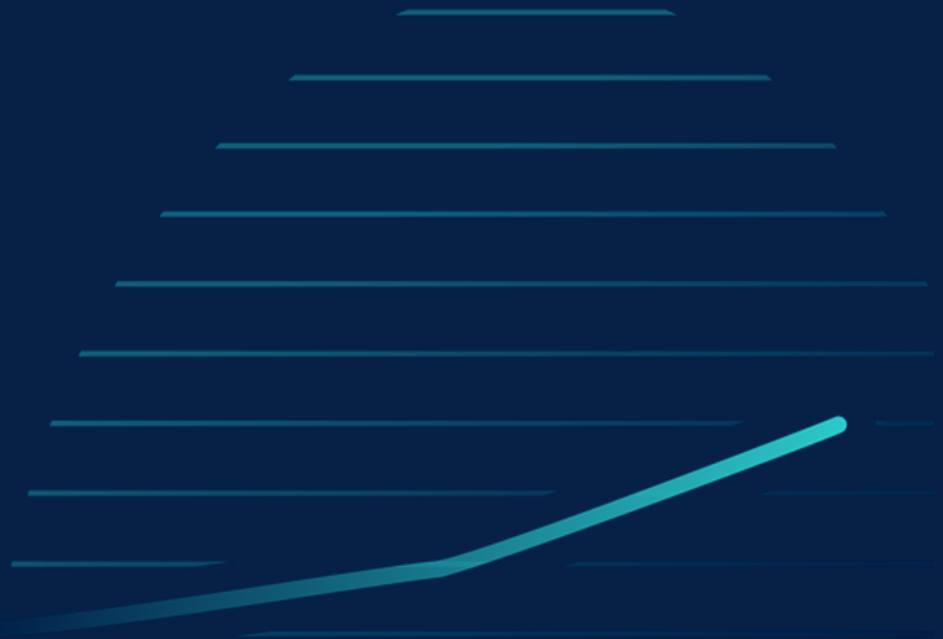
**BBVA**

Creating Opportunities

02

BBVA Mexico

Leading growth



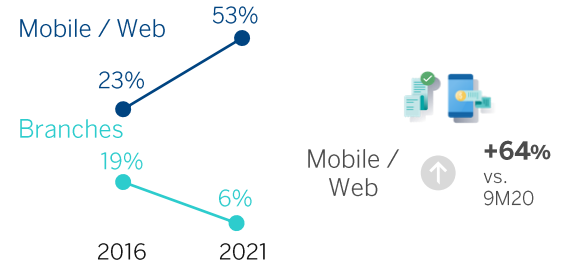
# BBVA Mexico | BBVA MX COMPETITIVE STRENGTHS

## FOOTPRINT Sep. 21

<b>Clients</b> 24.6 M	<b>ATM's</b> 13,139 <b>#1</b> Main Peer <b>9,557</b>
<b>Employees</b> 39.4 k <b>#2</b> Main Peer <b>43,966</b>	<b>Branches</b> 1,721 <b>#2</b> Main Peer <b>1,952</b>

## TRANSACTIONS

Financial transactions usage. Figures as of Sep.21 in %



## DIGITAL CAPABILITIES 9M21

<b>Digital Clients</b> 14.6 M <b>+29%</b> YoY	<b>Digital Sales Units</b> 69% vs <b>63%</b> 9M20
--	--

## LEADERSHIP

Sep.21 (market share)

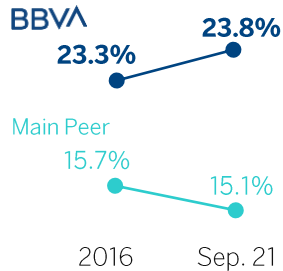
Performing Loans	Customer Deposits	NPS	Brand Power
23.8%	23.2%	64 pts.	29.1%
Next Peer	Next Peer	Next Peer	Next Peer
<b>15.1%</b>	<b>14.6%</b>	<b>35 pts.</b>	<b>18.7%</b>



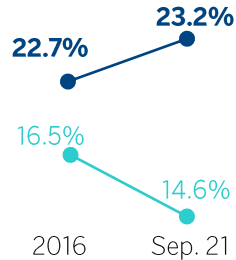
# Solid and sound growth with a profitable mix

## Leading Market Shares

### PERFORMING LOANS



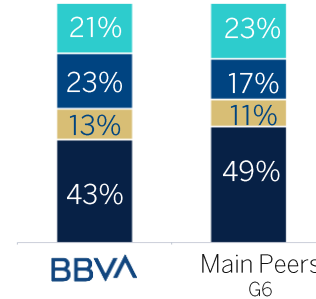
### DEPOSITS



## Profitable Business Mix

### LOAN MIX (Sep. 21, %)

- Mortgages
- Consumer
- Government
- Enterprises



Loans and deposits growing above GDP  
2.2x avg.

## Sound asset quality

### NPL RATIO (Sep. 21)

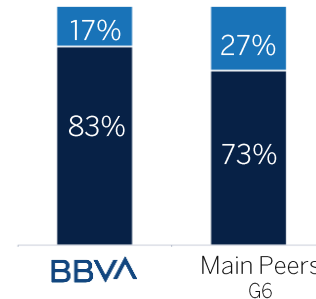
BBVA  
1.9%  
-11 bp YoY

### MAIN PEERS (G6)

2.4%  
+45 bp YoY

### DEPOSITS MIX (Sep. 21, %)

- Time
- Demand



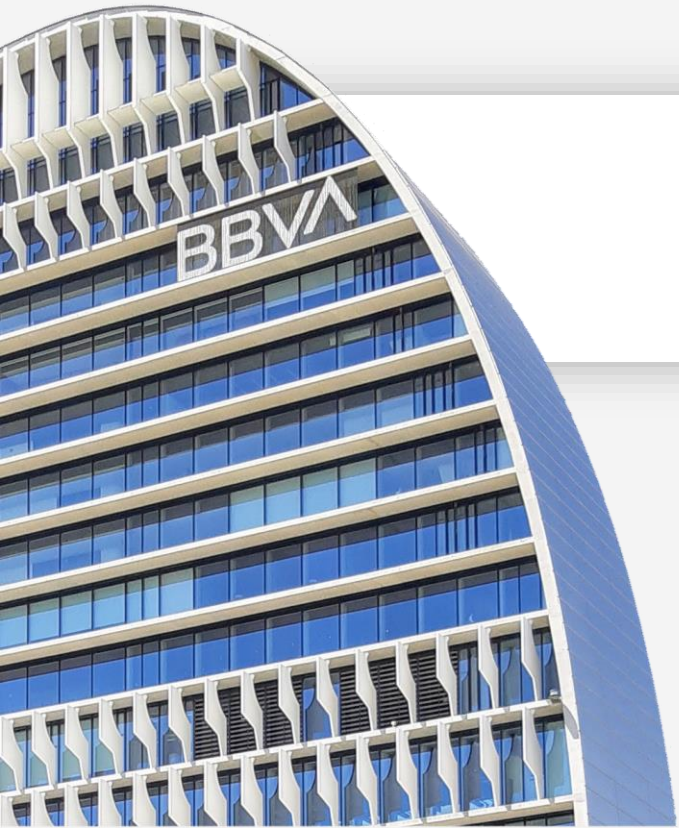
Loan mix towards more **profitable segments**

A more efficient deposits mix with **higher weight in low cost funds**

# We constantly transformed ourselves to lead the banking industry in Mexico



- 1 | **A larger and more profitable bank**
- 2 | **A distinctive bank for our clients**  
based on a unique value proposition
- 3 | **Continue leading efficiency,**  
through operational excellence



1

## A larger and more profitable bank

- We are people's bank
- We are enterprises & government's bank

2

A distinctive bank for our clients based on a unique value proposition

3

Continue leading efficiency, through operational excellence

# We're the people's bank, outperforming in every product line

## Consolidating our leadership position

(Market Shares as of Sep.21)

**1st** Credit Card (%)  
30.9  
Next peer **23.8**

**1st** Payroll Loans (%)  
38.1  
Next peer **20.3**

**1st** Auto Loans (%)  
32.2  
Next peer **19.5**

**1st** Mortgages (%)  
25.7  
Next peer **19.2**

**2nd** Personal Loans (%)  
21.7  
Next peer **25.9**

**1st** Bancassurance (%)  
29.7  
Next peer **18.5**

Source: CNBV Public information (local data)

## Our strategy for sustainable growth

### BOOST NEW CUSTOMER ACQUISITION | GROWING IN PROFITABLE SEGMENTS

New clients  
**2.7M**  
New accounts  
9M21  
**62.4%**  
Digital  
9M21

Affluent & Private Banking  
**2.6x**  
New clients  
Sep. 21 vs. Sep. 16  
**2x**  
EBT growth  
Dec.21e vs. Dec-16

### OUTPERFORMING IN PRODUCTS THAT MATTER TO CLIENTS AND BOOST CROSS SELL

Payroll Market Share (Ago. 21)  
Contracts (#) **27.4%**  
+79 bp YoY  
Disbursed (amount) **43.4%**  
+57 bp YoY

DC & CC Usage  
**43%**  
Market Share  
Total CC & DC txns  
**2.8x**  
ecommerce  
growth YoY

### POSITIVE PERFORMANCE IN THE INSURANCE BUSINESS

NAP Market Share (Jun. 21)  
**2nd** **12.7%**  
of total Insurance Industry

**+18%** YoY  
Policies  
(premiums ex savings)  
Auto, Life & Home

**+8,100**  
Policies in 2 months



# We're also the enterprise and government bank

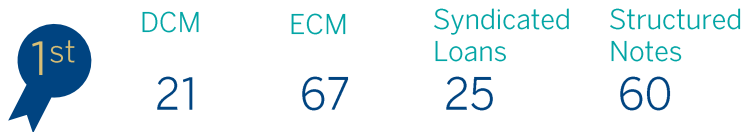
## Consolidating our leadership position

(Market Shares as of Sep.21)



## Well positioned in corporate segments

(Market Shares (% Share of Wallet as of Ago.21))



## Our strategy for sustainable growth

### INCREASE SMALL AND MEDIUM ENTERPRISE BANK PENETRATION (Sep.21)



### NEW PROFITABLE CLIENTS IN COMMERCIAL (Sep. 21)



### BOOSTING BUSINESS COMMERCE (Sep. 21)





1

A larger and more profitable bank

2

**A distinctive bank for our clients**  
based on a unique value proposition

- Leading growth with innovation
- Financial inclusion and Sustainability

3

Continue leading efficiency,  
through operational excellence

# Leading growth with innovation and services beyond branches

## App BBVA

The reference in ELECTRONIC PAYMENTS AND FINANCING

14.1M  
Mobile clients  
Sep.21



- ✓ Financial Health
- ✓ Buy now & pay later
- ✓ Digital Services
- ✓ In-app rewards

## Card Experience

AQUA & INFINITE BIOMETRIC



Aqua



Infinite

Maximum Security

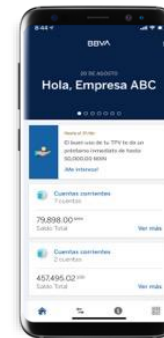
First biometric contactless credit card

6.3M clients with digital card  
(Sep.21, e-commerce, CC+DC)

## App BBVA Enterprises

DIY approach and better service for SMEs and Companies

290k  
Mobile clients  
Sep.21



- ✓ DIY Servicing
- ✓ POS Advance
- ✓ Biometric Auth.
- ✓ FX sales/transf.
- ✓ Balance mngmt.

**Best experience for our customers**

(Digital customers vs non-digital customers Sep.21)

2x  
CROSS-SELL



2.2x  
HIGHER NPS



2.9x  
LESS ATTRITION



# Promoting financial inclusion and sustainability

## Increase financial inclusion

### > Boost CoDi



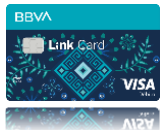
5.7M

ENROLLED BBVA ACCOUNTS  
61% MARKET SHARE as of Sep. 21

3.2M

TXNS  
38% MARKET SHARE as of Sep. 21

### > Specific product solutions



48,200  
NEW CARDS 9M21

**Link Card**  
DEBIT CARD <18 YEARS



40,100  
NEW CARDS 9M21

**Credit Card Crea**  
(clients w/o credit history)  
1ST CREDIT CARD (18-30 YEARS)

## Mobilize sustainable financing

- > Use of **recycled plastic** in the new Aqua Cards
- > **Granting of credit** with special conditions to individuals and companies

€104M  
RETAIL 9M21

€1,875M  
WHOLESALE LOANS & BOND  
UNDERWRITER 9M21

- > **First Private Bank** to issue a Green Bond in the mkt

**Mkt Share Green Bond underwriter**  
(Sep. 21, %)

- > **Issuance for clients of Social Bonds**

€316M  
9M 2021

28.0  
Next peer **21.2**







1

A larger and more profitable bank

2

A distinctive bank for our clients  
based on a unique value proposition

3

Continue leading efficiency,  
through operational excellence

# Continue leading efficiency through operational excellence

## More transactions through more efficient channels

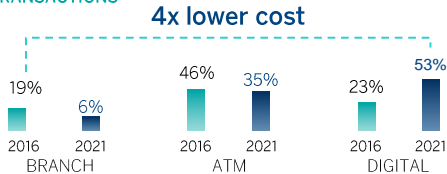
### MORE TRANSACTIONS

**+1,700 M**  
TXNs 9M21

**+87%**  
9M21 vs. 9M16

### EFFICIENT CHANNELS

% OF TOTAL FINANCIAL  
TRANSACTIONS



### OPTIMIZING INFRASTRUCTURE

**-8%** LESS BRANCHES  
vs DEC-16

146 openings

242 closings

## Improving servicing with data & Tech

### CLAIM REDUCTION 9M21

**77%**  
Solved 1st contact

**>**

**38%**  
Through App

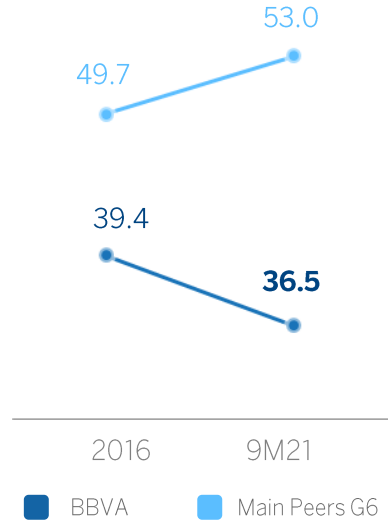
### TRANSACTIONS EVOLUTION 9M21

**50%**  
Of TXNs at ATMs are servicing  
(non cash withdraw)

### PRODUCTIVITY INCREASE Dec.21e vs. Dec.19

**+23%**  
Relationship Managers productivity

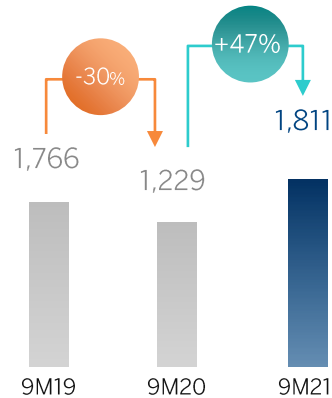
## Evolution of our Efficiency Ratio



# Consolidating our profitable growth

## Surpassing pre-pandemic levels

### NET ATTRIBUTABLE PROFIT (MILLION CONSTANT EUROS)



## Outstanding profitability

### NAP MARKET SHARE (%)

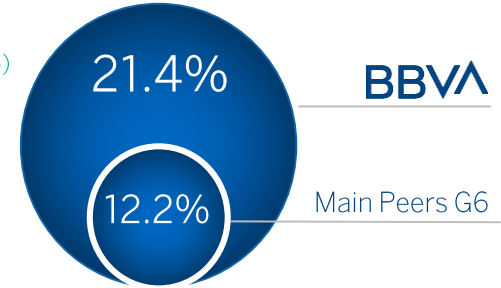


### LOAN MARKET SHARE (%)

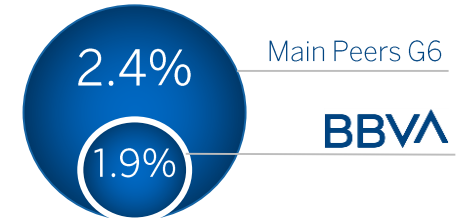


## Outperforming peers

### ROE (9M 21, %)



### NPL (9M 21, %)



Source: CNBV information (local information). Note G6 includes Banorte, Santander, Citibanamex, Scotiabank, HSBC and Inbursa (Financial Group Reports)

Our results reflect our market leadership

# Final Remarks

**1 STRATEGY**  
**A clear strategic path** around our purpose and priorities to continue growing in profitable segments.

**2 EXECUTION**  
**Constant transformation journey**, leveraged on data and technology to support our customers in their life and business, while continue providing the best service.

**3 EARNINGS POWER**  
**Uniquely positioned** to take advantage of the market opportunities despite changing and challenging macroeconomic conditions, and continue to focus on having “the best in class efficiency” model.



Diversified footprint



Leading growth



Prudent risk profile

## OUR AMBITIOUS GOALS



### Revenues

CAGR 21-24 close to double digit



### Efficiency

low 30's in 2024



### Cost of Risk

< 300bps on average 2022-24