

2020 Annual Report

# Moving to a sustainable future



Creating Opportunities

# Content

## Presentation of the 2020 Annual Report

- 03** Report from the Chairman of the Board of Directors
- 05** Report of the Vice Chairman of the Board of Directors and Director

## 2020 Achievements

- 12** Acknowledgments

## Profile and Strategy

- 15** Group Profile
- 17** Presence
- 19** History
- 20** Leadership
- 21** Business model
- 25** Strategy
- 31** Economic impact

## Governance

- 39** Corporate Governance
- 46** Risk management
- 49** Non-financial risk management

- 50** Regulatory compliance
- 51** Integrity Program
- 54** Prevention of Money Laundering and Terrorist Financing

## Seamless experience

- 57** Seamless experience
- 62** Digital Transformation
- 67** Transparent, Clear and Responsible Communication (TCR)
- 70** Security, Privacy and Client Protection

## Sustainable finances

- 73** Management
- 77** Principles of Responsible Investment (PRI)
- 80** 2025 Commitment
- 82** Transition to a low carbon economy
- 86** Sustainable infrastructures and agribusiness
- 88** Financial inclusion and entrepreneurship

## Responsible practices

- 93** Responsible commitment to the employee
- 110** Global Eco-efficiency Plan
- 117** Responsible vendors and purchasers

## Contribution to the community

- 120** Investment in the community
- 120** Financial education
- 124** Social programs
- 125** BBVA Foundation
- 129** Social response to COVID-19

## About the Report

- 133** Standards used
- 134** Independent review

## Appendices

- 139** Responsible Banking Principles
- 150** International commitments signed and links with associations
- 151** SASB Index
- 160** GRI Content Index
- 171** Consolidated Financial Statements

# Presentation of the 2020 Annual Report

01

This report is the fourteenth **Annual Comprehensive Report of Grupo BBVA México**, which shows the result of the effort and work of all employees throughout the year. The information and results presented correspond to the Institution's performance on the issues of **greatest relevance to stakeholders and the Group's contribution towards a sustainable future**. The areas in charge of preparing the Annual Report are Investor Relations and Corporate Responsibility and Reputation.



# Report from the Chairman of the Board of Directors

GRI 102-14, 102-15

## Distinguished shareholders,

2020 was an unprecedented year: our country has experienced never-before-seen health challenges in an environment of economic contraction and volatility.

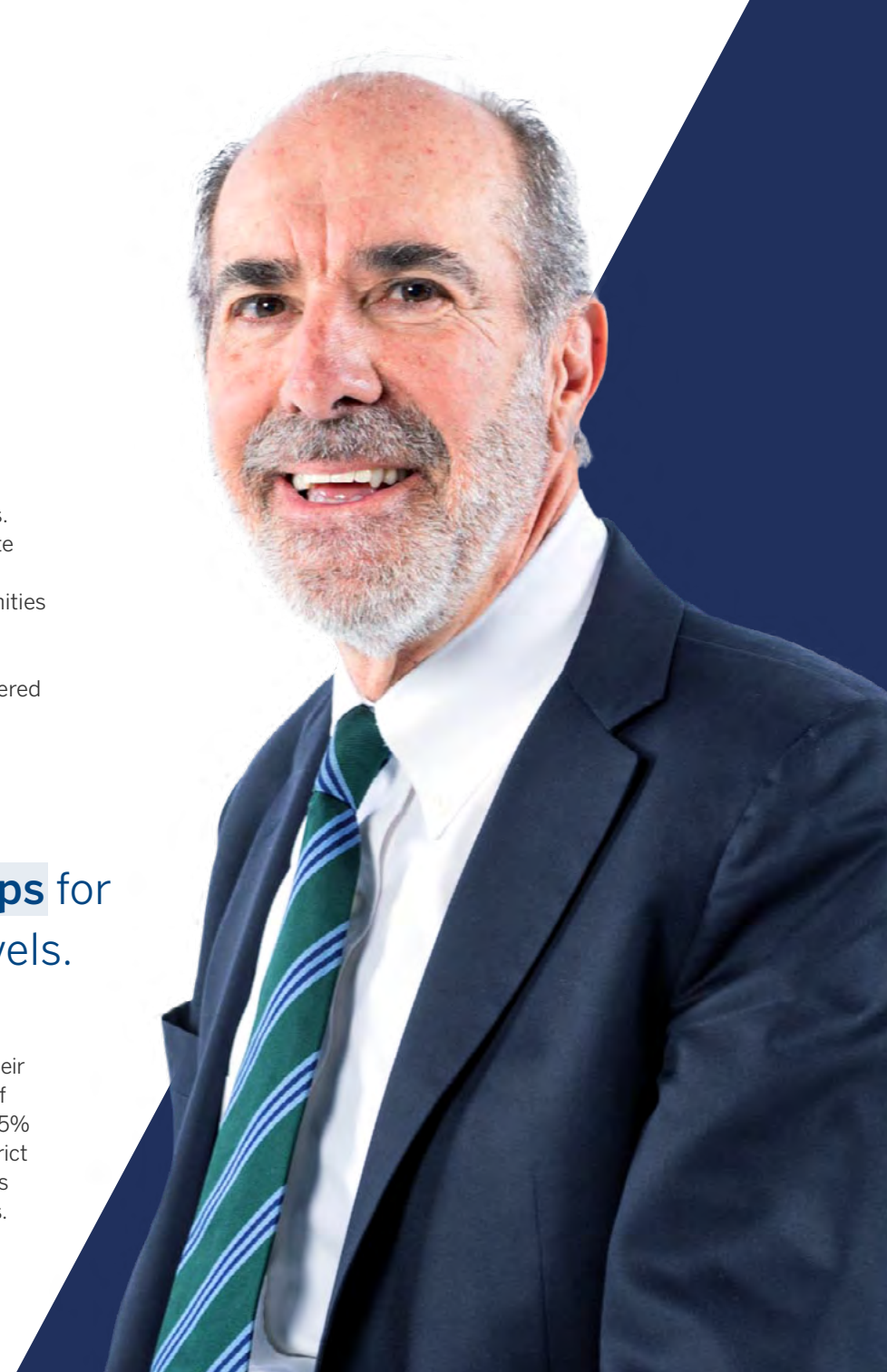
For Grupo BBVA México, the priority was and will continue to be to contribute to the health and general well-being of our clients and collaborators. The BBVA Foundation donated MXP 470 million as seed capital to the initiative Together for Health (*Juntos por la Salud*) for the purchase of medical protective equipment and supplies, breathing equipment and training for medical personnel. By joining forces with our Regional Directors and with the valuable participation of our staff, we were able to obtain more than MXP 720 million, benefiting 700 hospitals in the 32 states.

**The BBVA Foundation donated MXP 470 million as seed capital to the initiative Together for Health.**

Despite the pandemic, promoting education in Mexico continued to be one of Grupo BBVA Mexico's priorities. Supporting young people in their education to generate better opportunities for individuals, society and companies, is to bring everyone closer to the opportunities of this new era. For this reason, in 2020 we supported 40,685 students with scholarships for mid-school to university levels. In addition, 5,055 employees volunteered in the scholarship mentoring program, which is a fundamental part of the BBVA Scholarship program.

**We supported 40,685 students with scholarships for secondary to university levels.**

In business matters we also support our clients, offering the deferral of payment of principal and/or interests of their loans for up to 6 months and suspending the collection of some fees, benefiting 1.4 million clients and supporting 25% of the total loan portfolio. In addition, we continue with strict security protocols in offices and branches, and awareness campaigns to minimize the contagion rate in our facilities.



**1.4 million clients** supported with payment deferral and/or collection suspension plans; **25% of the total portfolio.**

At Grupo BBVA México, we continue our effort to integrate the population into the digital age of financial services. We launched the BBVA Empresas app, focused on offering a service that empowers our SME and Large Company clients from their mobile devices, taking care of their health and putting the bank at their fingertips.

Committed to the Sustainable Development Goals, we promote banking and financial education through digital and face-to-face workshops and through our application. Also, we collaborate in the dispersal of four government social programs. We covered more than 3 million beneficiaries.

We support entrepreneurship with social and environmental impact, benefiting 100 companies, which were provided with support, acceleration and financing. We promote the banking and digitization of SMEs in Mexico with ad hoc solutions through the "Banco de Barrio" initiative.

In 2020 we deepened our Group Sustainability Policy and created the Global Sustainability Office with the aim of promoting and coordinating sustainable development initiatives in all our geographies.

Grupo BBVA México was the leading underwriter in the issuance of the inaugural green bond of the real estate investment trust, which is the first green bond issued by an entity of this type, denominated in dollars and issued in Mexico. We also placed a social gender bond that is a great milestone as it is the first bond focusing on gender equality in the country. The resources obtained by these bonds are aimed at financial inclusion and access to financing for women in the agricultural sector.

**The Global Sustainability Office** was created, and the **Group's Sustainability Policy** strengthened.

Also, Grupo BBVA México was recognized by Universum with sixth place in the ranking of best employers in Mexico and the number one company for youth employment by Employers for Youth. In addition, we maintained the leadership in brand power, growing 260 bps vs. 2019 and with a 950 bps advantage vs. the next competitor. For the fifth consecutive year, we obtained the first place in customer service, and the first place in the User Service Performance Index (*Índice de Desempeño de Atención a Usuarios*, IDATU), an index that allows knowing the efficiency of financial institutions in response to complaints that users present to the CONDUSEF. These results were possible thanks to a strategy consistent with our purpose: "to make the opportunities of this new era available to all."

Grupo BBVA México placed **a green bond and a social gender bond**, which is a great milestone being **the first of their kind in the country.**

Day by day we continue working on the transformation of bank services, striving to be recognized as the company that offers the best financial products and services in the country. During 2020 we obtained the following recognitions:

- Bank with greater social responsibility and better corporate governance in the country, by the Business Monitor of Corporate Reputation (*Monitor Empresarial de Reputación Corporativa*, Merco) ranking
- Best bank and best provider of foreign trade financing by Global Finance magazine.
- Best bank in the country by Euromoney, for its financial results and for its leadership in digital transformation
- Best offer of mortgage products and services in the country by Euromoney, being the bank with the highest number of mortgages granted in Mexico
- One of the best SME banks in the world by the Global SME Finance Forum 2020 (SME Bank of the Year)

I invite you to read our Annual Report and to join as agents of change that inspire us to become a better country.

Sincerely,

**Jaime Serra Puche**  
Chairman of the Board of Directors of BBVA México

# Report of the Vice Chairman of the Board of Directors and Director

GRI 102-14 and 102-15

## Business Evolution, Fiscal Year 2020

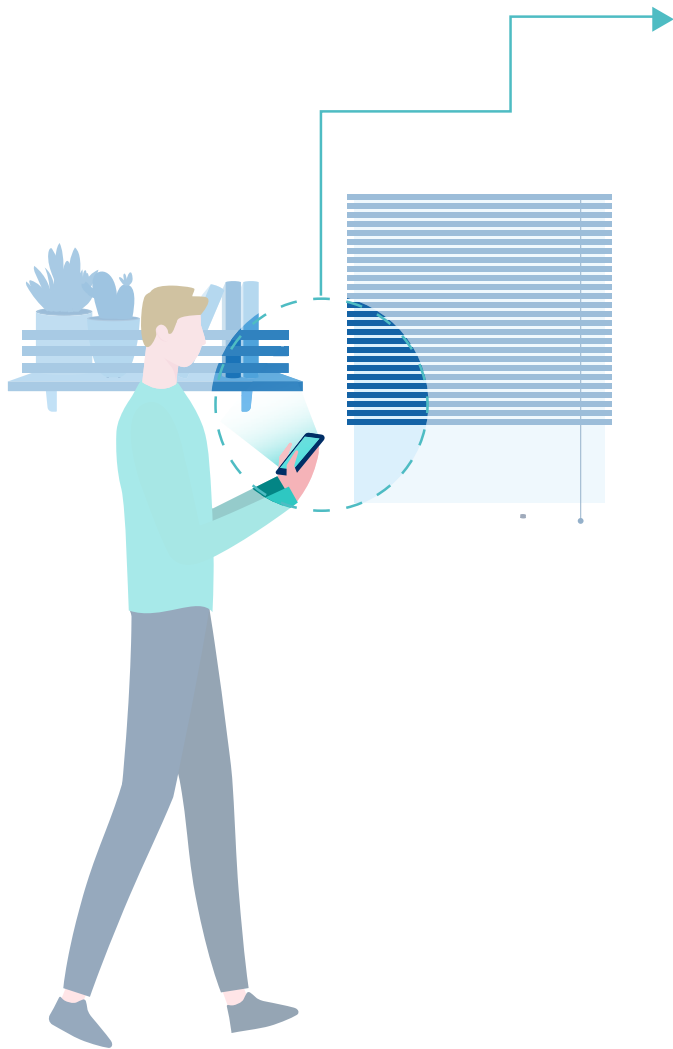
The year 2020 proved to be one of the most complex in recent decades, beyond any expectation we could have imagined, as we are experiencing the worst global health crisis in more than a century due to the pandemic caused by the COVID-19 virus. In Mexico, as in the rest of the countries of the world, the closure of non-essential economic activities to favor health generated a strong contraction in the economy.

At Grupo BBVA México, we have it clear, every crisis is a time of change and always brings opportunities. For this reason, in 2020 we demonstrated our broad capacity for adaptation, reaction and flexibility to get ahead, providing solutions to problems, and putting, at all times, the health of our clients and collaborators as the main priority.

We provide financial support to our clients by deferring the payment of principal and/or interest on the loan for a period of 4 to 6 months. Also reaffirming our commitment to Mexico, we donated MXP 470 million through Fundación BBVA México as seed capital. Our collaborators, in an unprecedented effort, through the '1 Day of Salary' initiative joined in contributing MXP 25 million. The valuable contribution of our Regional Boards added an additional 225 million, achieving a total of MXP 720 million, used for the purchase of medical material and equipment, ventilators, training of medical personnel and expansion of hospital capacity (of the INER together with the Red Cross). These initiatives have benefited more than 55 thousand patients affected by COVID-19 and have made it possible to donate 1,223 ventilators for patients in medium and intensive care and 698 thousand comprehensive protection medical kits to protect health personnel in the first line of defense against COVID-19.

MXP 720 million raised for the purchase of medical supplies and equipment, ventilators, **training of medical personnel and expansion of hospital capacity.**





**12.1 million**  
**digital clients; 25% increase**  
**compared to 2019.**

Faced with the new environment, one of our great strengths was the robust digital offer which are the result of the constant investment and transformation done during previous years. In 2020, the number of financial transactions exceeded 1.7 billion transactions, 45% were made through our mobile application or the website, compared to 31% the previous year. At the end of 2020 we had 12.1 million digital clients, an increase of 25% compared to 2019. This means that 53.7% of our total client base uses our digital channels. The foregoing is also reflected in our digital sales, reaching 62.8% of product origination executed through our digital channels.

To strengthen our digital offer, during 2020 we continue to integrate new products and functionalities to our already robust “BBVA Mx App.” From January to December 2020, mobile clients using our App increased by more than 2.4 million. We also launched the “BBVA Empresas App” aimed at legal entities from small and medium-sized companies to large companies, which allows clients to manage and administer their business from their cell phone. Since its launch in June 2020, more than 125 thousand clients already use this application on a daily basis.

In terms of sustainable economies, at BBVA we continued to make progress in 2020, when the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. approved the Sustainability Policy, which defines and establishes the general principles and management objectives to be followed by all the Group’s geographies in terms of sustainable development. This seeks to promote the development of sustainable solutions, identify opportunities and offer advice for private clients and companies. Although the opportunity is still great, at Grupo BBVA México we have developed credit products that provide benefits to our clients and that revolve around sustainability, such as:

- I. Individual credit products: financing for the acquisition of hybrid and electric cars, financing for solar panels and green mortgages, among others. At the end of 2020, this portfolio stood at MXP 1,433 million.
- II. Products to Companies: green financing for companies, letters of credit, leases and green bonds, among others. At the end of 2020, this portfolio exceeded MXP 12,000 million.
- III. Insurance: we are starting the offer of green insurance starting with hybrid and electric cars.
- IV. Intermediary in the placement of sustainable Bonds for MXP 18,300 million.

**62.8% of product**  
**origination is executed**  
**through our digital channels.**

As for the financial performance of the business, like the rest of the economic sectors, the financial sector was also affected by the effects of the pandemic.

However, at Grupo BBVA México we closed the year with a current loan portfolio balance of MXP 1,211,829 million, a level similar to the end of 2019 with a marginal decline of 0.5%. We consolidated our leadership position in the performing loan portfolio with an increase in market share of 34 basis points (bps) to close December 2020 at 23.4% according to figures from the National Banking and Securities Commission (CNBV).

The commercial loan portfolio fell 0.9% in annual terms, impacted by advance payments from medium sized companies and corporations in the fourth quarter of 2020, given the high liquidity observed in the last quarter of the year, reversing the use of their credit lines during the first half of the year. An annual growth of 12.4% in government loans stand out, this derived from our strategy of actively participating with the States and the Federal Government with more agile proposals and competitive conditions. On the other hand, loans to individuals showed a slowdown as a reflection of the economic downturn. In detail, those

**MXP 1,211,829 million,**  
**performing loan portfolio balance**  
at the end of 2020.

## **7.7% increase** **in the mortgage financing balance** compared to the previous year.

most impacted by the pandemic have been consumer loans and credit cards, which, together, registered a decline of 6.0% in annual terms. The mortgage financing showed solid dynamism with a balance 7.7% higher than in 2019, driven by lower interest rates.

Regarding asset quality, although there is a slight increase, it has been possible to control the evolution of the non-performing ratio, which registered an annual increase of 80 bps, standing at 3.0% at the end of the year. The foregoing mainly as a result of the completion of the support programs, in some cases, refinancing our client's loans according to their new financial possibilities. The non-performing loan coverage ratio remained relatively stable in the annual comparison, closing the year at 128.7%.

On the resources side, the promotion of savings among our clients reflected in the increase of bank deposits (demand + total term) of 12.8% in annual terms. Demand deposits being the most dynamic with an annual growth of 17.4%. This has allowed Grupo BBVA México to also consolidate leadership position in bank deposits, registering a market

share of 22.6%, an annual increase of 27 bps, according to public figures from the CNBV at the end of December 2020.

At the end of 2020, we registered a net profit of MXP 42,860 million, equivalent to a decrease of 24.8% compared to 2019. This is mainly explained by lower income related to the application of support programs and the prudential creation of additional reserves to cover a possible deterioration of the loan portfolio. This was partially offset by our strategy of maintaining tight control over spending to mitigate the impact of lower revenues.

The financial margin in the year shows a decline of 1.1% with respect to the previous year, explained by a change in the mix of the portfolio with greater weight towards the wholesale segments and the reduction of 300 bps in the benchmark rate in the last twelve months. Derived from the creation of prudential reserves to face the current crisis, the financial margin adjusted for provisions shows a decrease of 12.8% compared to 2019. Commissions and fees fell 5.3% in the year mainly due to a lower level of transactionality of our clients with credit and debit cards. Additionally, an increase was observed in operations through the mobile channel which, for individual clients, this services does not generate commission for its use.



Trading income shows a 3.0% decrease compared to the previous year, mainly explained by the result of the valuation of derivative financial instruments. In 2020, as a result of the health crisis, we allocated significant resources to the purchase of hygienic and health supplies to maintain the highest standards of safety and control in our work centers. However, we remain focused on maintaining strict control of expenses, showing a growth of 1.9% compared to 2019, which was below inflation. Thus, the efficiency ratio (measured as expenses among revenues) was 38.07% at the end of December 2020, 176 bps higher than the previous year, impacted by the reduction in revenues.

At Grupo BBVA México, we face a complex environment with high levels of solvency and liquidity. The capitalization index closed the year at 17.5%. The recurrence of income was reflected in the constant generation of organic capital, which allowed Grupo

We consolidated Grupo BBVA México's leadership position in bank deposits by registering **a market share of 22.6%;** **a 27 bps increase with respect to the previous year.**

**192 bps increase**  
**in the total capital index** compared to the previous year's result.

BBVA México to increase the total capital ratio by 192 bps compared to the 15.60% registered in December 2019. Liquidity levels remain solid and at strong levels to continue growing our loan portfolio. The liquidity ratio, defined as Liquid Assets/Liquid Liabilities, was 76.8%. The Liquidity Coverage Ratio (Local LCR) stood at 190.49%.

At Grupo BBVA México it is clear that the future is not what is to come, but the result of our past and present decisions, of recognizing and thanking each

of the members of this great team for their work and commitment shown in 2020. We closed a cycle to open the way to a new opportunity and celebrate the fact that we are present to continue supporting our clients and the country in the role that corresponds to us, being an essential economic activity for the country. We cannot allow ourselves to lower our guard, let us all continue to take care of each other, for our won good, our families and the country's.

Let's continue creating opportunities.

**Eduardo Osuna Osuna**  
Vice Chairman of the Board of Directors  
and Director of BBVA México

# 2020 Achievements

02



The year 2020, an unusual year in many ways, involved a series of challenges and great effort on the part of **Grupo BBVA México**; managing to maintain a good performance in its material issues, always seeking the **well-being and satisfaction of its clients and collaborators and contributing** to economic growth and the creation of a sustainable community.

## COVID-19

A total of MXP 720 million was raised for the purchase of medical supplies and equipment, ventilators, training of medical personnel and expansion of hospital capacity (expansion of the INER together with the Red Cross). These initiatives have benefited more than 59,886 patients affected by COVID-19 and have made it possible to donate 1,223 ventilators for patients in medium and intensive therapy and 698,000 comprehensive protection medical kits for health personnel in the first line of defense against COVID-19.



## Clients

During 2020, the number of financial transactions exceeded 1.7 billion transactions. 45% were made through our mobile application or the website, compared to 31% the previous year.

At the end of 2020 we had 12.1 million digital clients, an increase of 25% compared to 2019. This means that 53.7% of our total client base uses our digital channels. The foregoing is also reflected in our digital sales, reaching 62.8% of product origination executed through digital channels.



## Community

Also reaffirming our commitment to Mexico, we donated MXP 470 million through Fundación BBVA México as seed capital.

315 thousand scholarships granted since 2002, with an investment of MXP 6,000 million.

Contribution of 2% of profits to Fundación BBVA México.



## Sustainable Finance

- I. Individual loan products: financing for the acquisition of hybrid and electric cars, financing for solar panels and green mortgages, among others. At the end of 2020, this portfolio stood at MXP 1,433 million.
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- III. Insurance: We are starting the green insurance offering starting with hybrid and electric cars.
- IV. Underwriter for the placement sustainable bonds for MXP 18,300 million.



## Collaborators

In 2020, the Diversity and Inclusion Council was established, formed by 20 top-level collaborators, with the aim of guiding the strategy and establishing guidelines that promote a culture of respect for diversity, equality, non-discrimination and labor inclusion.

A diagnosis on gender equity was carried out to detect the current state and areas of opportunity. Additionally, action plans and specific KPIs were established to promote gender equality in management positions.



To **reinforce its commitment** and align its efforts with national initiatives, BBVA joined the **“Gender Equality Goal”** initiative of the **Global Compact.**

## Acknowledgments



**Our SME Banking is recognized by the Global SME Finance Forum 2020 as one of the best in the world**

These awards celebrate the outstanding achievements of financial institutions and fintech companies in delivering value-added products and services that help their SME clients grow. In turn, they recognize and reward innovation in small business loans by enabling them to improve their financing and helping them grow and create jobs. The Global SME Finance Awards are organized by the IFC, a member of the World Bank Group, and the Global SME Finance Forum. In addition, they are endorsed by the G20's Global Alliance for Financial Inclusion (GPFII). For Grupo BBVA México, the SME segment is especially important since they are the economic agents that most contribute to the generation of jobs, so all capacities have been oriented to be the bank for SMEs in the country, through a differentiated and competitive commercial offer, with products and services designed for their needs.



**Grupo BBVA México, the bank with the best reputation in the country, for the fourth consecutive year**

The Business Monitor of Corporate Reputation (*Monitor Empresarial de Reputación Corporativa*, MERCO) recognized Grupo BBVA México, for the fourth consecutive time, as the bank with the best reputation in the country. The entity also obtained the sixth place in the general classification. In addition, the Vice President and CEO of Grupo BBVA México, Eduardo Osuna, was recognized in sixth place in the list of "The 100 executives with the best reputation in Mexico," prepared by the same consulting firm. For Grupo BBVA México, the attention and care of its reputation is one of the key axes in the business, and not only the reputation, but also the Corporate Responsibility with clear and transparent information, addressing and internalizing the care of the environment and society, and the proper management of corporate governance (ESG). Grupo BBVA México is convinced that its daily actions must be strengthened to be a responsible business with benefits for society, employees, clients and shareholders.



**Grupo BBVA México is recognized as the Best Bank in Mexico by the international magazine Euromoney**

In July 2020, Euromoney magazine recognized Grupo BBVA México as the Best Bank in Mexico, not only for its financial results but also for its leadership in the digital transformation during 2019. It also recognizes the adequate management and control of expenses when positioning itself as the most efficient bank in the Mexican financial system, with a 36.3% index at the end of 2019. This result highlights the success of Grupo BBVA México in its transformation and innovation process, the main objective of which is to increase customer satisfaction and strengthen digitization. Advances in transformation are reflected in the number of clients using digital channels. As of December 2019, the Institution had more than 10 million digital clients, 47% of the total client base. This is due to a differential value proposition. Grupo BBVA México was the first bank in Mexico to use artificial intelligence integrated with WhatsApp technology and in 2019 continued innovation to continue incorporating new solutions in mobile applications.



## Grupo BBVA México, the “Most Attractive Employers in Mexico 2020” in the Universum list

Grupo BBVA México has been characterized as an innovative bank, with a differentiated proposal, which incorporates the best talent, capable of developing and offering the best financial solutions for clients when and where they require it. This innovation has made us notable as one of the places where university students and recent graduates seek to work. This is what has given us the distinction of Universum in 2020. For students within the business area, Grupo BBVA México was rated in 6<sup>th</sup> place, being the first bank on the list. The 10 attributes most associated with Grupo BBVA México by university students are: success in the market, prestige, good reference for the professional future, high level of responsibility, training and professional development, competitive base salary, stable employment, leadership opportunities, benefits competitive and customer focused.



## Recognition for labor inclusion

The subsidiary Servicios Externos de Apoyo Empresarial received recognition by the ManpowerGroup Foundation for its commitment to labor inclusion by promoting employment and training opportunities for people with disabilities, low-income youth, women in the process of reintegration into work, over 45 years, migrants and refugees, during the year 2020.



# Profile and Strategy

03

**Grupo BBVA México** is the largest bank in Mexico. One of the six strategic pillars of the Group is sustainability. BBVA's sustainable development strategy is based on the Principles of Responsible Banking that are part of the **United Nations Environment Programme Finance Initiative** (UNEP FI). BBVA is committed to the Principles of the United Nations Global Compact and in 2016 made official its commitment to meet the objectives established at the Paris Summit and the **United Nations Sustainable Development Goals** (SDGs).



# Group Profile

GRI 102-2, 102-16

Grupo Financiero BBVA Bancomer, S.A. de C.V. ("Grupo BBVA México") has a presence throughout the Mexican Republic. It serves its clients through a wide range of bank branches and other distribution channels such as ATMs, bank correspondents, point of sale terminals, Internet, mobile applications, among others. Additionally, it has specialized executives who provide differentiated and personalized service to both private and business clients; as well as government entities.

For the purpose of this report, Grupo Financiero BBVA Bancomer, S.A. de C.V., shall be Grupo BBVA México. If the information reported does not correspond to all its subsidiaries, a clarification will be made about the subsidiary to which the information is related. In this report, the Grupo BBVA corresponds to the integration of BBVA and all its international acquisitions.

Grupo BBVA México remains the **largest bank in Mexico**<sup>1</sup>.

<sup>1</sup> <https://www.forbes.com.mx/bbva-se-mantiene-como-el-banco-mas-grande-en-mexico/>





## Our Aspiration

Strengthen the relationship with the client...

- Helping our clients make the best financial decisions by providing relevant advice.
- Providing the best solutions that generate trust: clear, simple, transparent and with fair conditions.
- Through an easy and convenient experience: autonomously (DIY), through digital channels or human interaction.

Redefining our value proposal focused on the real needs of our clients.

## Our Purpose

“Make available to everyone, **the opportunities of this new era.**”

## Our Values

The Institution's values are reflected in the day-to-day life of all employees of Grupo BBVA México, influencing all their decisions.



### The client comes first

- We are empathetic
- We are of integrity
- We solve your needs



### We think big

- We are ambitious
- We break the mold
- We surprise the client



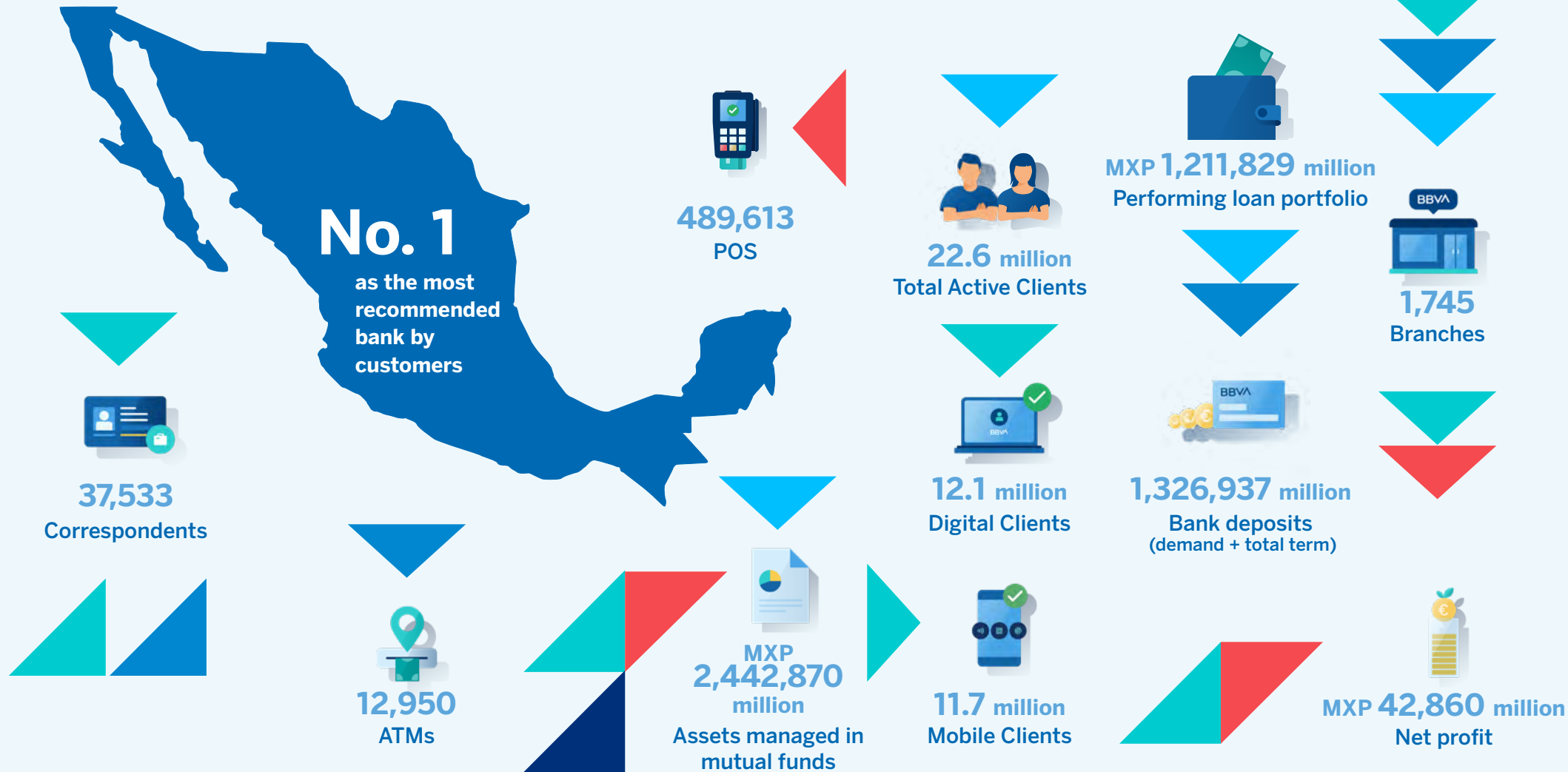
### We are a team

- I am committed
- I trust the other
- I am BBVA



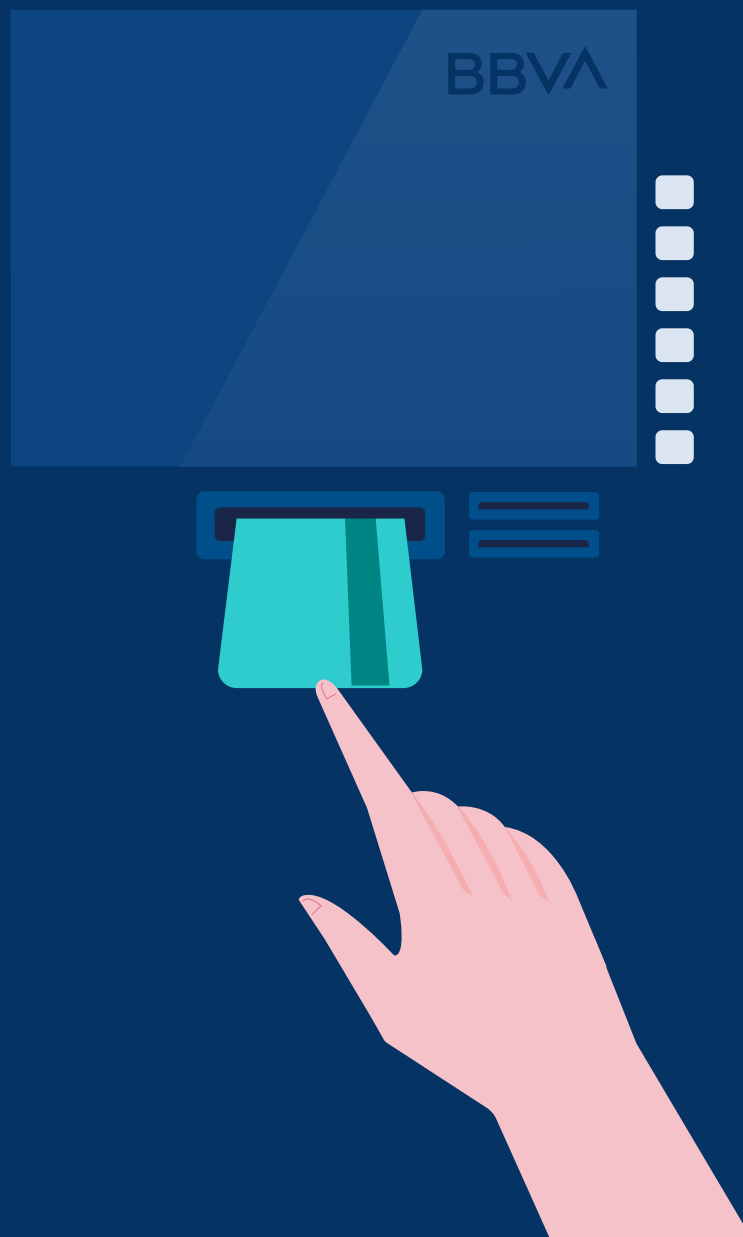
# Presence

GRI 102-4, 102-6, 102-7



Source: Grupo BBVA México.  
Figures as of December 2020.

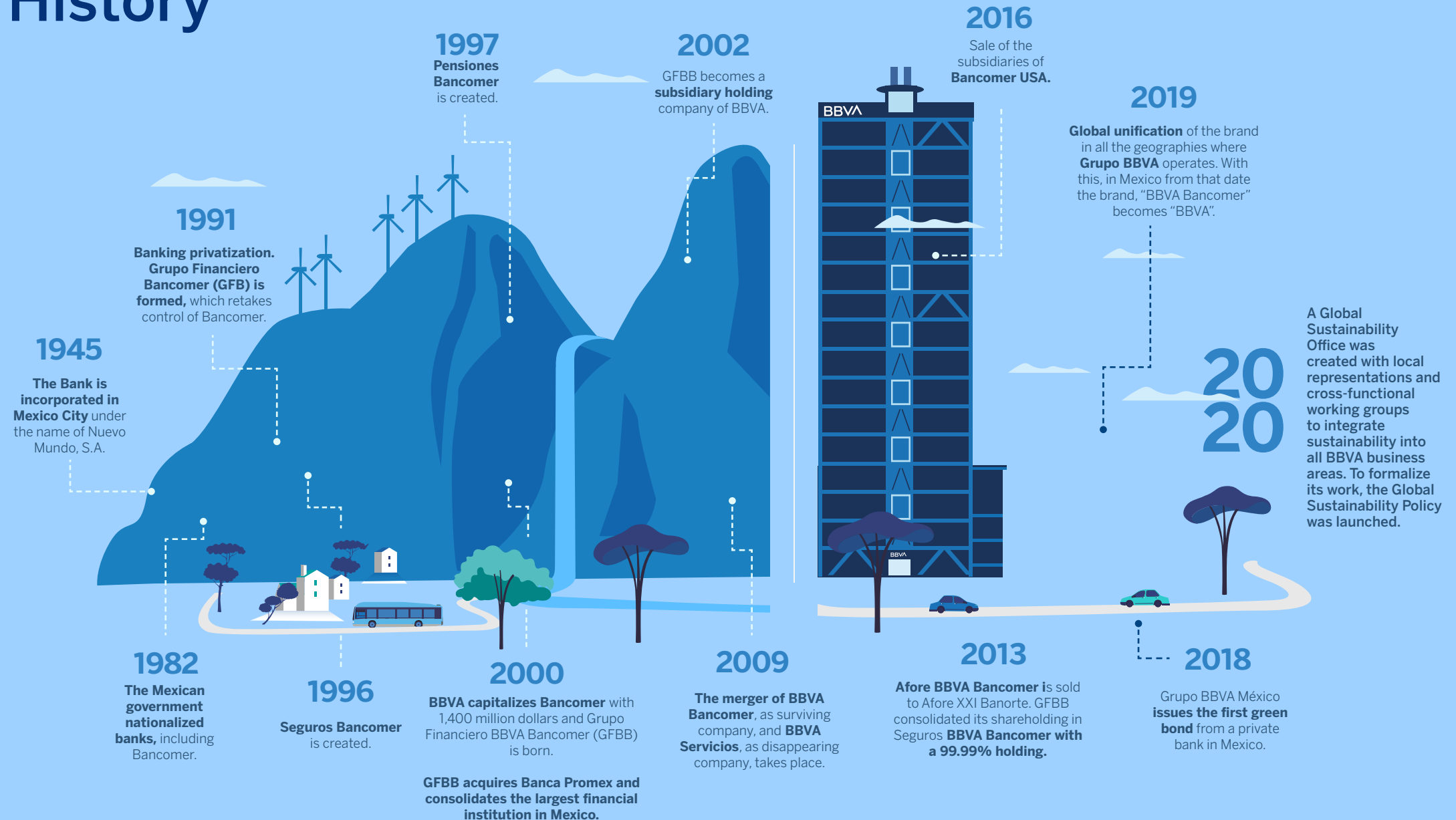
	Branches	ATMs
Aguascalientes	20	174
Baja California	53	401
Baja California Sur	20	139
Campeche	14	110
Chiapas	35	267
Chihuahua	52	423
Mexico City	267	2,090
Coahuila	40	379
Colima	11	76
Durango	22	145
State of Mexico	176	1,467
Guanajuato	79	510
Guerrero	31	186
Hidalgo	32	262
Jalisco	180	1,129
Michoacán	85	527
Morelos	28	183



	Branches	ATMs
Nayarit	22	140
Nuevo León	106	663
Oaxaca	25	202
Puebla	60	464
Querétaro	33	277
Quintana Roo	22	270
San Luis Potosí	31	188
Sinaloa	36	228
Sonora	50	411
Tabasco	32	237
Tamaulipas	42	351
Tlaxcala	10	90
Veracruz	75	618
Yucatán	32	207
Zacatecas	24	136
<b>*Nacional</b>	<b>1,745</b>	<b>12,950</b>

Source: Grupo BBVA México.  
Figures as of December 2020.

# History



# Leadership

BBVA México

## Infrastructure

14.4%  
Branches



22.4%  
ATMs



33.3%  
POSs



BBVA México #1  
Leadership  
We are

## Commercial Activity

21.8%  
Total Assets



29.5%  
Consumer +  
Credit Cards



25.8%  
Mortgage  
loans



20.8%  
Mutual  
funds



23.4%  
Performing  
Loan  
Portfolio



35.4%  
Auto  
loans



26.0%  
Deposits on  
demand



22.6%  
Bank  
deposits  
(demand +  
total term)



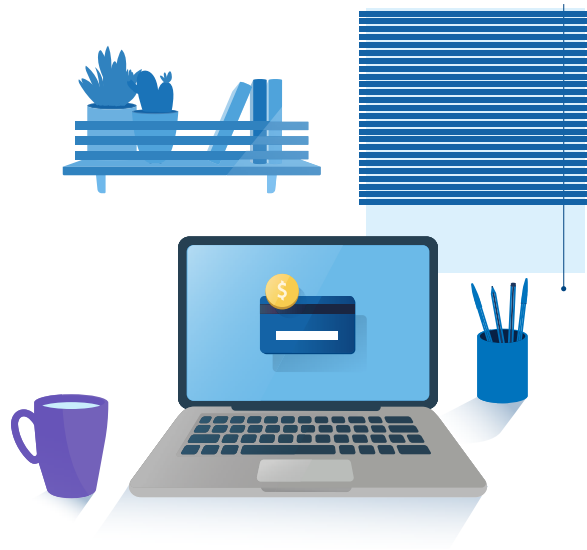
29.3%  
Government  
loans



Sources: CNBV, AMIB.  
CNBV Information: Bank with SOFOM.  
Information as of December 2020.

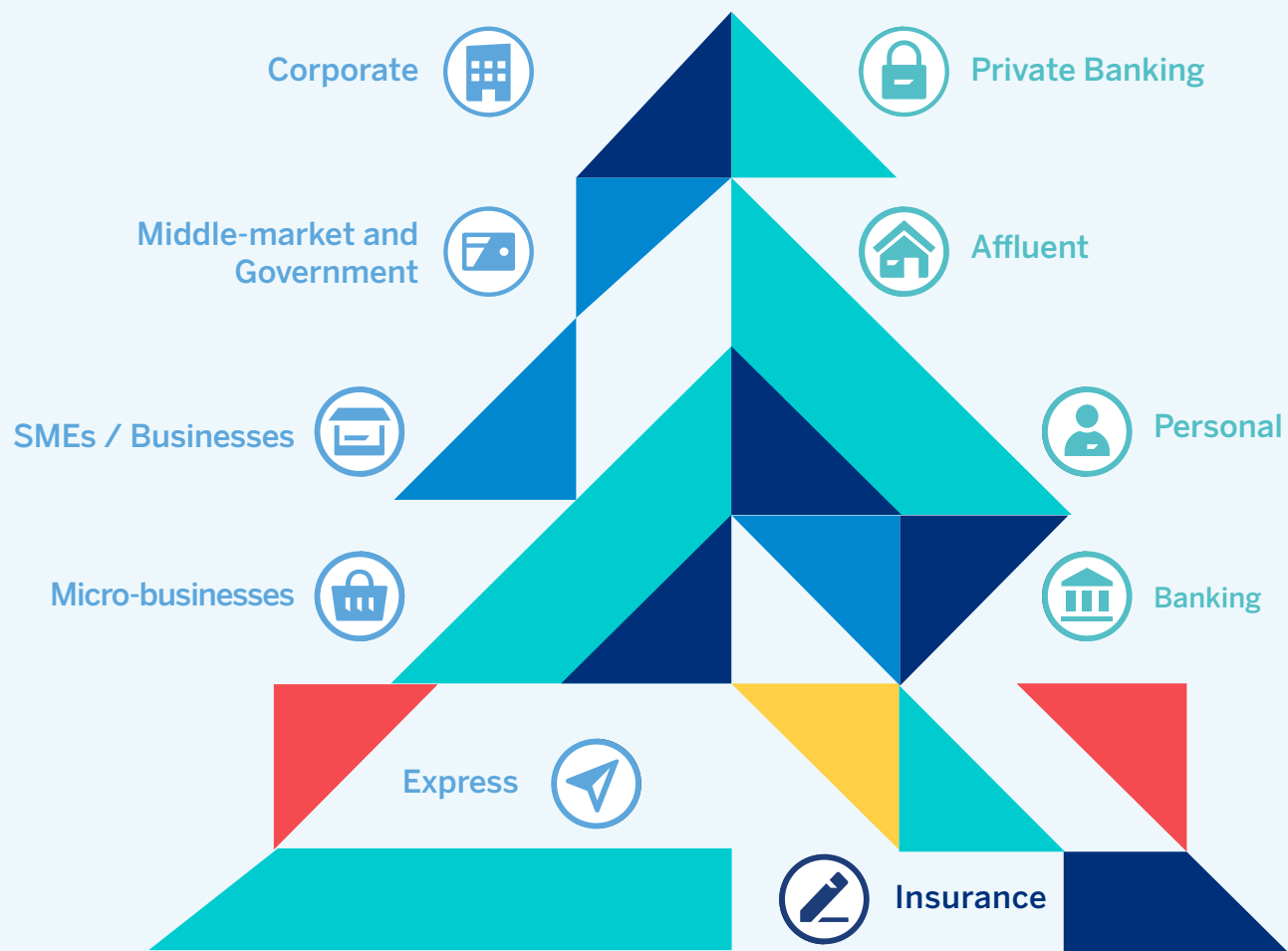
# Business model

Grupo BBVA México is a bank in constant transformation, evolving every day to improve the client experience, offering traditional products and innovating through its digital product offer.



One of the main elements of the business model is client segmentation, which allows specialized attention to be provided through each of the Business Units, dedicated to the development of products and services focused on client needs. This, accompanied by the Support Units, which assist businesses and all Networks to generate the best experience for clients and which, furthermore, aim to maintain adequate recurrence in the business and comprehensive management with synergies that allow continued growth.





**Grupo BBVA México's business model** allows it to create opportunities and consolidate its leadership in the country.

This model has made it possible to demonstrate the recurrence in the results and the strength of Grupo BBVA México through a differential performance characterized by a clear philosophy of risk control and with the objective of maintaining long-term profitability.

Thus, Grupo BBVA México consolidates its leadership position in the country to face future growth.



## Retail Network

Retail Network's business unit manages the entire branch network, offering services to a variety of individual client segments, ranging from high net worth, private, wealth and personal to banking and express; micro and small businesses (SMEs) are also catered for.

The structure of our branches has been redesigned by adding larger self-service spaces to improve the experience for our clients by improving flow within branches, encouraging the use of self-service facilities for low-value operations, and adding ATMs that allow our clients to obtain consumer loans, make deposits or payments in cash.

We have also made significant investments to develop alternative digital channels that support intra-branch sales with the primary goal of increasing cross-selling opportunities to our clients while increasing client loyalty. For example, in relation to the migration of payroll accounts, as of December 31, 2020, we had a total of 323,642 new payrolls in Grupo BBVA México, 92% of the persons who changed their payroll to the bank did so through our digital channels.

In addition, we offer loans and deposits to individuals and to small and micro-businesses, through the Retail Network business unit and through the digital channels developed to serve this segment. Depending on the needs of each client 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.

During 2020 we continued transforming the customer service strategy with the aim of consolidating long-term relationships and being able to face their needs in advance by offering specialized solutions. The new service model for SMEs has been a differentiator and has registered positive results with attracting clients during the last months of the year. Additionally, we continue to promote the digital channels we have to strengthen and differentiate our offer with innovative payment solutions (CoDi, electronic payment, e-commerce and POS).



**323,642 new payrolls**

in 2020; 92% of the persons who changed their payroll to Grupo BBVA México did so through **our digital channels.**





## Business and Government Banking

We offer services to the Government and Businesses Banking segment through a network of 132 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 client requirements for collections and cash management solutions.

In 2020 we launched the BBVA Empresas App, which is aimed at legal entities from small and medium-sized companies to large corporations. This allows clients to manage and administer their business from their cell phone and, in addition, through this App, we can offer a wide variety of services and digital offers.

This unit also offers services to clients in certain niche segments to increase cross-selling opportunities and customer loyalty:

- **Home Developers.** This segment provides loans to developers for construction purposes.
- **Consumer Finance.** This unit was created exclusively to satisfy the diverse requirements of the automotive industry, including loans for the distribution and acquisition of vehicles. Additionally, this unit is part of the Corporate and Investment Banking segment, as it provides services to meet the financial needs of car dealers.
- **Governmental Entities.** This segment has 28 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 and checking accounts and tax collection services for states and municipalities. We also offer products such as “Multipagos” and “CIE Online” for tax collection.



## Corporate and Investment Banking

We offer credit products and services to corporate and institutional clients, mergers and acquisitions services, market trading (equity and fixed income), cash management, online banking and investment products. In this segment, we have a client base close to 588 multinationals located in Mexico and institutional clients. The segment strives to ensure that clients receive the best possible service by developing new products tailored to their needs. Some examples of products that we offer to this client segment are:

- **BBVA Net Cash**, a global electronic banking solution that allows companies, corporations and government organizations to carry out their banking operations efficiently and securely through a platform that is remotely accessible at any time.
- **Grupo BBVA México Web Trader**, a platform that allows investors to conduct their own trading operations

online in real time. The segment also offers market information, analysis, news and technical tools, which can be customized, to help our clients make financial decisions.

Corporate and Investment Banking also includes our global markets unit and, in association with the Broker-Dealer, we offer more sophisticated products and services to both individuals and companies, such as debt and equity placements and issuances, and structured financing. Grupo BBVA México has led the SHCP and Banco de México ranking of Market Makers since 2012. As market makers, we play an active role in the fixed-rate government securities market and primary auction bids for these securities.



# Strategy

GRI 102-12, 102-13, 102-21, 102-29, 102-31, FS1

## Strategic priorities

Based on the constant transformation of Grupo BBVA México to adapt to the major trends in the financial industry, such as the competitive environment, client behavior and expectations, the search for sustainability and data protection, it has developed three new blocks and six strategic priorities:



### What defines us

- Improve the financial health of our clients
- Help our clients in the transition towards a sustainable future



### Levers for differential performance

- Growth in clients
- Operational excellence



### Accelerators to achieve our goals

- The best and most committed team
- Data and technology

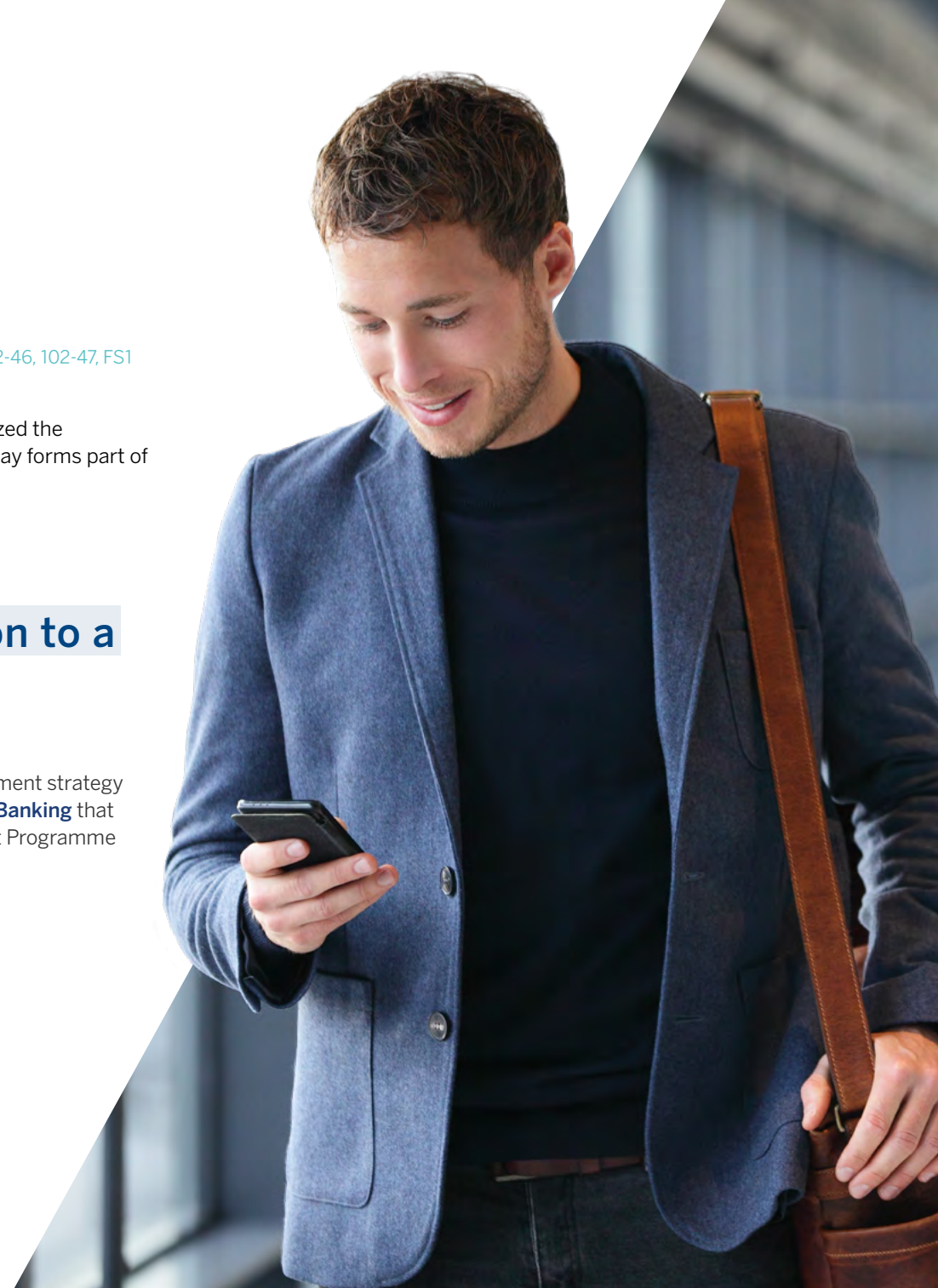
## Sustainability strategy

GRI 102-32, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, FS1

At a global level, Grupo BBVA has internalized the sustainable development strategy that today forms part of one of the strategic pillars:

## Helping our clients towards the **transition to a sustainable future.**

Grupo BBVA México's sustainable development strategy is based on the **Principles of Responsible Banking** that are part of the United Nations Environment Programme Finance Initiative (UNEP FI).



Thus, Grupo BBVA México aligns its fundamental role of contributing to the economic development of the country with a comprehensive and equitable approach. The Principles provide the framework for a sustainable banking system and help the industry demonstrate how they make a positive contribution to society. The Responsible Banking model of Grupo BBVA México is applied to all business and support areas, with the aim of seeking a profitability adjusted to these principles, a strict compliance with the law, good practices and the creation of long-term value for all stakeholders.

## Strategic Pillars of Responsible Banking of Grupo BBVA México



**Balanced relationships** with its clients, based on transparency, clarity and responsibility.



**Responsible practices** with collaborators, suppliers and other stakeholders.



**Sustainable finance** to fight climate change, respect human rights and achieve the SDGs.



**Investment in the community**, to promote social change and create opportunities for all.

During 2020, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. approved BBVA's **Sustainability Policy**, which defines and establishes the general principles and management objectives in terms of sustainable development. Also, it seeks to promote the development of sustainable solutions and identify opportunities and offer advice for private clients and companies.

BBVA is committed to the Principles of the United Nations Global Compact and in 2016 made official its commitment to meet the objectives established at the Paris Summit and the United Nations Sustainable Development Goals. This has been demonstrated since 2018, when **Commitment 2025** was presented, which aims to contribute to the achievement of the SDGs and the challenges arising from the Paris Climate Agreement.



## Materiality

GRI 102-15

Since 2017, Grupo BBVA México updated its methodology for identifying material issues, with which it has worked over the last three years with the aim of accurately reporting the most important issues for its stakeholders.



2017

The **new methodology** was implemented and the stakeholders to consider to determine the material issues were: employees, clients and the sector based on public studies of recognized institutions and internal studies of Grupo BBVA México. 15 material topic were identified.

**17AR:** <https://investors.bbva.mx/wp-content/uploads/2019/03/informe-anual-2017.pdf>

2018

An approach was carried out with **suppliers and opinion leaders** to identify relevant issues of both stakeholders. The results were added to the tool together with the Responsible Banking strategy and the materiality developed by Grupo BBVA for Grupo BBVA México. The 12 previously identified material topics were updated.



**18AR:** [https://accionistaseinversores.bbva.com/wp-content/uploads/2019/05/BBVA\\_BANCOMER-IA2018\\_17042019-VF.pdf](https://accionistaseinversores.bbva.com/wp-content/uploads/2019/05/BBVA_BANCOMER-IA2018_17042019-VF.pdf)



2019

**Materiality was updated** in accordance with the methodology implemented in 2017, integrating key issues from BBVA's strategy. The SDGs relevant to BBVA and in which it can generate the greatest impact were identified.



**19AR:** [https://investors.bbva.mx/wp-content/uploads/2020/06/BBVA-IA2019\\_esp\\_VF.pdf](https://investors.bbva.mx/wp-content/uploads/2020/06/BBVA-IA2019_esp_VF.pdf)



2020

The materiality update was carried out using the following methodology:

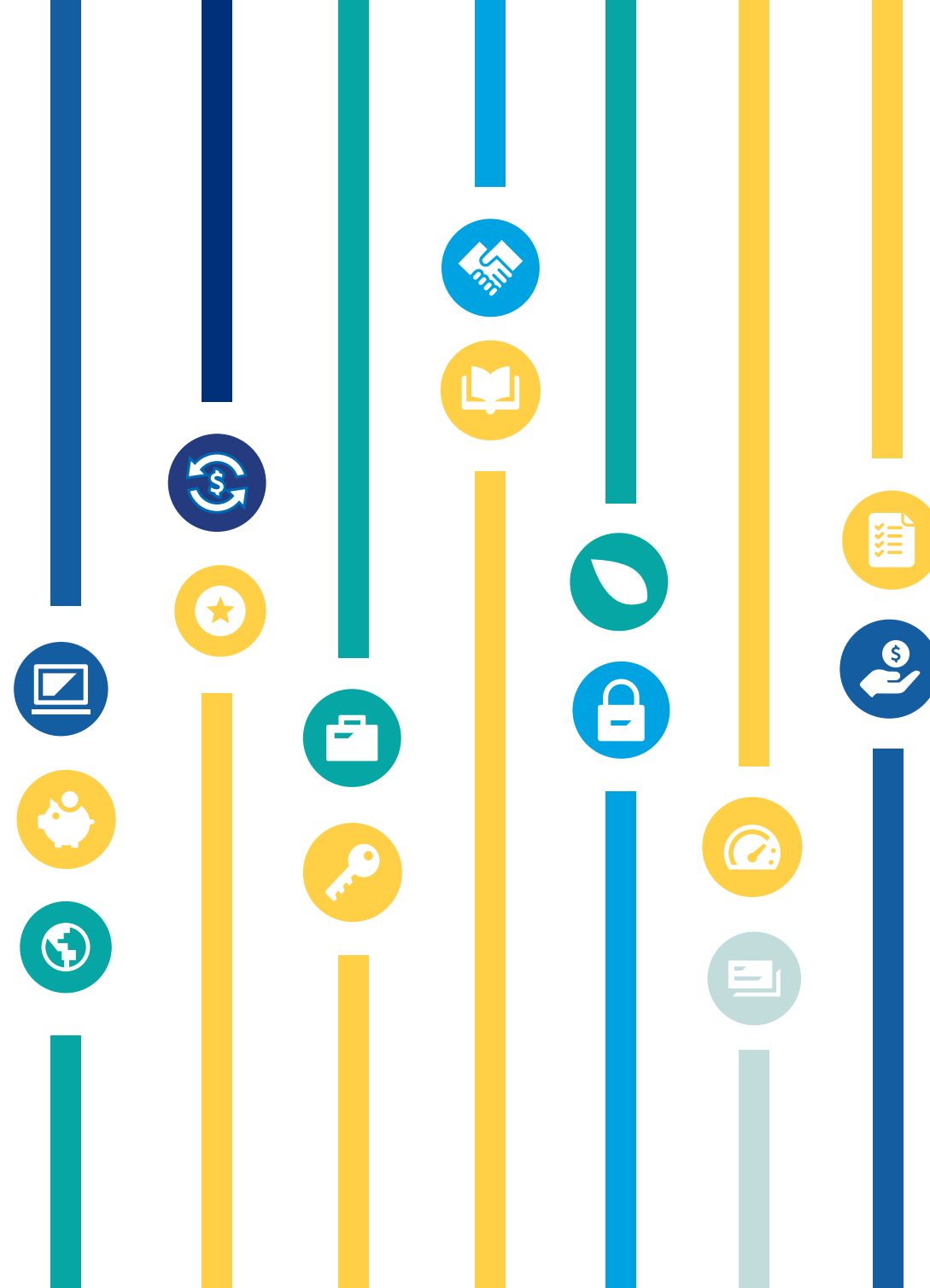
- 1. Validation and review** of the material issues reported in 2019.
- 2. Updating of previously used internal studies** with the most recent results.
- 3. Analysis of studies** focused on relevant issues in the sector of institutions such as the World Economic Forum, Carbon Disclosure Project (CDP), 2020 SAM sectoral materiality, SASB sectoral materiality, material issues of domestic financial institutions, among others.
- 4. Collection, validation and integration** of information to the materiality tool for its 2020 update.



As a result of this exercise, 15 material topics were identified:

BBVA 2020 Material Topics	GRI Standard Content
 Communication and marketing practices (including transparency)	GRI 417
 Corporate Governance	GRI 102-18 to 102-39
 Socially and environmentally responsible financing	FS7, FS8 and FS11
 Compliance system	GRI 205, 307
 Environmental footprint	GRI 301, 302, 303, 305, 306 and 307
 Ethical behavior	GRI 206, 102-16, 102-17
 Contribution to society	GRI 413
 Financial education and inclusion	FS13, FS14
 Cybersecurity and responsible use of data	GRI 418
 Employment	GRI 401
 Anti-Money Laundering/Terrorism Financing	GRI 205
 Risk and crisis management	GRI 102-18, 102-29 and 102-30
 Anti-corruption	GRI 205
 Diversity	GRI 405
 Talent attraction, development and retention	GRI 404

-  Pillar 1
-  Pillar 2
-  Pillar 3
-  Pillar 4
-  Governance









## Stakeholders

GRI 102-40

To identify its stakeholders, Grupo BBVA México has an analysis and monitoring based on the criteria established by the AA1000 Stakeholder Engagement Standard Guide<sup>2</sup>. The Corporate Responsibility and Reputation area is who

is committed to generating a relationship through the following specific dialogue channels for each stakeholder:

### Stakeholders and dialogue channels

Stakeholder	Dialogue channels	Responsible area
 Shareholders	<ul style="list-style-type: none"> <li>• Legal Department</li> <li>• Shareholders' Meeting</li> <li>• Annual Report</li> <li>• Quarterly Financial Information</li> </ul>	Investor relations ( <a href="https://investors.bbva.mx/">https://investors.bbva.mx/</a> )
 Clients	<ul style="list-style-type: none"> <li>• Branches</li> <li>• BBVA Hotline (<a href="https://www.bbva.mx/personas/apps/app-linea-bancomer.html">https://www.bbva.mx/personas/apps/app-linea-bancomer.html</a>)</li> <li>• Website (<a href="https://www.bbva.mx/">https://www.bbva.mx/</a>)</li> <li>• Press (newspapers, magazines, inserts, direct mail, television and radio, among others)</li> <li>• Satisfaction survey</li> <li>• Social media</li> <li>• Opinion studies</li> </ul>	<ul style="list-style-type: none"> <li>• Wholesale and investment banking</li> <li>• Business development</li> <li>• Retail network</li> </ul>
 Collaborators	<ul style="list-style-type: none"> <li>• We are BBVA</li> <li>• Email (collaborator reporting channel)</li> <li>• Work environment survey</li> <li>• Internal reputation study</li> </ul>	<ul style="list-style-type: none"> <li>• Talent &amp; Culture</li> <li>• Corporate Responsibility and Reputation</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>• Adquiras e-portal (<a href="https://bbvaprovedores.mx/">https://bbvaprovedores.mx/</a>)</li> <li>• Mailbox of complaints and suggestions (<a href="https://bbva-suppliers.appspot.com/presencia-bbva/">https://bbva-suppliers.appspot.com/presencia-bbva/</a>)</li> <li>• Email</li> <li>• Satisfaction survey</li> </ul>	Purchases
 Regulators	<ul style="list-style-type: none"> <li>• Committees</li> <li>• Forums</li> <li>• Meetings</li> <li>• Releases</li> </ul>	<ul style="list-style-type: none"> <li>• Talent &amp; Culture</li> <li>• Corporate Responsibility and Reputation</li> <li>• Risks</li> <li>• Regulatory compliance</li> </ul>
 Society	<ul style="list-style-type: none"> <li>• BBVA Foundation website (<a href="http://www.fundacionbbva.mx/">www.fundacionbbva.mx/</a>)</li> <li>• Social media</li> <li>• Opinion studies</li> </ul>	<ul style="list-style-type: none"> <li>• BBVA Foundation</li> <li>• Quality</li> <li>• Corporate Responsibility and Reputation</li> </ul>

### Periodicity

- Daily
- Monthly
- Quarterly
- Annually
- Biennial
- Periodically

<sup>2</sup> For more information on the AA1000 Guide, visit: <https://www.accountability.org/standards/>.

## Global Compact and Sustainable Development Goals (SDG)

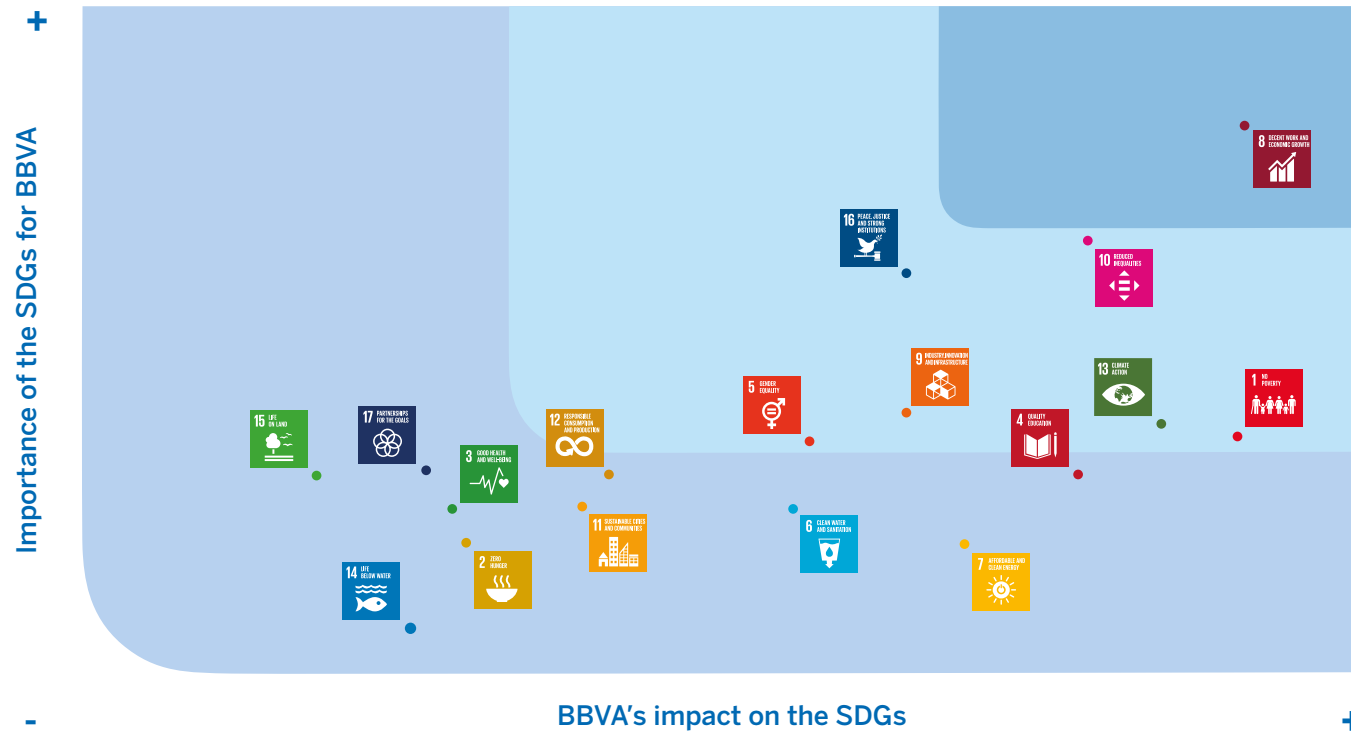
Faced with the increase in temperature on our planet, the scarcity of resources, social problems and the growing search for a sustainable future for all, Grupo BBVA México has demonstrated its commitment by joining the Global Compact of the Nations United (UN) since 2004.

In 2018, the Grupo BBVA announced its climate change and sustainable development strategy, in order to contribute to the SDGs and the Paris Agreement. This strategy focuses

on mobilizing capital aimed at curbing climate change and contributing to the specific goals of the SDGs. To mitigate and eradicate the different problems presented in each SDG and based on the materiality study presented in 2020, Grupo BBVA México has identified the most important SDGs for the Institution along with their level of contribution to achieve its goals. The graph shown below corresponds to the level of contribution of Grupo BBVA México to the specific goals for the fulfillment of each SDG:

The SDGs were established to meet humanity's universal challenges, protect the environment, and solve socio-economic problems. The SDGs are made up of 17 objectives and 169 specific goals that international society must meet by 2030.

To learn more, visit the official page: <https://www.un.org/sustainabledevelopment/es/objetivos-de-desarrollo-sostenible/>.



# Economic impact

Grupo Financiero BBVA México is an entity that is part of an essential economic activity. For this reason, at the Institution we realize we are a key participant in promoting Mexico's economic development. For many years now, we have demonstrated and continually reaffirm our commitment to the country and to society, especially to savers, by capturing their resources safely and efficiently, making them grow and managing them properly. Also, we offer alternatives and personalized solutions for people and companies looking for different forms of financing that allow them to achieve their objectives and goals.

This chapter contains the figures that demonstrate the recurrence in the results and the strength of Grupo BBVA México. This has been achieved through a differential performance characterized by a clear risk control philosophy and aiming to maintain a long-term profitability.

At the Institution we know the importance of facilitating access to financial services. That is why behind the financial result there is a whole strategy driven by digital channels that make financial products and services specially designed to create opportunities and support the well-being of the population available to people.

During 2020, which has been characterized as one of the most complex in recent decades, we decided to support our clients by deferring the payment of principal and/or interest on their loans for a period of 4 to 6 months, promoting an improvement in their financial health and accompanying them to navigate the complex environment.

At Grupo BBVA México, more than a bank, we want to be the engine of opportunities and have a positive impact on people's lives, on company businesses and society.

We want to continue  
**creating opportunities.**

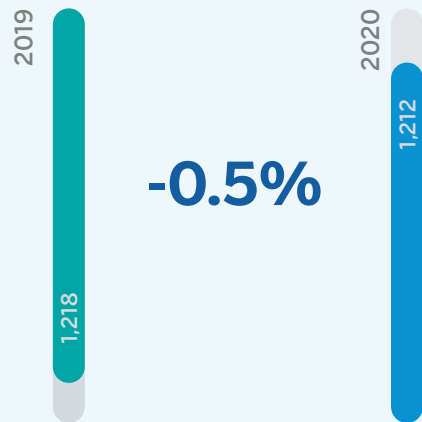




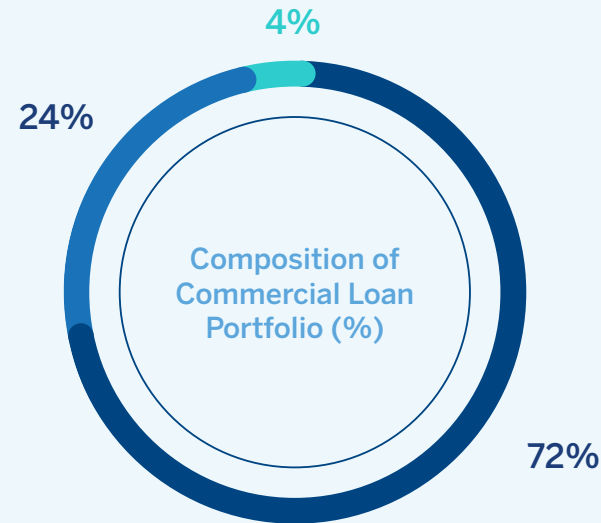
## Evolution of the activity

The year 2020 has been impacted by an adverse macroeconomic environment derived from the COVID-19 pandemic, which involved facing new operational risks, and great challenges to keep our clients and collaborators healthy. At the same time, we continue to provide our service by being an essential economic activity. Thus, the performing loan portfolio of Grupo Financiero BBVA México closed with a balance of MXP 1,211,829 million, a level similar to the end of 2019, with a marginal decline of 0.5%.

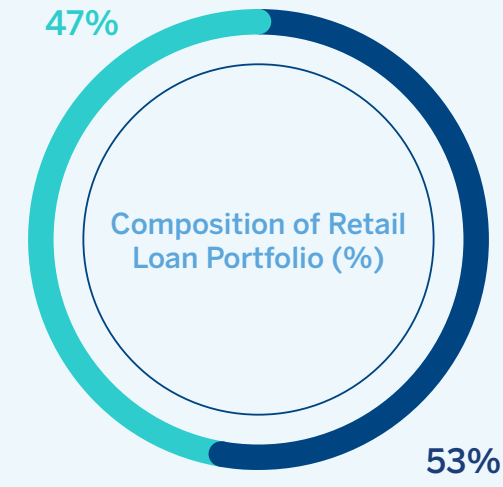
Total Performing Loan Portfolio (MXP billion)



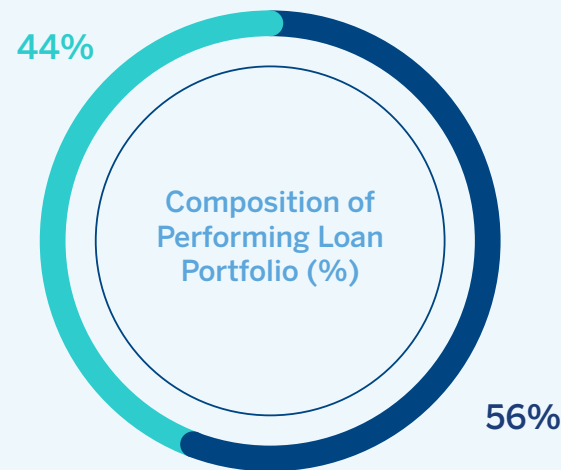
In 2020, at Grupo BBVA México we were able to consolidate our leadership position in the performing loan portfolio with an increase in market share of 34 bps to close the month of December with 23.4% a share, according to figures from the CNBV.



- Business Activity
- Financial Entities
- Government Entities



- Consumer Loans
- Mortgage Loans



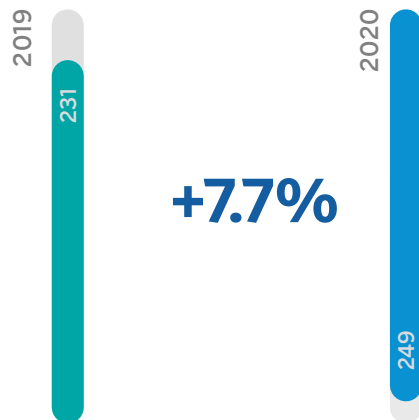
- Commercial
- Retail



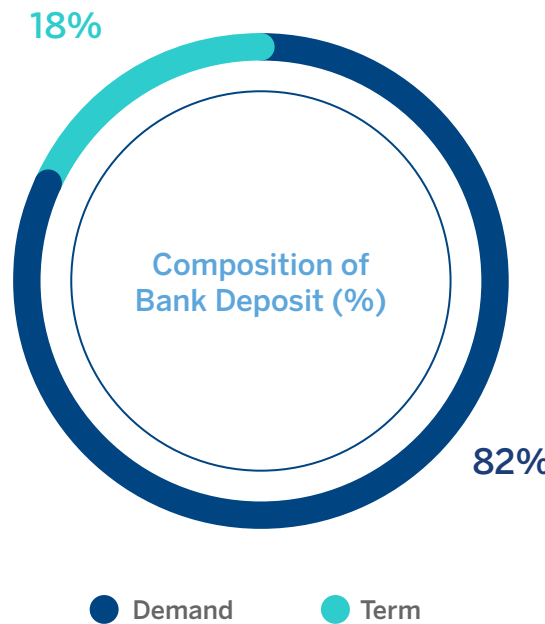
The commercial loan portfolio fell 0.9% in 2020 compared to the previous year, impacted by prepayments from companies and corporations in the fourth quarter of 2020, given the high liquidity observed in the market and thus reversing the use of their credit lines during the first half of the year. It is worth highlighting a 12.4% increase in loans to the government, derived from our strategy of actively participating in tenders with faster proposals and competitive terms.

Loans to individuals continue to show a deceleration in the growth trend, impacted by the adverse macroeconomic environment, registering an annual decrease of 0.1%. In detail, those most affected by the pandemic have been consumer and credit cards loans, which, together, registered a decline of 6.0% in annual terms. Mortgages stand out and continue to show a solid performance with a balance 7.7% higher than in 2019.

#### Mortgage Loan Portfolio (MXP billion)



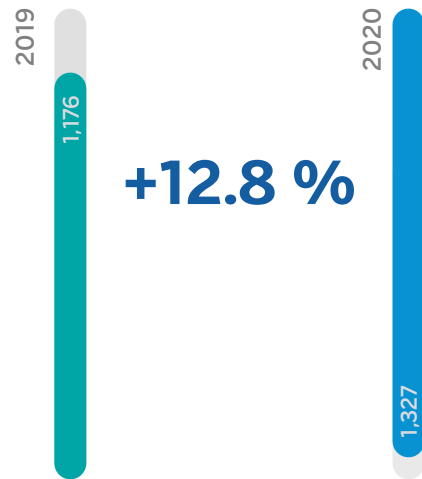
Grupo BBVA México's continuous strategy to promote financial inclusion and savings among clients is reflected in the increase in bank deposits<sup>3</sup> of 12.8% in annual terms. An annual increase of MXP 160,941 million in demand deposits stands out. The deposit mix maintains a greater relative weight in low-cost resources with 82% in demand deposits.



<sup>3</sup> Bank deposits = demand + total term + global deposit account without transactions.



### Bank Deposits (MXP billion)

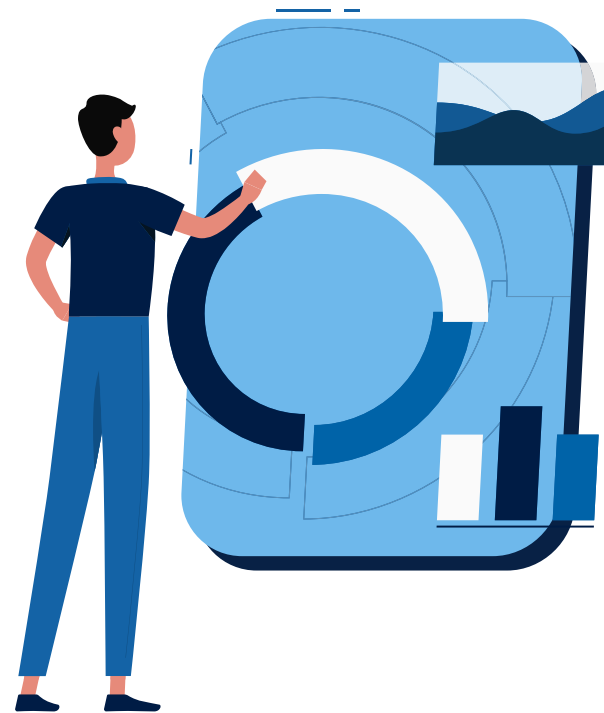


The foregoing has allowed Grupo BBVA México to consolidate our leadership position by registering a market share in bank deposits of 22.6%, according to public figures from the CNBV at the end of December 2020.

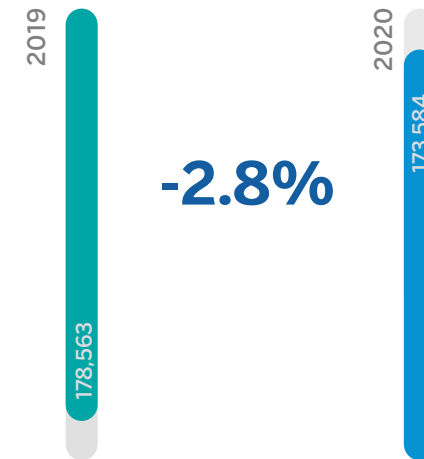
Assets managed in investment funds closed in December 2020 at MXP 497,638 million, which means an annual increase of 6.6%. As such, the Investment Fund Manager has positioned itself as the largest investment fund manager in the market with a stake of 20.8%, based on information from the CNBV as of December 2020.

### Evolution of the results

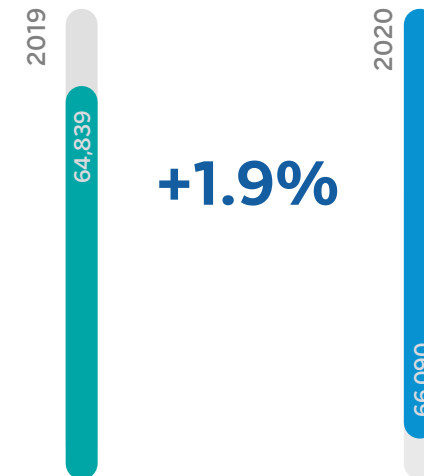
At the end of the year, we have generated a net income of MXP 42,860 million, equal to a decrease of 24.8% compared to 2019. This is mainly explained by lower income related to the application of support programs and the creation of additional reserves to cover a potential deterioration of the portfolio, partially offset by our strategy of maintaining tight control over spending to mitigate the impact of lower revenues.

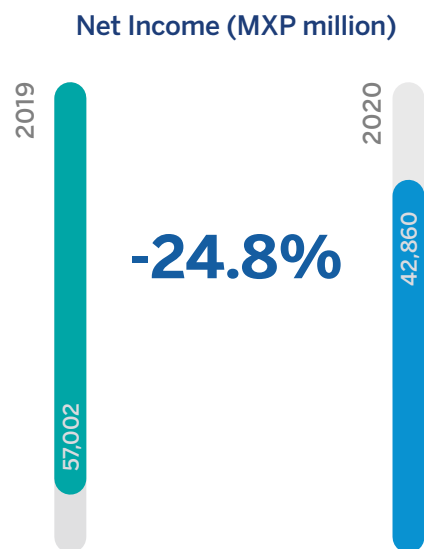


### Total Revenue (MXP million)



### Total Expenses (MXP million)





The financial margin in the year shows a decline of 1.1% with respect to the previous year, explained by a change in the portfolio mix with greater weight towards the wholesale segments; the 300 bps reduction in the reference rate in the last twelve months and, finally, the implementation of the customer support program.

Derived from the creation of prudential reserves to face the current crisis, the financial margin adjusted by provisions shows a decline of 12.8% compared to 2019.

Commissions and fees fell 5.3% in the year, mainly due to lower commissions generated by a decrease in the level of credit and debit card transactions. Additionally, an increase was observed in transactions done using the mobile channel which do not generate commission for the clients using this service.

Trading income shows a 3.0% decline compared to the previous year, mainly explained by the result of the valuation of derivative instruments and the recurring drop in interest rates of Banco de Mexico's funding curve, that impact fixed income financial instruments.

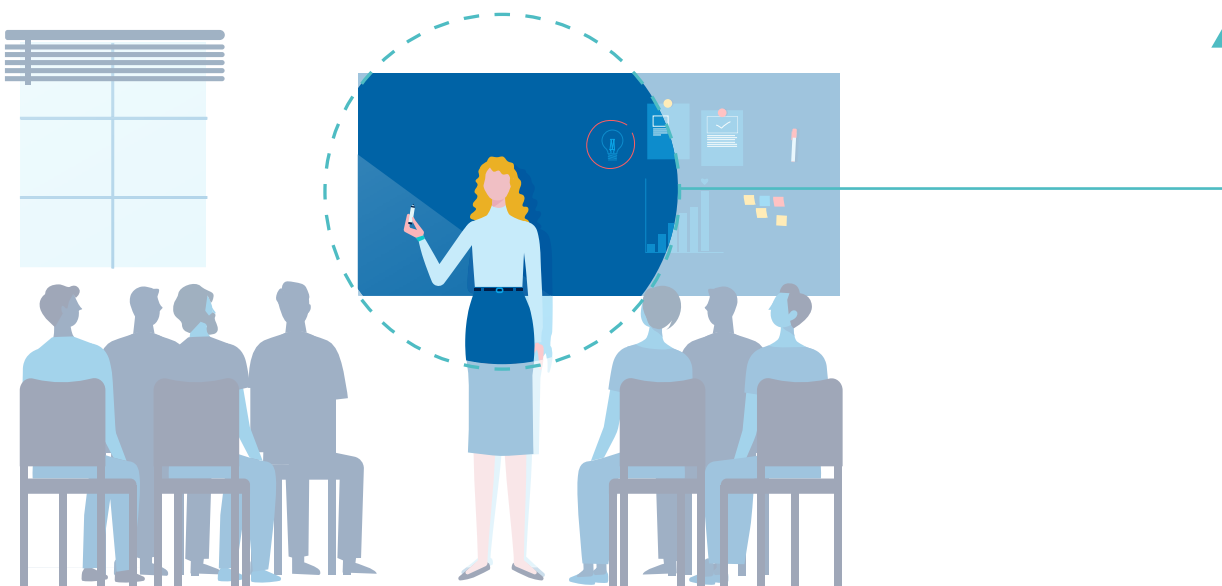
Regarding other income/expenses, a negative evolution is recorded mainly resulting from the reserves we created to cover the increase in insurance claims as a result of the pandemic and the branch reorganization plan.

For Grupo Financiero BBVA México, the main priority continues to be the well-being of our clients, collaborators and society in general. In 2020 we invested significant resources in the purchase of antibacterial gel and hygienic

supplies to maintain the safety and health of employees and clients, while we continue to provide service.

Despite the foregoing, we continue to focus on maintaining strict control of expenses during the year, showing a growth of 1.9%, which is below inflation. Thus, the efficiency ratio (measured as expenses between revenues) was 38.07% at the end of December 2020, 176 bps higher than the previous year, impacted by lower revenue growth.

**Efficiency ratio of 38.07% at the end of 2020.**



## Relevant information

Indicators (%)	GFBB	Market*
Return on capital (ROE)	16.8	11.3
Net Interest Margin (NIM)	5.3	5.0
Efficiency Ratio	38.1	46.9
Past Due Loan Ratio	3.0	2.6

\* Financial Groups Market includes: BBVA, Banorte, Inbursa, HSBC, Scotiabank, Santander and Citibanamex

## General Indicators of Multiple Banking

	Dec-2020
Total Multiple Banking Institutions	50
Branches	12,106
Collaborators	253,877
Banking total assets (MXP million)	11,185,845
Constant GDP (MXP million)	17,451,823
GDP %	64.1%
Total banking gross loan portfolio (MXP million)	5,302,540
GDP %	30.4%
Traditional deposits (MXP million)	6,261,530
Demand	4,188,569
Term	1,702,986
Securities	369,975

Amounts in MXP millions.

## Relevance of Grupo Financiero BBVA México in the Economy

	Dec-2020
Total Assets (MXP million)	2,704,552
Performing Loan Portfolio	1,211,829
Market Share (Performing Loan Portfolio)	23.4%
Traditional Deposits (MXP million)	1,410,989
Market Share (Performing Portfolio)	22.6%
Traditional Deposits / Total Assets	52.17%

Amounts in MXP millions.



### Economic Value Added (EVA) per stakeholder

	Dec-2019	Dec-2019
Personnel expenses	24,868	24,461
Interest expense	71,667	55,289
Administration and operation expenses	17,202	17,453
Taxes	21,058	17,576
Contributions to the community: resources allocated	134,795	114,779

### Economic value generated and distributed

	Dec-2019	Dec-2019
<b>Economic value generated</b>	<b>178,616</b>	<b>173,653</b>
Financial margin	136,994	135,483
Net commissions	27,316	25,866
Other ordinary income	14,306	12,304
<b>Distributed economic value</b>	<b>117,306</b>	<b>89,166</b>
Dividends	36,846	10,919
General administration expenses	34,534	36,210
Taxes	21,058	17,576
Personnel expenses	24,868	24,461
<b>Economic value retained</b>	<b>61,310</b>	<b>71,899</b>
Loan loss reserves	35,716	47,128
Reserves	25,594	24,771



Source: Grupo Financiero BBVA Bancomer.  
Amounts in MXP millions.

# Governance

04

The **Governance system of Grupo BBVA México** is key for the ethical operation and integration of sustainability within the entire organization based on **institutional principles** and applicable regulations. Said system is based on a solid corporate governance structure, the management of both financial and non-financial risks, the regulatory compliance system and the integrity program focused on the prevention of bad business practices.



# Corporate Governance

GRI 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-29, 102-30, 102-31, 102-32, 102-33, 102-35 and 102-36

The corporate governance structure of Grupo BBVA México is essential for the ethical and efficient operation of the organization. This is governed by a set of values, principles and standards that generate trust and transparency in communication with its stakeholders, provide the best banking solutions for its clients and provide optimal working conditions for the development of its collaborators.

The corporate governance system has the following principles and characteristics to achieve its goals:

**Adequate composition** of its governing bodies.

**Clear distribution** of functions between the Board of Directors, its Committees and Senior Management.

**Solid decision-making process** and a robust informational model.

**System for monitoring,** supervision and control of the management of BBVA Bancomer, Institución de Banca Múltiple, Grupo BBVA México.

The **Board of Directors** is the body in charge of the management of the Institution, and its members are appointed by the General Ordinary Shareholders' Meeting. It is responsible for approving goals, guidelines and policies in matters of credit origination and servicing, which must be consistent with, compatible with and complementary to those established for Comprehensive Risk Management. It also appoints the Committees and officers of the Institution responsible for preparing said goals, guidelines and policies. Additionally, the Board knows and, if appropriate, approves, the proposal of the Audit Committee, the goals of the internal control system and the guidelines for its implementation.

The **General Ordinary Shareholders' Meeting** is in charge of evaluating the performance of the Board through approval of the Board's Annual Report, audited financial statements and ratification of Board members.





Corporate Structure of  
Grupo BBVA México

**Grupo Financiero BBVA  
Bancomer, S.A. de C.V.**

Seguros BBVA Bancomer,  
S.A. de C.V.  
**99.99%**

BBVA Bancomer, S.A.  
**99.99%**

Casa de Bolsa BBVA  
Bancomer, S.A. de C.V.  
**99.99%**

BBVA Bancomer  
Gestión, S.A. de C.V.  
**99.99%**

BBVA Bancomer  
Seguros Salud, S.A. de C.V.  
**83.5%**

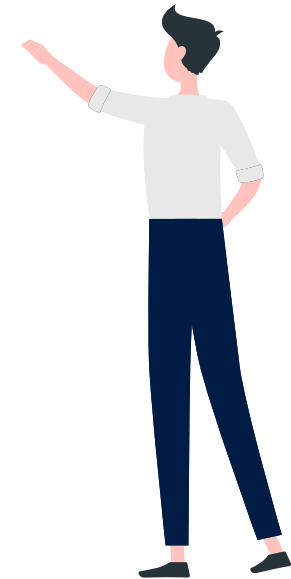
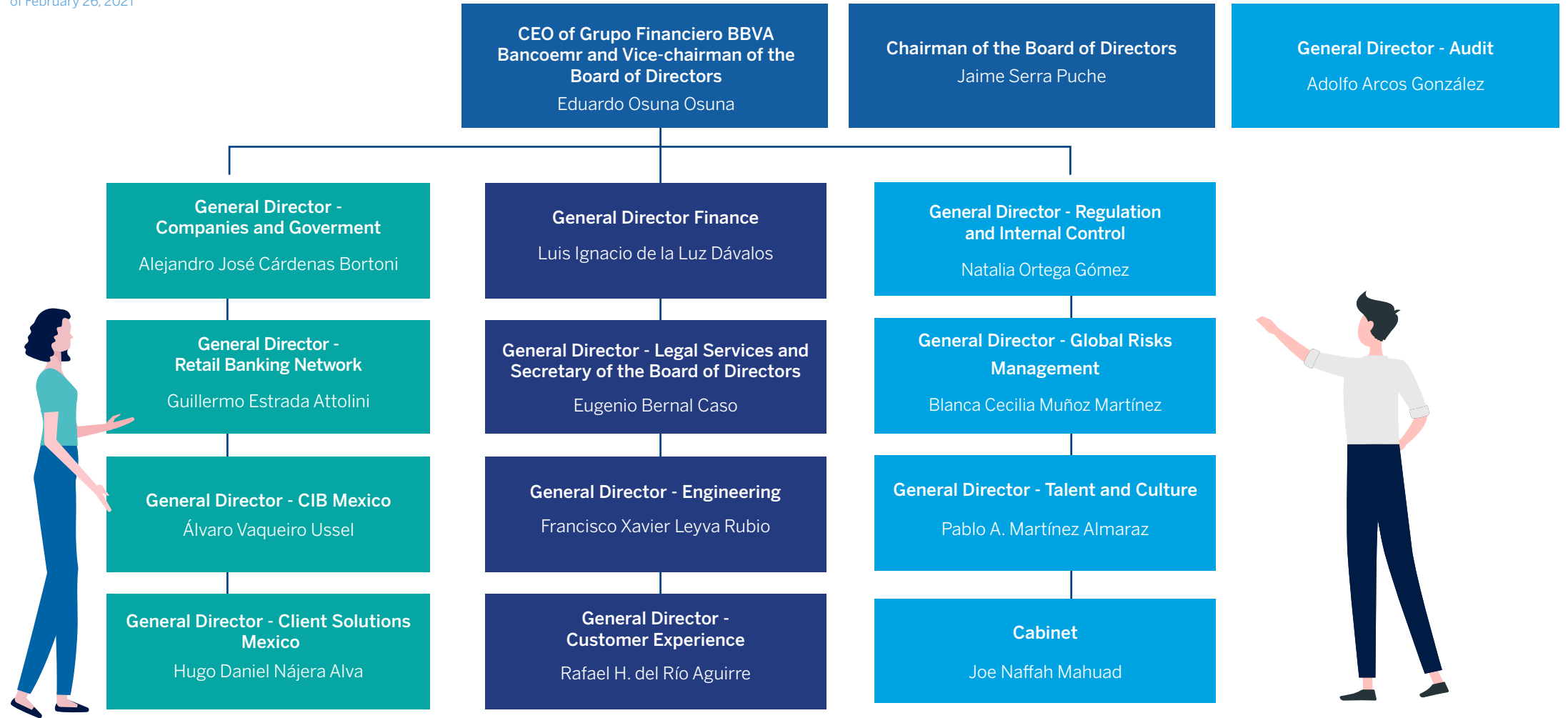
BBVA Bancomer  
Operadora, S.A. de C.V.  
**99.99%**

BBVA Bancomer Servicios  
Administrativos, S.A. de C.V.  
**99.99%**

Pensiones BBVA  
Bancomer, S.A. de C.V.  
**51%**

# Management

Management structure as of February 26, 2021

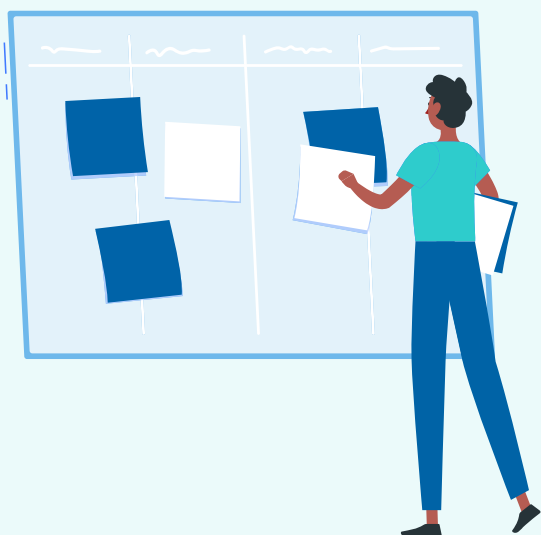


## Members of the Board of Directors of BBVA Bancomer

The General Ordinary Shareholders' Meeting of BBVA Bancomer is the corporate body entrusted with the appointment of the individuals who will serve as members of the Institution's Board of Directors based on the process and requirements provided by the applicable law and in chapter V, Article 25 of the Institution's bylaws.

In turn, the members of the Board of Directors have the power to designate the individuals who will be members of the different Committees.

The Board of Directors establishes the mechanisms to be followed by the relevant officers, to keep the Institution informed of the financial, administrative, operational and legal condition of each of the financial entities and other legal entities controlled by the Institution.



## Directors

Membership and information as of February 26, 2021.

### Members

#### Jaime Serra Puche

- Independent
- Chairman of the Board
- Seniority: 14 years

#### Eduardo Osuna Osuna

- Vice-chairman of the Board
- Seniority: 5 years

#### Onur Genc

- Seniority: 2 years

#### Carlos Torres Vila

- Seniority: 4 years

#### Vicente María Rodero Rodero

- Seniority: 8 years

#### Carlos Vicente Salazar Lomelín

- Independent
- Seniority: 16 years

#### Ricardo Guajardo Touché

- Independent
- Seniority: 29 years

#### Jorge Saenz-Azcunaga Carranza

- Seniority: 4 years

#### Cristina de Parías Halcón

- Seniority: less than one year

### Alternates

#### Andrés Alejandro Aymes Blanchet

- Independent
- Seniority: 20 years

#### Armando Garza Sada

- Seniority: 2 years

#### Juan Asúa Madariaga

- Seniority: 2 years

#### Fernando Gerardo Chico Pardo

- Seniority: 11 years

#### Eduardo Javier Garza Fernández

- Seniority: 2 years

#### Arturo Manuel Fernández Pérez

- Independent
- Seniority: 27 years

#### José Francisco Gil Díaz

- Independent
- Seniority: 10 years

#### Enrique de Jesús Zambrano Benítez

- Seniority: less than one year

#### Alejandro Ramírez Magaña

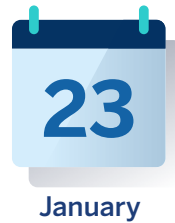
- Seniority: 7 years

## Meetings of the Board

Meetings are held periodically on a quarterly basis and if called by the Chairman, Secretary, Assistant Secretary, one of the Institution's Statutory Examiners or at least a quarter of the directors. To carry out the meeting, a minimum attendance of 51% of the members is required and at least one must be Independent.

### 2020 Calendar

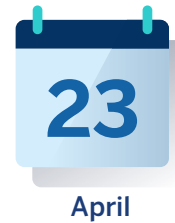
During 2020, seven Board meetings were held on the following dates:



January



March



April



June



July



October



December

## Remuneration

In 2020, for their attendance at each meeting of the Board of Directors of BBVA Bancomer, the directors of the Institution receive the amount resulting from multiplying the price of two coins of fifty pesos gold, the so-called "Centenario" by 1.53846, to residents in Mexico or 1,3333 for residents abroad, as remuneration for the performance of their duties.

Additionally, sustainability is integrated into the BBVA Group's remuneration system for the Chairman and CEO, since it is carried out by an independent third party through an index based on the results of the analysis of the main sustainability agencies. On the other hand, to meet the new strategic priority, the definition of sustainability indicators to include within the remuneration of the rest of the collaborators is in process.



## Regional boards



### Northwest

Baja California  
Chihuahua  
Ciudad Juárez  
Sinaloa  
Sonora



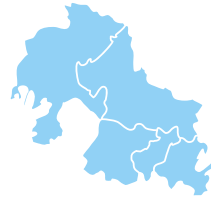
### Northeast

Tamaulipas  
La Laguna  
Nuevo León



### West

Colima  
Jalisco  
Michoacán  
Nayarit



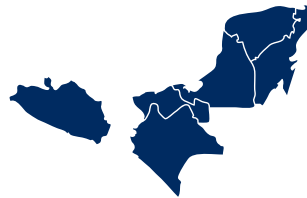
### Bajío

Guanajuato  
Aguascalientes  
San Luis Potosí  
Querétaro  
Hidalgo



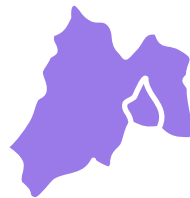
### South

Morelos  
Puebla  
Oaxaca  
Veracruz



### Southeast

Chiapas  
Peninsular  
Guerrero  
Quintana Roo  
Tabasco



### Metropolitan Area

Toluca  
Metro Area

**530 great leaders**

make up the Regional Boards;  
501 men and 29 women.

The Regional Boards not delegated to the Board are a fundamental pillar in the performance and growth of Grupo BBVA México. Currently, they are made up of 530 great leaders in charge of actively promoting the Institution with the aim of creating a forum to:

- Obtain feedback on local banking activity, service levels, and business culture
- Business referencing
- Generate links between Grupo BBVA México officers and the community and local authorities
- Actively participate with Fundación BBVA México

Each Board is made up of the following:

- Minimum 10 members depending on the size of the region
- The Secretary or Coordinator of the Board is the BBVA Bancomer officer designated to coordinate the Board of each region
- Remuneration only applies to Chairmen and Vice-chairmen

### 2020 regional boards calendar

During 2020 the following meetings were held in person:

- Chairmen Meeting: January 29
- First local meetings: February and March

Subsequently, due to the health emergency derived from COVID-19, the following meetings were held virtually:

- Chairmen Meeting: August 26
- First Regional Board Members Webcast: April 13
- National Board Members Meeting: October 21
- Second local meetings: October and November

## Sustainability governance

The Global Sustainability Office (GSO) coordinates the management of sustainability issues together with various working groups created specifically for the management of ESG matters. These working groups continuously monitor the indicators to report to the CEO on a monthly basis the progress of their actions.

Additionally, the GSO prepares and periodically updates the necessary documentation, such as the Sustainability Policy with the support of various areas within the Institution, such as Corporate & Investment Banking (CIB) for the execution of the policy and adoption of corrective measures if necessary or the non-financial risk specialists to identify potential risks within their specialty.

In addition, the Board of Directors, as the Institution's highest surveillance body, is in charge of verifying the application of and compliance with the Sustainability Policy.

The CEO is actively involved in the evaluation and monitoring of the Corporate Responsibility strategies and projects and the Reputation activities within and outside the Institution in order to identify and manage economic, environmental and social risks that could materialize.



# Risk management

GRI 102-15, 102-30

Grupo BBVA México has a General Risk Management, which reports directly to the Institution's CEO, thus guaranteeing its independence from the Business Units and allowing the necessary autonomy for the development of its activities.

Similarly, based on the best national and international practices, three teams specialized in Credit Risk are in place and are supported by an area dedicated to the management of Non-Financial Assets (NFA):



On the other hand, management of Market, Structural and Liquidity Risks are integrated into a Unit including the risk management of non-banking businesses and asset management.

Additionally, the following units are support to the units mentioned above:



**Advanced Analytics:** meets the specialized needs of methodologies and technologies in risk areas.



**Risk Solutions:** ensures that the areas have the necessary technological resources to perform their duties and leads the portfolio of projects in this area.



**Risk Transformation:** seeks the efficient execution and continuous improvement of the processes of the risk areas.



**Portfolio Management, Data & Reporting:** prepares and generates reports for the management of risk areas, as well as for the measurement of operational risk and loss management.

## Risk governance model

The BBVA Bancomer Board of Directors play an important role within the risk management model, as it is in charge of approving:

- The objectives, guidelines and policies of Comprehensive Risk Management
- The global limits of exposure to risk and, where appropriate, the Specific Limits of Exposure to Risk, considering the Consolidated Risk, broken down by business unit or risk factor
- The events or special circumstances in which both the Global Risk Exposure Limits and the Specific Risk Exposure Limits may be exceeded
- The Capital Sufficiency Assessment including the capital estimate and, where appropriate, the capitalization plan
- The Contingency Plan and its amendments

Additionally, a specific risk committee is created, which approves:

- Specific Risk Exposure Limits and Risk Tolerance Levels, and liquidity risk indicators
- The methodologies and procedures to identify, measure, monitor, limit, control, report and reveal the different types of risk to which Grupo BBVA México is exposed

- The models, parameters, scenarios, assumptions, including those related to stress tests, that are used to carry out the Capital Sufficiency Assessment and that will be used to conduct the valuation, measurement and control of risks proposed by the Comprehensive Risk Management Unit
- The methodologies for the identification, valuation, measurement and control of the risks of new operations, products and services that Grupo BBVA México intends to offer to the market
- The correction plans proposed by the CEO
- The evaluation of the aspects of Comprehensive Risk Management
- The level of effectiveness that the validation mechanisms of the security elements of the identifications presented by potential clients should have





## Measurement and monitoring

A continuous measurement of credit, market, liquidity, operational and legal risks is carried out under consistent methodologies and parameters in accordance with international standards. A series of metrics are prepared which are followed by reports in which the risks incurred by the different business units of Grupo BBVA México are analyzed, considering Risk Metrics, Risk Appetite, Main Concentrations, Compliance with Regulatory Limits, Credit Stress Analysis, Calculation of Regulatory Capital



**The general risk balance** of Grupo BBVA is formed by market, credit and liquidity risks.

Requirement, Structural Risks, Market Risks, Liquidity Risk, Operational Risk and Legal Risk.

Additionally, periodic processes of sensitivity analysis, stress tests, and review and calibration of models are established.

Internal Audit, in compliance with the obligations indicated in the Banking Regulations (*Circular Única de Bancos*) and the Banking Law, conducts an annual Comprehensive Risk Management audit in accordance with the applicable legal provisions. Once the audit is concluded, the recommendations made by the Audit Committee under the Board of Directors are periodically monitored. Similarly, audits are carried out by independent experts, and it has been concluded that the models, systems, methodologies, assumptions, parameters and risk measurement procedures comply with their functionality based on the characteristics of the operations, instruments, portfolios and risk exposures of Grupo BBVA México.

## Methodological framework

Grupo BBVA México' general balance of risks is as follows:



### Market Risks

- Transaction and investment portfolios: Investments in securities for trading, reports and transactions with derivative financial instruments
- Structural Balance: Available for sale, other operations, including securities held-to-maturity and derivative financial instruments for managing the structural risk of interest rates and exchange rates



### Credit Risk

- Companies and Corporations
- Consumer
- Mortgage portfolio



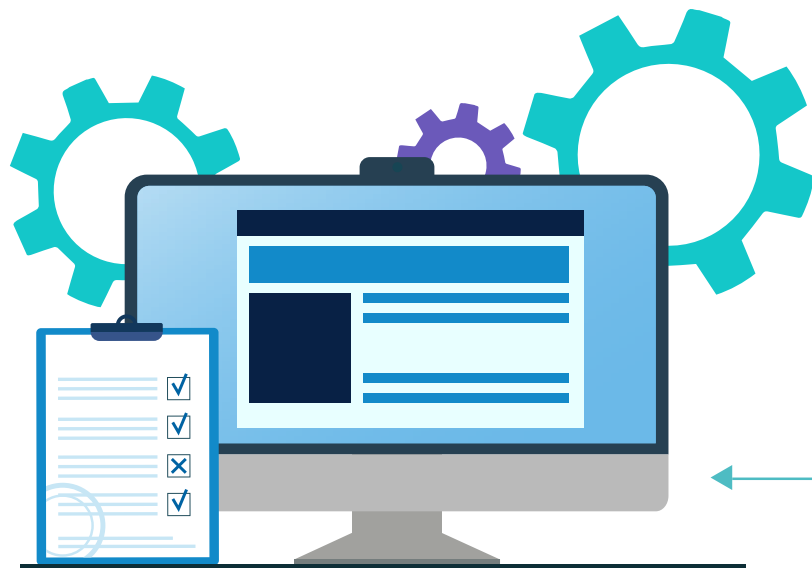
### Liquidity risk

- Banking business: With on and off balance sheet positions, including loans, traditional deposits, investments in securities, derivatives, wholesale financing, etc.

# Non-financial risk management

GRI 102-30 and FS2

Grupo BBVA México has a risk management and control model that is applied comprehensively in the Group in order to monitor and mitigate potential risks.



Additionally, it has the Corporate Policy for Non-Financial Risk Management that provides for the guidelines and regulations for the management of operational risks inherent to the activities of Grupo BBVA México. With the support of the Business and Support Areas, the Non-Financial Risk Units and the Specialist Control Units, methodologies and procedures are developed that allow the prioritization, assessment and periodic monitoring of risks and, in each case, to adopt the appropriate suitable mitigation and control measures.

## Reputation management

Institutional reputation is extremely important for Grupo BBVA México and its stakeholders, since it has a direct impact on the performance and results of the organization. To monitor and manage it constantly, since 2016 there are tools and methodologies to identify, assess and prioritize reputational risk on an annual basis based on the impact on the perceptions of stakeholders and the strength of the Group in order to generate action plans and adequate mitigation controls.

Additionally, as part of the Institution's efforts to mitigate reputational risk, in 2020 the Manual for the Annual Assessment of Reputational Risk was implemented, which serves as guidance and support for the Operational Risk Admission Committee in the identification and risk assessment.

In 2020 we implemented the Manual for the **Annual Assessment of Reputational Risk.**

# Regulatory compliance

GRI 103-1, 103-2, 103-3, 206-1

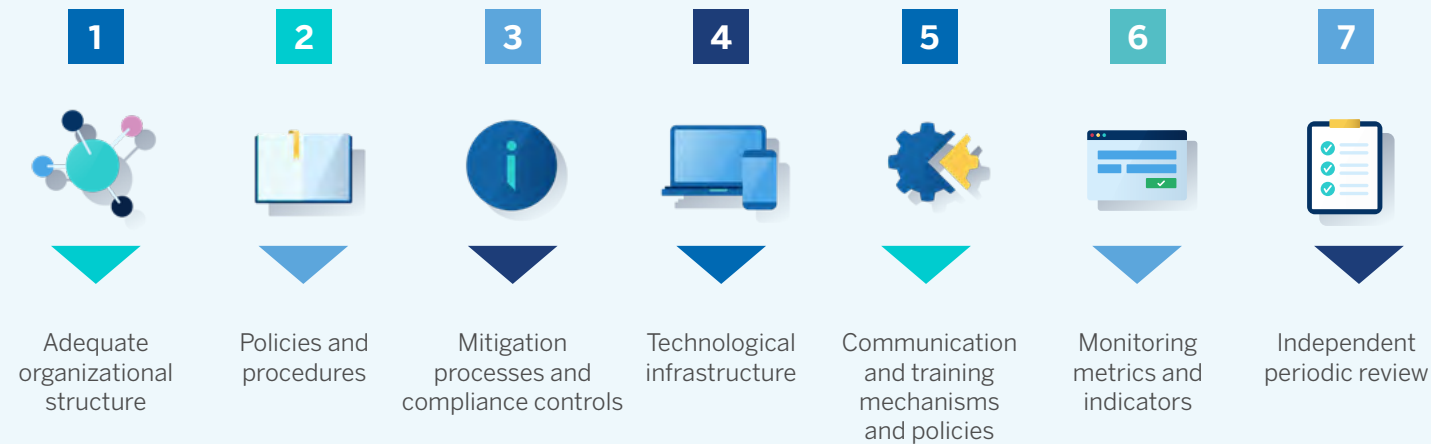
## Compliance System

The Grupo BBVA México Compliance System consists of a series of elements that prevent risks associated with the prevention of money laundering, conduct with clients, corporate compliance, and the securities market, and

it achieves this through risk identification, procedures, communication and training actions, in order to establish strict standards of ethical behavior to conduct their daily activities and mitigate eventual compliance risks.

Additionally, Grupo BBVA México aligns itself with the provisions of the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the Global Compact as part of its commitment to guarantee respect for dignity and the rights of all people through the creation of a favorable environment that preserves their well-being and contributes to integral development.

This system consists of seven basic pillars:



# Integrity Program

GRI 102-16, 102-17, 103-1, 103-2, 103-3, 205-1, 205-2, 205-3

For Grupo BBVA México, integrity is a fundamental value in the development of its activities since it always puts the interests of the client first. Within the Institution, everyone must follow the laws and regulations in a comprehensive, transparent and professional manner, in accordance with the social impact of the financial activity and the trust that its shareholders and clients have placed in the Group.

As part of Grupo BBVA México's efforts to create a culture of integrity, the "I have Integrity" program was implemented, which began in November 2020 and will end in June 2021. Its objective is to emphasize the expected ethical behavior and practical application of integrity in the development of each of the activities of all the Group's collaborators. This program is implemented with the support of a group of collaborators who have stood out in their performance in Grupo BBVA México called "Integrity Ambassadors" who were delegated the noble task of transmitting this message to the organization. The program is structured as follows:

1

Personal reflection prior to the start of the program

2

Live session to ratify BBVA's position on integrity issues

3

Series of 20 chapters with various ethical dilemmas to reinforce the principles established in the Code of Conduct



## Code of Conduct

Grupo BBVA's Code of Conduct represents the commitment to its stakeholders as it seeks to promote principles of ethical behavior within the entire organization in order to maintain the best standards of integrity and honesty. Strict rules of conduct are established for the development of the activities of Grupo BBVA México, focused on safeguarding the information of its clients in accordance with legal provisions, based on four key pillars:



In order for all employees to become aware of the importance of a culture of integrity and renew their adherence to the Code of Conduct, a series of campaigns were carried out focused on the communication of topics such as Prevention of Harassment and Sexual Harassment, Responsible Use for Social Networks and Policies on Competition, Anti-Corruption, Gifts and Conflict of Interest, along with an online course to reaffirm ethical behavior in daily activities. Thanks to this, it was possible to train 97% of employees during 2020 on these matters.

**97% of employees**

were trained in **ethics and integrity in 2020.**



Training on the Code of Conduct seeks to disseminate the Whistleblower Channel to invite collaborators, clients and suppliers to raise their voices in the event of identifying faults or breaches of the Code of Conduct.

**Mexican email:**  
canaldenuncia.mexico.mx@bbva.com

**Global email:**  
canaldenuncia@bbva.com

**Mexican telephone:**  
(55) 5621-4188 or 800-001-0011

**Global telephone:**  
(34) 9153 77222

**HPD:** Whistleblower Channel

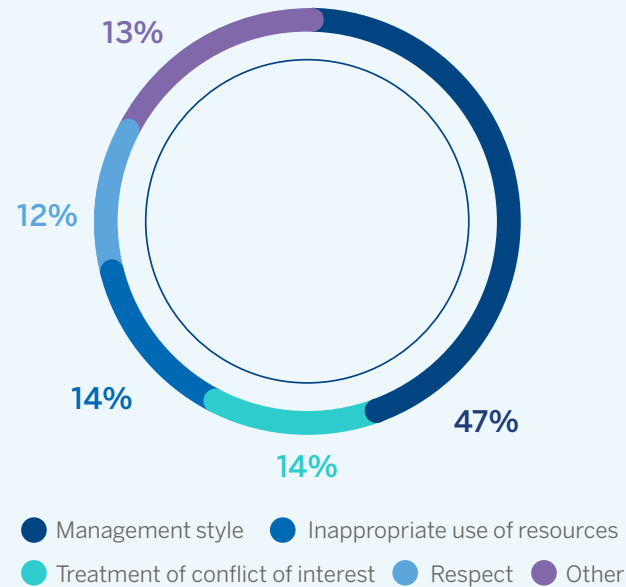
## 2021 Goal



By 2021, a new corporate tool for the Whistleblower Channel will be implemented, which will meet high standards in terms of protecting confidentiality of the whistleblower throughout the reporting, follow-up, investigation and resolution process.

# In 2020, Grupo BBVA México, BBVA Pensiones and BBVA Seguros obtained **2<sup>nd</sup> place in the ranking of the 500 Companies Against Corruption** by Expansión magazine.

At the end of December 2020, 767 complaints were received, which represent 27% less than in 2019, since due to the health emergency derived from COVID-19, more than half of the branches were closed for a period of the year and most of the collaborators worked remotely, avoiding situations that could arise as a result of coexistence. The complaints filed are classified as follows:



## Anti-corruption

Grupo BBVA México has clear policies and procedures defined in Anti-corruption and Economic Competition matters, which are disseminated to all employees through the institutional campaign #Hazlocorrecto. During 2020, training programs on these topics were carried out in order to monitor possible risks.

During 2020, no cases of corruption were identified that could affect the reputation of Grupo BBVA México.

## Acknowledgments

In 2020, Grupo BBVA México, BBVA Pensiones and BBVA Seguros, obtained second place tie in the ranking of the 500 Companies against corruption of Expansión magazine with a score of 98/100 thanks to the Group's commitment to prevent corruption and supported by the Code of Conduct, the Whistleblower Channel and the Anti-Corruption Policy. This ranking consists of a diagnosis and evaluation of the presence, quality, publicity and transparency with which the 500 most important companies in Mexico make their integrity policies known.

# Prevention of Money Laundering and Terrorist Financing

Grupo BBVA México collaborates and works actively in anti-money laundering (AML) and terrorist financing. We have assumed a series of commitments in order to preserve the well-being of the social environments in which its activities take place, such as:






- Actively collaborate with government agencies, international organizations and other institutions in the fight against drug trafficking, terrorist activities and other forms of organized crime

- Establish a set of corporate criteria and procedures aimed at mitigating the risk of products and services that can be used for criminal purposes
- Design and implement an organizational structure that has the necessary resources to manage this function and a clear assignment of responsibilities
- Create a regulatory body that determines the obligations to prevent money laundering and terrorist financing, with special emphasis on identification and knowledge of the customer (Know Your Customer) measures
- Implement monitoring and filtering measures for clients and their transactions, aimed at identifying potential suspicious activities and guaranteeing their report to the competent authority
- Serve as an instance of consultation within Grupo BBVA México regarding the application of the rule of law, criteria and procedures
- Execute annually the communication and training plans for employees, which are designed at the union level by the Association of Banks of Mexico (ABM), depending on the level of exposure of each group to the risk of money laundering and in order to equip them with the necessary capacities to comply with the applicable regulations





Training and dissemination programs contemplate, at least, the following:

- 
 • The disclosure of the know your customer policies and the criteria, measures and procedures for the compliance with the applicable legal measures regarding anti-money laundering and terrorist financing
- 
 • Dissemination of the provisions and their amendments
- 
 • The members of the Board of Directors and Executives are also included
- 
 • Information on techniques, methods and trends to prevent, detect and report transactions that could be intended to favor, provide aid, aid or cooperation of any kind for money laundering and terrorist financing
- 
 • The courses are accredited by applying evaluations on the knowledge acquired

The detail of the collaborators who have received training in the last three years is presented below:

	2018	2019	2020
Participants in training activities on AML	32,546	36,444	36,472
People who received specialized training *	305	481	347
Management Committee and Board of Directors	29	29	31

\* The template for Money Laundering and Financing of Terrorist Activities is included.



# Unique experience

05



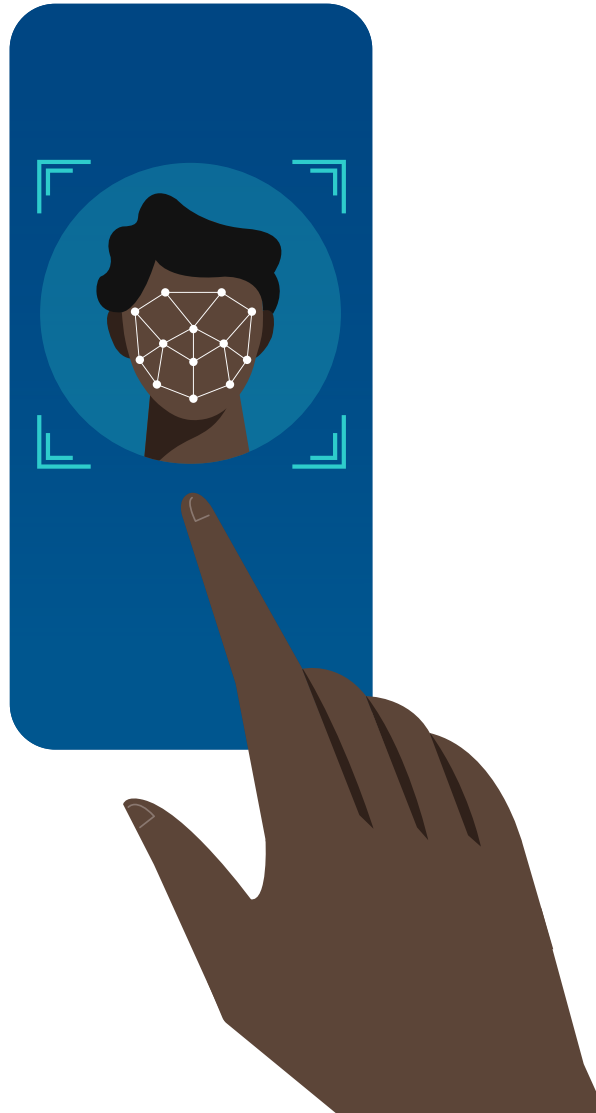
**Grupo BBVA México's** priority is to continuously improve the experience and satisfaction of its clients. In order to provide them with a **unique experience and meet their expectations and needs** by providing services of excellence and quality, it has developed a series of innovative initiatives focused on communication with the client, digital transformation, ease of access and data protection and privacy.

# Unique experience

GRI 103-1, 103-2 and 103-3

During 2020, Grupo BBVA México maintained its transversal commitment to provide a unique client experience. To achieve this, the Institution has provided the tools and training to its collaborators so that they have the necessary skills to provide quality service and personalized attention.

Thanks to **multiple efforts** to provide the best service to its clients, Grupo BBVA México is for the 6<sup>th</sup> consecutive year in **1<sup>st</sup> place in the Net Customer Satisfaction Recommendation Index.**



## Quality and customer service

To remain a leader in financial products and services, Grupo BBVA México strives every day to offer unique services and products that exceed the expectations of its clients. To achieve this, a methodology has been developed to measure quality and customer service that allows knowing the degree of recommendation and customer satisfaction for each of the different products, channels and services. This methodology consists of a survey that measures, on a scale from 0 to 10, the degree to which clients would recommend the Bank.

## Client recommendation index

Part of Grupo BBVA México's strategy regarding the satisfaction and well-being of its clients consists of recognizing their perception through surveys, both internal and external.

During 2020, 2,568,546 electronic surveys and 61,560 telephone surveys were carried out, in order to know the opinion of BBVA Mexico Group clients and, additionally, 43,344 internal electronic surveys were carried out that measure the perception of Retail Networks regarding the attention they receive through part of its internal suppliers to provide customer service.

## Client

Bank	2019 vs 2020 Variation
Retail Network	↑ 7.1 points
Wealth Management and Private Banking	↑ 2.6 points
Mortgage Business	↓ 3.1 points
Consumer Finance	↑ 1 point
Business and Government Banking*	↓ 2.4 points
Bank	↓ 0.6 points

\* Despite the decrease in Corporate and Government Banking, it remains in first place in the ranking.

## Internal

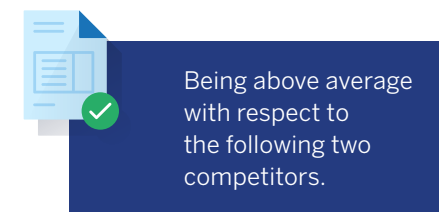
Bank	2019 vs 2020 Variation
Commercial Retail Network	Maintains rating
Wealth Management and Private Banking	Maintains rating
Mortgage Business	↓ 0.4 points
Consumer Finance	↑ 2.1 points
Business and Government Banking	↑ 2.7 points

Additionally, as part of the institutional efforts to keep in contact and constant interaction with the client, and to facilitate their experience with services and products during the health emergency derived from COVID-19, Grupo BBVA México implemented Remote Banking and Do it yourself (DIY) in order to encourage clients to live a seamless experience taking care of their health and that of the Institution's collaborators.

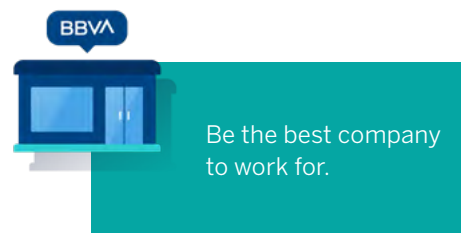
## 2021 Goals



Maintain first place in open market assessments.



Being above average with respect to the following two competitors.



Be the best company to work for.



## Specialized Customer Service Unit (UNE)

GRI 417-2, 417-3 and 418-1

Listening to the comments of clients regarding their experience with the Group is essential for the continuous improvement of the Institution, since it allows the identification of gaps and areas of opportunity in the services, products and customer service of Grupo BBVA México.

As part of the commitment to customer satisfaction and well-being, a channel is made available to them to clarify their complaints and claims through: branches, BBVA line and website.

In addition, if the client is not satisfied with the resolution received, the Specialized Customer Service Unit (UNE) is in charge of dealing with cases that require specific clarification. This with the aim of responding to the request efficiently and identifying the root problem in order to meet client expectations and improve the quality of Grupo BBVA México's services. UNE has the following channels:



**Email:** [une.mx@bbva.com](mailto:une.mx@bbva.com)



**National call center:** 800 112 2610



**International call center:** 55 1998 8039



**Website:** <https://www.bbva.mx/personas/centro-de-ayuda/quejas-y-reclamos.html>



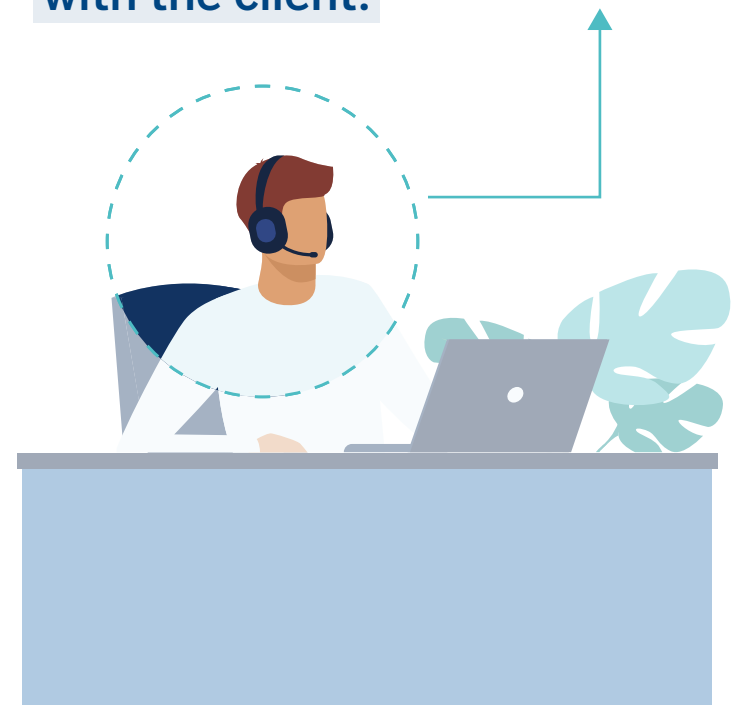
**Corporate offices:** Mexico City and Guadalajara.

Within the corporate offices of Grupo BBVA México, customer service provides advice and claims management. During 2020, 1,167 clients were served at Torre Parques Polanco, 284 at Torre BBVA and 666 in Guadalajara.

### Grupo BBVA México

obtained the best historical result with a score of 9.53 in the **User Service Performance Index** (IDATU) and closed with **2<sup>nd</sup> place in the G6.**

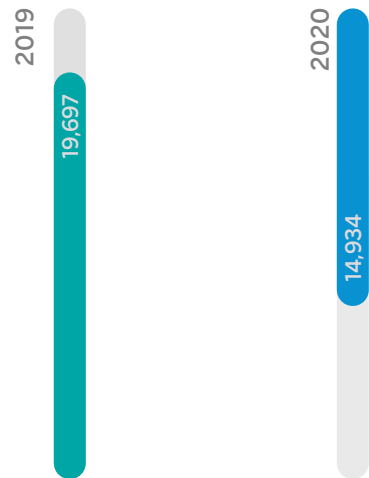
During 2020, a **solution was provided to new requests, having a 95% contact rate with the client.**



## 2020 Results

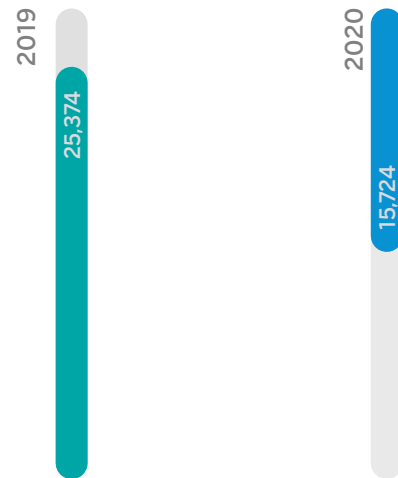
During 2020, a total of 30,658 complaints were filed relating, among other things, to information and labeling of products and services and marketing communications, such as advertising, promotion and sponsorship; which represents a 32% decrease in claims filed compared to 2019, with an average of 9 days for a resolution. The claims received are distributed as follows:

### Claims filed with the UNE



\*There was a 24% reduction in claims filed with the UNE compared to 2019.

### Claims filed with CONDUSEF

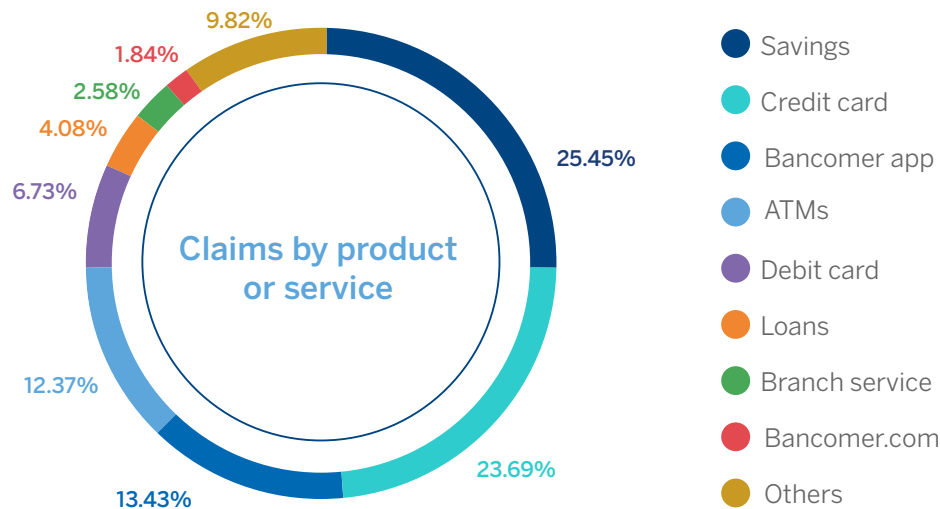


\*There was a 38% reduction in claims filed with CONDUSEF compared to 2019.

Of the claims filed with CONDUSEF during 2020: 14,250 resulted in monetary losses and 1,474 in non-monetary losses.

### Claims resolved





In 2020, the **UNE Recommendation Index** increased from -9.0 to 28.1, having an improvement of **37.1 points**.



### 2021 Goals



Best in class: Provide the best service in the G15 banking sector.



Inclusion of the First Call Resolution (FCR) metric that represents the number of claims resolved in the first interaction.



# Digital Transformation

Grupo BBVA México is recognized for its innovation and contribution to the transformation of the financial sector towards digitization by providing quality technological solutions to its clients. During 2020 a series of new products and functionalities were developed to make available to the client:

## New functionalities of the BBVA App that is now “Your financial advisor”

The new functionalities allow to manage the means of payment and financing. It is an experience that allows our clients to take full advantage of the financial opportunities and benefits that BBVA offers them through a comprehensive ecosystem of digital products and tools.

A simple and convenient way that facilitates the management of the client’s maximum credit capacity from our mobile app with a last generation physical means of payment.

Some of the new features included in this application are:

- Digital cards and dynamic CVV
- Temporary blocking of physical and digital cards
- Promotions and consultation of BBVA Points: Make smart purchases, maximizing the benefits of points and promotions through a comprehensive loyalty program
- Interest simulator: Provide the client with the possibility of simulating the interest that could be generated for the next period depending on the payment that he decides to make from the minimum payment to the payment necessary for no interest payment, indicated in the client’s account statement

## Transactions of Term Investments and Funds at a click



### Contract and renewal of promissory notes from the Grupo BBVA México App

This functionality allows the client to open a new term investment contract from the BBVA App.

It was released in July 2020 and at the end of December the number of contracts opened was more than 138 thousand.



### Subsequent purchase/renewal of promissory note

This functionality allows the client to make subsequent purchases or renewals of a term investment from the BBVA App. In the first eight months, more than MXP 34 billion were achieved in renewals of this product.



### Investment funds

As of 2020, Grupo BBVA México clients who already have a contract have the possibility of making a subsequent purchase of investment funds. Achieving 80 thousand operations in the first five months, which represents deposits of MXP 4 billion.



### BBVA Invest

It seeks to offer a new digital experience in Investments. The goal is for any client to have access to investment portfolios without having to be experts on the subject or depending on a person to advise them. Through a simple questionnaire, BBVA recommends the most appropriate portfolio based on your risk profile, horizon and investment objective. It is available in two channels:



**BBVA.mx:** end-to-end DIY process for contracting and operating investment funds.



**Wealth Management and Private Banking Offices:** availability of the investment profile questionnaire and investment proposal that standardizes the investment portfolio offer and provides a new advisory experience for Wealth Management Banking.



### Obtaining CC not pre-approved

Within the Grupo BBVA México App, the option to evaluate and obtain a credit card was integrated through an online validation of the necessary documents and data. Since its implementation, in October 2020, more than 5,000 contracts have been made in the year.







### Approval of Credit Information consultation

This functionality developed for the BBVA App seeks to accompany the clients of Grupo BBVA México in their consultation of Credit Information in order to be able to grant them a credit offer in the future. It works through campaigns in which the client can provide his authorization to consult his credit history, increasing our base of placed credits.

#### Campaign results December 2020 - January 2021

The authorization campaign to consult the credit information company was sent to 1,098,000 clients, of which 19.2% (210,762) authorized to carry out the consultation. By 2021, the campaign will be sent to 9 million clients within the BBVA App.



### Study and Home Insurance

Grupo BBVA México seeks to have dynamic products that allow the clients to ensure what interests them, always with advice on the correct levels of insurance. Dynamic Home Insurance (DHI) recommends to the client an insured sum suitable for the area of his home and allows him to choose the coverage he wants, including insuring only the contents for tenants.

Study Insurance is a Savings Insurance for education denominated in pesos, which was born in digital format. Both are the only 100% DIY in the Mexican market.



### BBVA Empresas App

In June 2020, the BBVA Empresas app was launched, aimed mainly at the SME segment. In just six months, there were already more than 120 thousand affiliated clients and more than MXP 25 billion have been transacted.

Among the most outstanding functionalities of the application are the SPEI payments, the downloads of account statements from the cell phone, the purchase and sale of dollars between own accounts, the first digital credit contracted from the cell phone for SMEs: the POS Advance and Collection with CoDi allowing small businesses to charge without contact. During 2021, BBVA Empresas will continue to grow in functionalities to serve all segments of the bank's legal entities.



### New generation insurance

BBVA Seguros México created Pet, Pregnancy and Cyber insurances in order to provide the best protection and welfare solutions and services for its clients, ensuring what matters most to them.



### BBVA Collection Link

This new modality allows to carry out secure transactions charged to credit or debit cards of any Bank. By sending SMS, by social networks or by sending an email, without having to install an application on the cell phone.



## Innovation, experience improvement and security

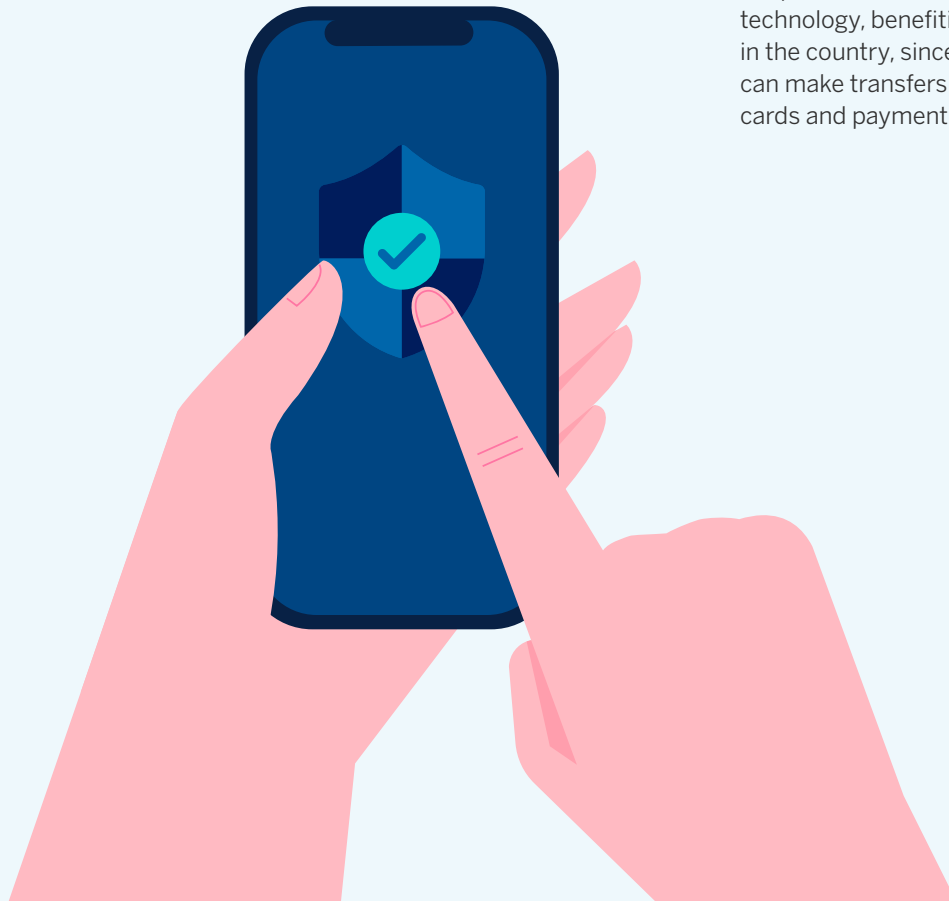
The “Digital shift” functionality was developed, which allows clients to schedule their visit to a branch from their BBVA App and save time, which, consequently, makes more efficient and optimizes the branch service capabilities by distributing demand and saturation, thus improving the client experience regarding waiting times.

On the other hand, the Google Assistant was implemented within the mobile application, which works with artificial intelligence. Its objective is to strengthen the bank’s offer of virtual assistants, both in Mexico and in the rest of the countries where the BBVA Group operates, to improve the user experience by making the management of their finances faster and more efficient.

Grupo BBVA México was the first bank to implement this technology, benefiting mobile clients who use this platform in the country, since with just a voice command, users can make transfers to accounts, make payments to credit cards and payment of services.

During 2020, the first BBVA digital and global Hackathon was held, a programming competition, where young people from various countries (Mexico, Spain, Colombia and Peru) participated in order to contribute to the digital transformation of financial services, as well as how to promote entrepreneurs and developers worldwide through the resolution of challenges. During the 2020 Hackathon we had the participation of 792 people.

One of the main challenges presented was “My green footprint,” which sought the development of a tool that calculates the carbon footprint generated by individuals and SMEs together with suggestions for reducing it in order to emphasize the importance of sustainability in the business of Grupo BBVA México.

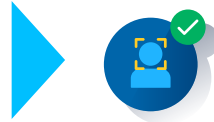


## New Client Relationship Models

In 2020, Grupo BBVA México developed new channels of interaction with its clients. One of them is Remote Banker, through which it provides service, advice and sale of financial products to its clients remotely without the need to attend a branch; implementing a 100% Home Office model and managing to serve more than 1.7 million clients.

Also, the Banco de Barrio strategy was developed, which consists of taking advantage of the presence of Grupo BBVA México to serve SMEs in Mexico. Through the 1,700 BBVA branches and more than 3,500 executives, a very attractive commercial offer is made available for the country's businesses, especially for the micro segment that represents more than 90% of the country's economic units.

**65 thousand**  
accounts  
opened



**More than  
1,000 million**  
billed in 13  
thousand POS  
terminals placed



**32 thousand**  
new clients



**27 thousand**  
new  
nominees



**66 thousand**  
BBVA  
Empresas apps  
downloaded



**MXP 235  
million**  
in SME insurance  
premiums



## Grupo BBVA México

was recognized by the **2020 Global SME Finance Awards** thanks to its ambition and design in the service strategy for SMEs through its **Banco de Barrio program**.

## Acknowledgments

*IT Masters Mag - Blue "Most Innovative Initiative in Mexico"*

Blue was recognized as one of the most innovative initiatives in Mexico for using artificial intelligence to carry out financial transactions through voice and text messages. During 2020, 1.7 million conversations were registered with Blue in the BBVA App, while, with Blue in WhatsApp, 141 thousand interactions. Also, with the transactions available in the BBVA App, around 40% of the services that our clients seek on Línea BBVA were solved.

*Global SME Finance Awards 2020*

The ambition and design of the strategy for serving SMEs was recognized by the 2020 Global SME Finance Awards thanks to the Banco de Barrio strategy.

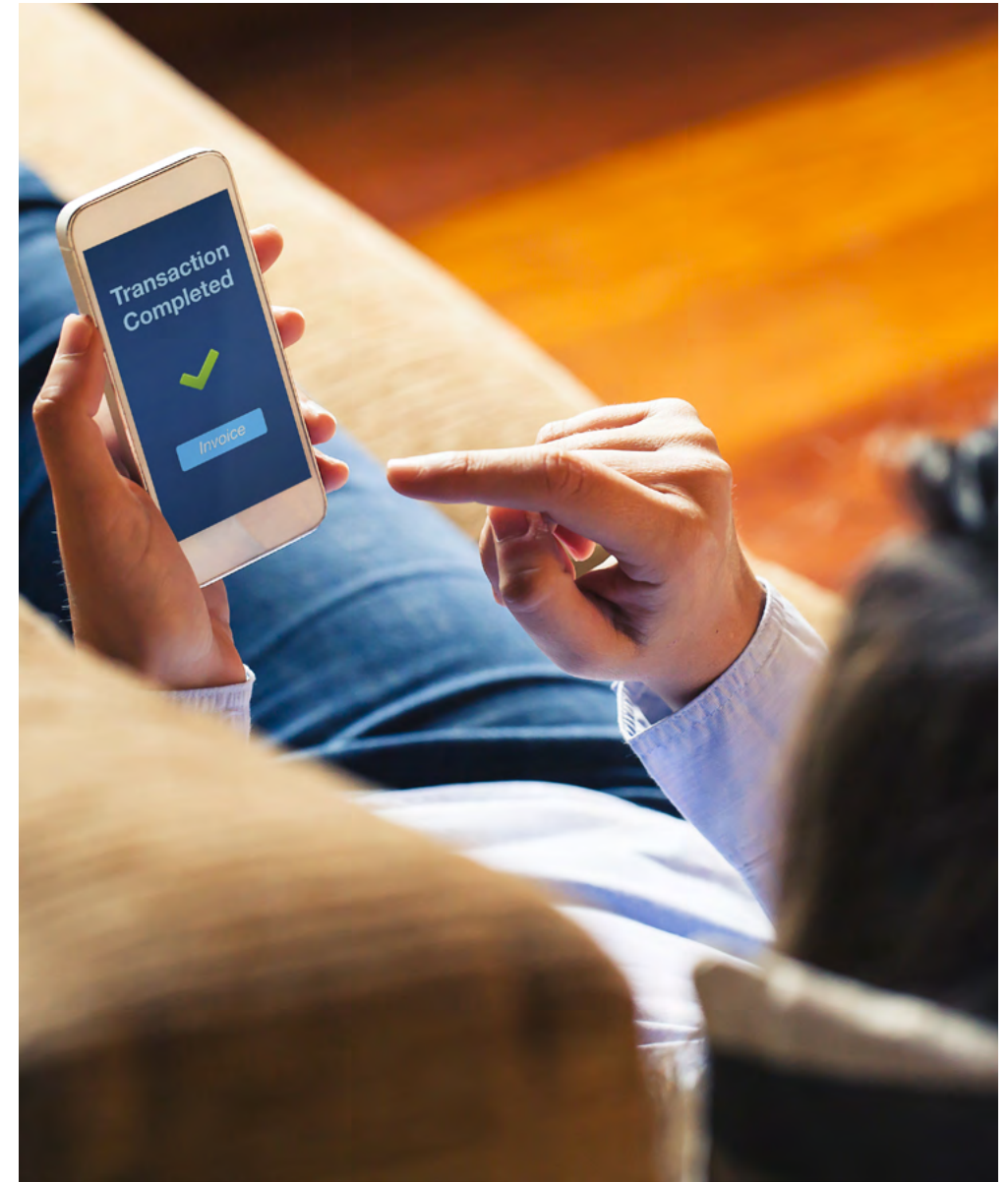
# Transparent, Clear and Responsible Communication (TCR)

GRI 103-1, 103-2, 103-3, 417-1, 417-2 and 417-3

Transparency, Clarity and Responsibility (TCR) are three principles that allow the generation of solid links with the stakeholders of Grupo BBVA México, mainly clients, through various channels such as:



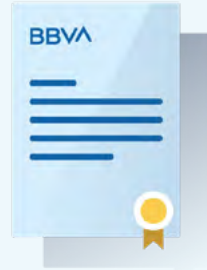
These guidelines are systematically integrated into the creation of solutions and experiences for the client in order to show the efforts of Grupo BBVA México to create relationships of trust, taking care of their interests and support them in making well-informed decisions.



## TCR Principles

### Transparency

- 1 Provide the client with clarity with the relevant information
- 2 Bear in mind that the relevant information varies depending on the client's profile, the timing of the process and the product
- 3 Give the same visual relevance to benefits/benefits and risks/costs/requirements
- 4 Use the right channel: the one that allows you to tell what is relevant
- 5 Ensure that the main message is valid for the majority of the audience



### Clarity

- 1 Use a good structure and visual elements to facilitate knowledge and navigation
- 2 Check that the graphic elements give a realistic and intuitive image
- 3 Promote accessibility. In audiovisual pieces, use subtitles and incorporates the relevant
- 4 Use clear and easy-to-understand language
- 5 Limit the use of small print as much as possible (when you use it, keep it clear)



### Responsibility

- 1 Look after the client's interests in the short, medium and long term
- 2 Give the client control over their relationship with the bank
- 3 Accompany the client
- 4 Make a responsible use of the client's personal data
- 5 Promote financial health



To make these principles a reality, there is a Transparency Policy that establishes the guidelines applicable to any communication or advertising and governs the different lines of work such as:

- Implementation of TCR principles in new digital solutions through the participation of TCR experts in their conceptualization and design; especially in digital solutions with massive impact on retail clients
- Incorporation of TCR principles in the creation and maintenance of key content for clients such as: product sheets, contracts, responses to complaint letters, communication related to COVID-19, among others
- TCR awareness and training throughout the Group through a virtual community, workshops and online actions
- TCR indicators that measure the client's perception of transparency and clarity towards Grupo BBVA México regarding its products and services

During 2020, more than 150 initiatives were developed by the Scrum teams of the Digital Factory for Business Development and Business Banking with the aim of applying the TCR principles in digital solutions.

## 2021 Goals



Give continuity to the TCR strategy by integrating Behavioral Economics practices to contribute to the improvement of reputation.

## Grupo BBVA México

occupies the **#1 position** for the indicator of perception of **transparency and clarity.**



# Client Security, Privacy and Protection

GRI 103-1, 103-2, 103-3, 418-1



For Grupo BBVA México, the privacy, security and protection of its clients is a priority; therefore, it has a specialized area focused on the development of strategies and policies to guarantee the care of information. Also, a series of programs focused on client safety have been implemented:

**Fingerprint biometrics in offices:** use of biometric authentication to carry out procedures such as card delivery, PIN reprinting, opening of second accounts and cashier's checks, in order to avoid identity theft

**Fingerprint biometrics in car agencies:** it is used to formalize a car loan in the hiring process

**Digital card:** used to make purchases in electronic commerce in order to strengthen the security of the cards

In order to maintain the highest levels of security, Grupo BBVA México protects the information of its clients with absolute confidentiality, adopting the necessary measures in accordance with legal obligations.

Also, as of December 31, 2020, 97.6% of the collaborators satisfactorily completed the update of the course on Personal Data Protection.

During 2020, two campaigns were carried out on Personal Data Protection issues:



Both had the objective of sensitizing and making all the employees of Grupo BBVA México aware of the importance of these issues, as well as making known changes in the Privacy Notices addressed to employees.

Additionally, with the aim of keeping the branch staff trained and updated, periodical publications were issued through all digital channels such as: Banca al Día, Red al Día, Wiki Red, Centro Único de Conocimientos (CUC) and Team Spaces, a new tool used especially in terms of personal data for Legal Services staff.

## Personal Data Protection Mailbox

With the aim of continuing to guarantee the security, privacy and protection of the client, the PDP mailbox ([protecciondedatospersonales.mx@bbva.com](mailto:protecciondedatospersonales.mx@bbva.com)) is made available to them, through which all kinds of complaints, comments and/or situations are dealt with reported on issues of data protection of clients and/or users of Grupo BBVA México.

## 2021 Goals





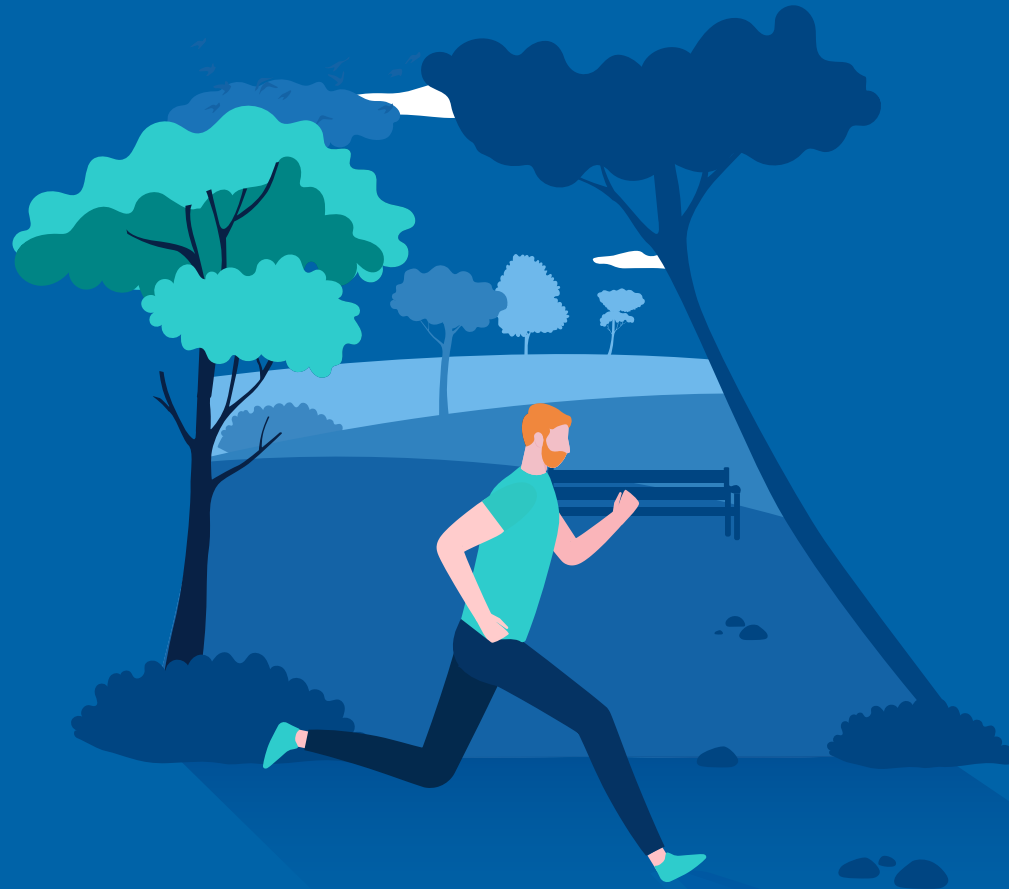
# Sustainable Finances

06

GRI 102-11, 103-1, 103-2, 103-3, FS1, FS2, FS5, FS7, FS8, FS11

**Grupo BBVA México** incorporates sustainability into its financial activity. There are tangible objectives and results in three priority areas of its sustainable finance strategy:

- Transition to a **low carbon economy**
- **Sustainable infrastructures** and agribusiness
- Financial inclusion and **entrepreneurship**



# Management

BBVA is aware of the prominent role of banks in the transition to a more sustainable world through its financial activity and is willing to play a relevant role, as demanded by society.



One of the ways in which BBVA can help is by offering financing. The participation of the private sector is essential to contribute to the benefit of areas such as climate change, innovation or sustainable consumption. BBVA has made a firm commitment to contribute to this cause.

BBVA has made it a priority to “help our clients in the transition towards a sustainable future,” inspired by the SDGs adopted by the UN, with a focus on climate change and inclusive and sustainable social development.

BBVA has working groups specifically designed to develop sustainable solutions for clients and to promote responsible communication and marketing practices directed at them.

Grupo BBVA México has implemented strategies that favor the creation of sustainable markets. The Institution aims to enhance the positive impact through financial instruments, aligning itself with initiatives such as:

- United Nations Environment Programme Finance Initiative (UNEP FI)
- Equator Principles
- Principles of Responsible Investment (PRI)
- Principles of Responsible Banking (PRB)
- UN Global Compact
- Carbon Disclosure Project (CDP)
- Green Finance Advisory Council (CCFV)

In 2020, the **BBVA fund manager** signed the letter promoting the **Green Finance Advisory Council (CCFV)** in which the Mexican public issuers were asked for **greater disclosure of ESG information.**

## Bond framework linked to Sustainable Development Goals (SDG)

Sustainable bonds and loans are efficient instruments for channeling funds to finance projects for BBVA clients in matters such as renewable energy, energy efficiency, waste management, water treatment or access to services aimed at meeting basic needs, such as inclusive housing or finance.

The issuance of green and social bonds is part of BBVA's climate change and sustainable development strategy, through which it wants to align its activity with the SDGs and the Paris Agreement. As a notable milestone, in 2018 BBVA developed a bond framework linked to the SDGs, which can issue green, social or sustainable bonds:

- Transparent framework, standard and aligned to the four components of the Principles of Green and Social Bonds and the 2018 Guide to Sustainable Bonds of the International Capital Market Association (ICMA): use of funds, process for the selection and evaluation of projects, fund management and reporting
- Aligned with the SDGs and the United Nations 2030 Agenda

In accordance with this framework, BBVA may issue:



Green bonds



Social bonds



Sustainable bonds

For the selection, evaluation, management and dissemination of projects, Grupo BBVA México has the following process:

- The Sustainable Finance working group reviews a prospective list of eligible projects
- BBVA's SDG Bond Committee conducts an additional review of the selected and labeled projects and decides which ones will finally be included in each bond issued under the framework
- The Responsible Business department will have a final veto over the list of selected projects
- Grupo BBVA México will control the use of funds from green, social or sustainable bonds issued in accordance with the framework
- Grupo BBVA México will monitor the use of funds from green, social and sustainable bond issues in accordance with their characteristics
- Grupo BBVA México may publish a report on the monitoring of the bond on an annual basis, to guarantee the correct application of the issuance framework



## Industry standards

Specific rules have been developed for them in line with BBVA's commitment to sustainable development. BBVA believes that clients who manage their business responsibly are more successful in the long term. Therefore, environmental and social aspects were included in the due diligence process for decision-making.

The objective of the Industry Standards is to address sector-specific sustainable issues and provide clear guidance on the procedures to be followed in managing clients and transactions in these sectors.

This management framework includes processes that allow Grupo BBVA México to better understand client activities, manage stakeholder expectations, mitigate risks and contribute to compliance with BBVA's Responsible Banking Policy. All of this is aimed at supporting the achievement of the SDGs, playing a key role in the fight against climate change and strengthening the commitment to Human Rights.

The standards are applied in the Corporate Banking and Investment Banking activities carried out by all entities, business lines, branches, subsidiaries and geographies of Grupo BBVA.

### Industry covered:



Mining



Energy



Agriculture



Infrastructure



Defense



Each industry standard contains standards of best practices, prohibited activities and restricted activities for the industry.

BBVA established general exclusions. It will not provide financial services to projects or clients whose main business is associated with the following environmental and social activities or impacts:

- Companies for which there is credible evidence (court decisions or relevant disputes) of material violations of applicable laws and regulations, or of participation in human rights (HR) abuses regardless of the country
- Activities that use child or forced labor as defined in ILO Conventions
- Projects that involve the resettlement or violation of the rights of indigenous and/or vulnerable groups without their free, prior and informed consent

- Projects located in or near UNESCO World Heritage sites, Ramsar-listed wetlands, Alliance for Zero Extinction sites, and areas of the International Union for Conservation of Nature Categories I-IV
- Company based in countries under financial sanctions from the EU, US and United Nations

To ensure the implementation of the standards, BBVA has due diligence processes in place for the acceptance of clients, the evaluation of transactions and the internal development of new products.

When the commercial or control functions responsible for identifying and evaluating environmental and social risks, as part of the due diligence processes, determine the existence of potential material risks, they refer the client or the transaction to a specialized unit for environmental and social risk for a more in-depth review. For this review, a dialogue is carried out with the client to gather as much information as possible and assess the possible mitigating measures. If the analysis concludes that it is a high risk client or transaction and that it does not comply with the Standard, the decision will be referred to the CIB Leadership for a final decision.

Industry Standards are global and exemptions will only occur exceptionally and can only be granted by the CIB Leadership. Exemption requests must be clearly justified and supported by all decision-making bodies. The opinion of the environmental and social team will be required. Said team may, in turn, request the opinion of the Legal, Compliance and Responsible Business area.



# Principles of Responsible Investment (PRI)

At Grupo BBVA México, through its Asset Management subsidiary, we are committed to sustainability. An example of this is the adhesion by BBVA México, Fondos de Pensiones to the Principles for Responsible Investment on January 25, 2019. Through this adhesion, the commitments in the management of defined contribution pension plans for Grupo BBVA employees consolidate.

The six Principles for Responsible Investment make up a set of voluntary and aspirational investment principles that offer a set of possible actions to incorporate environmental, social and good corporate governance issues (“ESG”) within the investment practice. These Principles can be consulted on the website<sup>4</sup>.

At the end of 2020, the amount of resources managed under the defined contribution pension plan amounted to (figures in MXP):



<sup>4</sup> BBVA is not responsible for the content, updates or availability of the links or hyperlinks presented here.



### Description of the approach for incorporating ESG factors

The financial management of the investment funds is carried out through BBVA Bancomer Gestión, S.A. de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero BBVA Bancomer and is implemented through an investment process that aims to reconcile the financial objectives of return of our investors, and our fiduciary duty, together with social interests, environmental interests and good corporate governance.

This purpose is materialized in various ways in the different asset classes, where the goal is to achieve a total integration of these criteria in the investment analysis and in the decision-making process so that they are incorporated into the portfolios of the investment funds.

The investment process contains a policy of exclusion of countries and companies in which to invest. Countries with arms embargoes and high risk of human rights violations are excluded. Regarding companies, those related to controversial weapons (cluster bombs, white phosphorus and nuclear weapons) are excluded. These lists are reviewed and updated on a quarterly basis, with the help of top-level sustainability information providers.



Additionally, the investment process incorporates sustainability criteria, taking into account the particularities of the various assets, such as:



• **Third Party Funds.** All funds that we incorporate into our portfolios are subjected to a demanding due diligence process, as one of its fundamental aspects, it incorporates the analysis of the integration of sustainability, both in the investment process of the selected funds and in their management entities. For this analysis we have Quality Funds, a team of BBVA experts specialized in the selection and monitoring of international funds. This analysis is materialized in a sustainability rating (A+, A, B or C). For similar funds, in case of equality of return/risk from a strictly financial point of view, preference will always be given to the vehicle with the best sustainability rating. Also, the possibility of supplementing this rating with extra financial information on the instruments in which these third-party vehicles invest is being evaluated.



• **Corporate Equity and Fixed Income.** The investment process for these two asset classes is expected to culminate with the preparation of an internal rating of the various issuers. Currently, the financial analysis of the issuers is complemented with a questionnaire on extra financial aspects (environmental, social and corporate governance) that are integrated into the investment process.



• **Government Fixed Income.** Within the analysis and selection process, there are specific reports from suppliers specialized in sustainability that are integrated with the rest of the financial information.

### **Policies and procedures for proxy voting and collaboration with the investee**

At Grupo BBVA México, through its Asset Management unit in Mexico, an active exercise is carried out of the political rights that correspond to us as participants in the capital of the issuers. For the exercise of these political rights, BBVA, through the Asset Management area in Mexico, has a procedure in place that explains when to vote and how the direction of the vote is decided.

Also, interaction with issuers has increased in order to make them see the commitment to sustainability and emphasize those aspects that they should improve in order to contribute to their own sustainability improvement. In 2020, BBVA fund manager signed the letter promoted by the CCFV in which the Mexican public issuers were asked for greater disclosure of ESG information.



# 2025 Commitment

Grupo BBVA México is part of the framework of the 2025 Commitment of Grupo BBVA in which the objective of mobilizing EUR 100,000 million from 2018 to 2025 was set as follows:

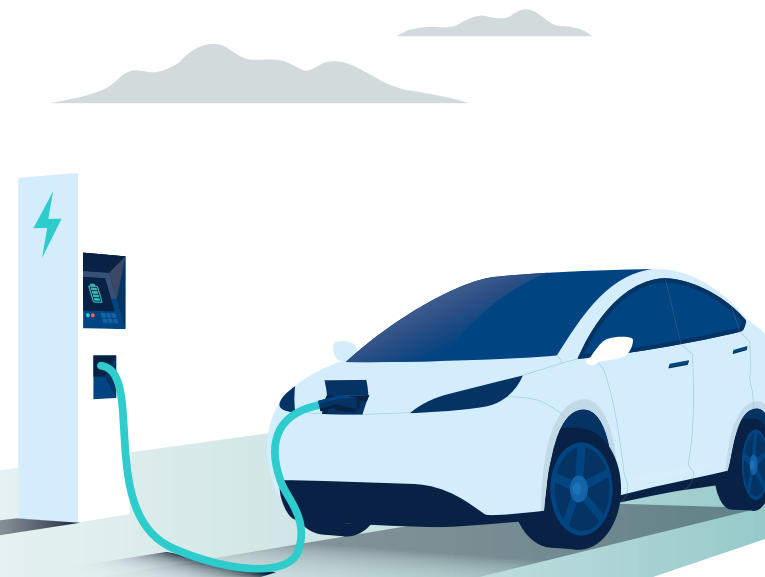
**EUR 70,000 million** to projects aimed towards the transition to a low carbon economy.

**EUR 18,000 million** to financial inclusion and entrepreneurship.

**EUR 12,000 million** to sustainable infrastructure and agribusiness.

In 2020, **Grupo BBVA México** contributed EUR 946 million to the **Group's 2025 Commitment.**

In addition, it has been decided to reduce financing to fossil fuels. BBVA will reduce its exposure to coal-related activities to zero, ceasing to finance companies in those activities, before 2040 in Mexico. This decision, included in the update of the **BBVA's Environmental and Social Framework** is aligned with the proposal of the Intergovernmental Panel on Climate Change (IPCC), consisting of limiting the rise in temperatures to a maximum 1.5°C and with the ambition of achieving a carbon neutral economy by 2050.



Summary of Mobilization in Mexico  
as part of 2025 Commitment:

**Transition to a  
low carbon economy**

- Green corporate financing
- Green bonds traded
- Loans linked to green indicators (KPI-linked)
- Green projects financing
- Green retail financing
- Green insurance

**Sustainable infrastructures  
and agribusiness**

- Financing sustainable infrastructure
- Sustainable bonds traded
- Loans linked to social indicators (KPI-linked)
- Financial support to farmers

**Financial inclusion and  
entrepreneurship**

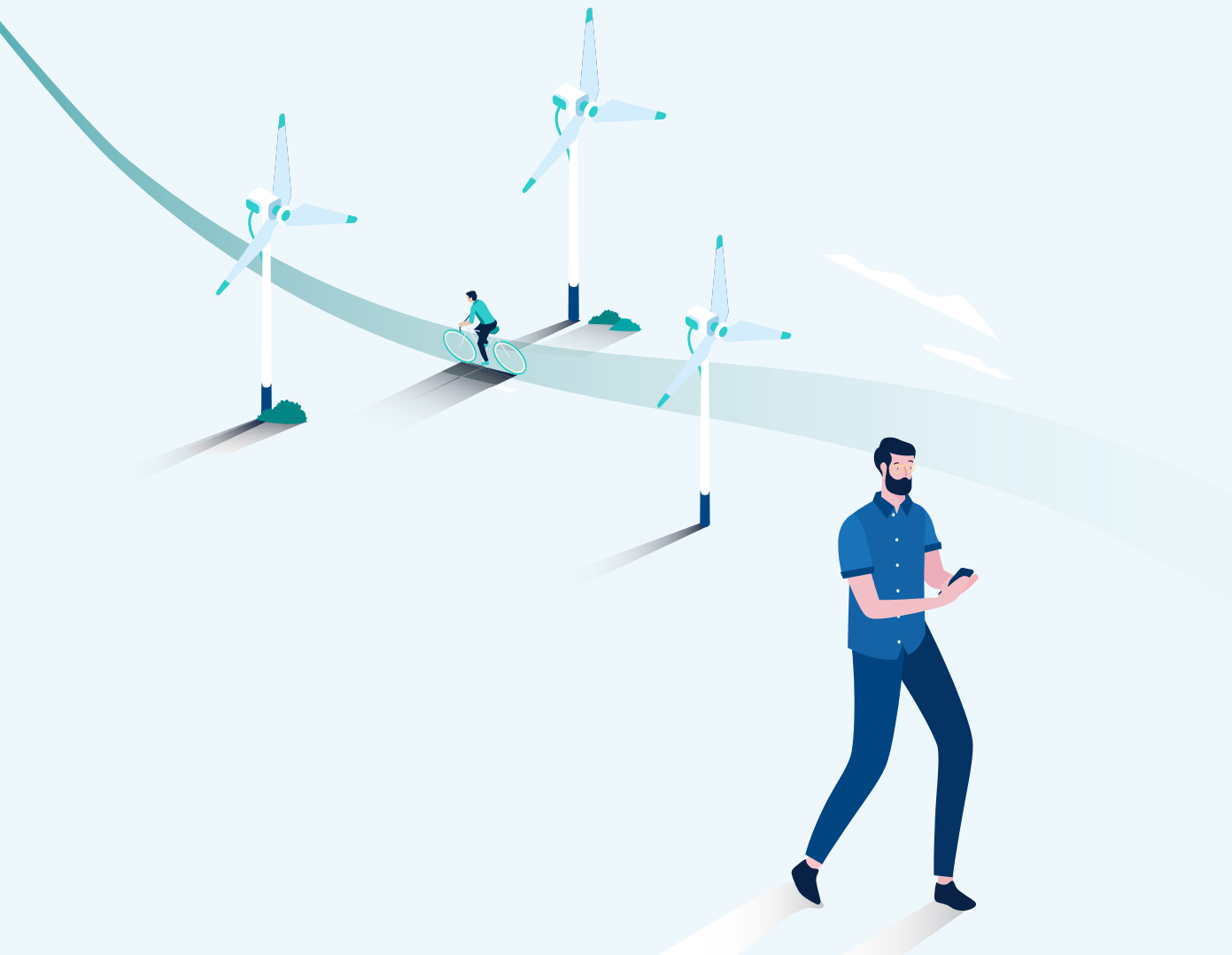
- Social bonds traded
- Socially responsible investment
- Financial inclusion
- Loans to vulnerable entrepreneurs
- Loans to women entrepreneurs
- Support COVID-19



At the end of 2020, the **portfolio of sustainable solutions** for retail clients stood at **MXP 1,433 million**.

At the end of 2020, the **portfolio of sustainable solutions** for corporate and institutional clients, as well as companies, stood at **MXP 12,000 million**.

# Transition to a low carbon economy



## Sustainable solutions for corporate and institutional clients and companies

Grupo BBVA wants to accompany its wholesale clients in the transition towards a more sustainable world using green bonds, green financing for companies, letters of credit, leasing and green bonds, sustainable corporate loans, project and green sector financing and transactional banking, among others.

### Green bonds

In October 2020, the second annual monitoring report of the green bond issued by Grupo BBVA México in September 2018 for an amount of MXP 3,500 million was published on the Institution's website. The Green Bond issued is focused on two main axes: Energy efficiency and renewable energies. Two years after its issuance, the commitment in the correct use of the proceeds of the funds obtained with it is endorsed. Regarding the first item (Energy Efficiency), it contemplates the construction of two buildings and mixed-use spaces in Mexico City, under the Leadership in Energy & Environmental Design (LEED) certification and energy efficiency. In the renewable energy category, it focuses on the refinancing of three wind energy projects, a park of 51 turbines in the south of the Mexican Republic and a 100 MW project in photovoltaic solar energy. 68% of the projects assigned correspond to renewable energies, while 32% correspond to ecological buildings.

## Identification of the assets assigned to the green bond issued in 2018 and associated environmental impacts

Use of resources by category	Description	Key performance indicators	Amount allocated to September 2020 in MXP
Solar energy	A solar energy project with a photovoltaic power of 100 MW	100 MW installed capacity	\$237,628,090
Wind power	Green credit to refinance the construction of three wind power plants in Mexico	7,471 MW installed capacity	\$2,137,260,473
Green Building	Certified Green Building in Mexico City	LEED Gold certification	\$743,138,076
Green Building	Certified Green Building in Mexico City	LEED Gold certification	\$381,973,361
<b>Total</b>			<b>\$3,500,000,000</b>

In 2020, Grupo BBVA México has led the issuance of the following green bonds:

- Grupo BBVA México places Fibra Prologis green bond: US 375 million**  
 Grupo BBVA México acted as underwriter in the issuance of the green bond of Fibra Prologis, one of the leading real estate investment trusts in the investment and management of class A industrial properties in Mexico. The transaction consisted of a 12-year bond, denominated in US dollars, at a fixed rate (fixed coupon of 4.12%). The transaction was very well received by the community, achieving a total demand of 1.9 times the target amount of the transaction.



## Green corporate loans

With respect to sustainable corporate loans, in 2020, Grupo BBVA internationally participated in a total of 68 financings linked to the achievement of certain environmental and social indicators (KPI-linked) and linked to the client's ESG rating (ESG-linked), for a total amount loaned of EUR 4,893 million.

Grupo BBVA México contributed with the making of:

### A green loan to Grupo Altex: US 10.6 million.

In it, at least 80% will be used to finance sustainable activities. Grupo Altex, one of the largest agro-industrial groups in Mexico, has committed to investing in projects with water treatment and purification systems, energy projects where compressors and diffusers will be replaced by freezing air curtains. Finally, a dryer for organic waste and biomass boilers will be implemented and the installation of thermal savers for steam boilers. With this financing, Grupo BBVA México manages to promote four of the SDGs:



## Transactional banking

In addition, under its sustainable transactional banking framework, BBVA has signed 41 transaction for an amount of EUR 961 million, of which the BBVA México Group contributed EUR 429 million. In addition, new products (confirming lines and warehouses) have been launched under this framework that includes a new angle to certify products as linked to sustainability. The market for financial products linked to sustainability is relatively new, it is growing rapidly and it allows companies and sectors looking for ways to start or expand their sustainable trajectory, access to sustainable financing. Products linked to sustainability are intended to facilitate and support economic activity and growth in the environmental and social matters. This new angle allows BBVA to actively support its clients in the transformation towards more sustainable business models.

## ESG Advisory

To complete the sustainable offering, in 2020 the ESG Advisory service was created to help global clients in their transition to a sustainable future. It is a data-based advice and oriented to facilitate the commitments that clients are making, each from a different starting point, to align with the Paris Agreement and advance the United Nations 2030 Agenda. BBVA offers value-added information on regulation, best practices, challenges and opportunities that its sectors face on the road to sustainability. In addition, it provides an overview of the entire set of sustainable products and services that can be offered from CIB, both from a debt and equity point of view. Efforts are being focused on specific sectors such as oil & gas, utilities, automotive and infrastructure, along with cross-cutting issues such as energy efficiency.





## Sustainable solutions for retail clients

BBVA wants to accompany its retail clients in adopting more sustainable habits that help reduce their emissions. And it wants to do it proactively, betting on tools and solutions based on data that help them control their consumption and emissions. For this, it is working on making available a wide catalog of investment and financing products to help them in this transition.

### Low-emission car insurance and financing

In Mexico, the advances in the leasing of equipment linked to sustainability stand out, where an agreement was also signed with the IFC to promote this product in 2019. It also offers individuals products for the financing of low-emission cars and insurance for these vehicles. Within the range of credit products, some of them have attractive benefits for clients such as preferential rates, this with the aim of making these products more attractive in the market.

### SMEs Renewable energy

In 2020, Grupo BBVA México has joined the C Solar program, an initiative coordinated by the Ministry of Energy, with the aim of promoting the energy transition of SMEs in the country through financing with a NAFIN (Nacional Financiera) guarantee for generation photovoltaic solar energy.

### Corporate loans

Grupo BBVA México contributed with the following sustainable loans:

#### Sustainable loan with Cooperativa La Cruz Azul:

Grupo BBVA México formalizes the first sustainable loan of 2020 on April 23. As the sole sustainable agent, it formalized the first sustainable loan of the year for MXP 2,200 million with a five-year term with Cooperativa La Cruz Azul (a company with more than 90 years in the production of cement), becoming the first sustainable loan in the cement industry in Mexico and the first in 2020. The loan margin will be linked to the annual use of energy measured in kWh/ton of clinker, the main product of common cement. Cruz Azul will use the resources to modernize its production plants in Hidalgo and Oaxaca, reducing energy and water consumption, making its production more efficient and reinforcing its commitment to the environment.

#### Sustainable loan with Grupo Hotelero Valentin:

Grupo BBVA México formalized a loan for US 51 million with Grupo Hotelero Valentin, a client in the tourism sector that has a presence in the Riviera Maya. This financing will help pave the way for a more sustainable economy by mitigating environmental risks. Through this sustainable loan, the client agrees to reduce its consumption of electricity, properly manage water, reduce the use of products with polyethylene terephthalate (PET); and caring for and protecting the sea turtle in the Riviera Maya. With this transaction, Grupo BBVA México manages to promote three SDGs:



# Sustainable infrastructures and agribusiness

## Financial support farmers

As in previous years, together with the Ministry of Agriculture and Rural Development (SADER), the operation continued to provide direct financial support to 1,480,000 farmers in rural areas, especially grain producers, in order to increase production, through the granting of debit cards and a hub account.

## Sustainable bonds

In 2020, Grupo BBVA México has led the issuance of the following sustainable infrastructure bonds:

- **Underwriter for two sustainable bonds of Banco Nacional de Obras y Servicios Públicos (BANOBRAS): MXP 7,500 million**

Grupo BBVA México acted as underwriter in the issuance of two sustainable BANOBRAS bonds through the Mexican Stock Exchange (BMV). The proceeds will be used to finance eligible projects among the categories of: basic infrastructure, public service infrastructure, disaster recovery, sustainable transportation, renewable energy, energy efficiency, water efficiency and wastewater management, and pollution prevention and control.

## Financing under the Equator Principles

Energy, transport and social services infrastructures, which drive economic development and create jobs, can have impacts on the environment and society. BBVA's commitment is to evaluate the financing of these projects to reduce and avoid negative impacts and thus enhance their economic, social and environmental value.

All project financing decisions should be based on the criterion of profitability adjusted to principles, which means meeting the expectations of stakeholders and the social demand for adaptation to climate change and respect for human rights.



Consistently with this commitment, BBVA has adhered, since 2004, to the Equator Principles (EP), which include a series of standards that serve to manage environmental and social risk in project financing. The EPs were prepared based on the Policy and Performance Standards on Social and Environmental Sustainability of the International Finance Corporation (IFC) and the Environment, Health and Safety General Guidelines of the World Bank. These principles have become the benchmark for responsible financing.

Project analysis consists of subjecting each transaction to an environmental and social due diligence process. The first step consists of assigning a category (A, B or C) that represents the level of risk of the project. The review of the documentation provided by the client and the independent advisers allows assessing compliance with the requirements established in the EPs depending on the category of the project. The financing contracts incorporate the environmental and social obligations of the client. The application of PEs at BBVA is integrated into the internal processes for structuring, admitting and monitoring transactions and is subject to periodic controls by Internal Audit.

BBVA has reinforced due diligence procedures associated with the financing of projects whose development affects indigenous communities. When this circumstance occurs, the free, prior and informed consent of these communities must be obtained regardless of the geographic location of the project.

In 2020, the fourth version of the EPs entered into force. This update, after an extensive public consultation period, incorporates new and more demanding requirements in the review of projects in relation to human rights and climate change. BBVA has actively participated in the updating process and its contribution in recent years has been recognized with a new mandate in the Steering Committee of the Equator Principles Association.



### Financing under the Equator Principles

Category	Transaction sector	Total Amount (in MXP)	Amount financed by Grupo BBVA México (in MXP)
<b>B</b>	Infrastructure – transport	5,250,690,815	1,000,147,376
<b>B</b>	Real estate – hotel	612,000,000	612,000,000
<b>C</b>	Real estate – hotel	145,000,000 (USD)	58,000,000 (USD)
<b>B</b>	Infrastructure – transport	305,000,000	305,000,000
Total	4 projects		TBD



# Financial inclusion and entrepreneurship



**Grupo BBVA México** was underwriter in the issuance of the **first gender social bond in the country.**

BBVA considers that greater financial inclusion has a favorable impact on the well-being and sustained economic growth of the countries. Therefore, the fight against financial exclusion is consistent with its ethical and social commitment, as well as with its medium and long-term business objectives. At the end of 2020, Grupo BBVA mobilized EUR 2,148 million in the financial inclusion and entrepreneurship section. Grupo BBVA México has contributed to this mobilization as follows:

## Social bonds

In 2020, Grupo BBVA México led the issuance of a gender social bond placed in October, which represents a great milestone as it is the first bond with a gender equality focus in the country:

- **Underwriter for the first gender social bond in Mexico: MXP 3,000 million**

Grupo BBVA México supported Trusts Created in Relation to Agriculture (*Fideicomisos Instituidos en Relación con la Agricultura*, FIRA), through the Special Fund for Agricultural Financing Trust (*Fideicomiso Fondo Especial para Financiamientos Agropecuarios*, FEFA), as an underwriter in the issuance of the first gender social bond in the country. The amount of the issuance was MXP 3,000 million with a three-year term. The use of bond resources is the financing of new or existing portfolio for loans to producer groups that must be made up exclusively of women.

## Financial inclusion

GRI 103-1, 103-2, 103-3, FS13 and FS14

Achieving access to financial services and economic growth for Mexican families is one of the main focuses of the social investment of Grupo BBVA México.

Through its Financial Inclusion Model, Grupo BBVA México seeks to make its products and services available to everyone in order to support people to make informed decisions regarding their financial well-being and to raise awareness about potential risks and opportunities, thus contributing to different SDGs.

### This model consists of the following:



Be relevant to the express segment and help him solve his basic needs related to money, for example: make transfers to unbanked family members who live outside the main urban centers, recharge money on his mobile, reducing travel times and costs, administration of payments, etc.



Bring basic financial services for cash transactions to 1,467 municipalities through more than 36,065 establishments in operation. In this area, during 2020, more than 105 million transactions were carried out, that is, an average of 8.8 million transactions per month.



Facilitate the management of funds through digital tools in order to reduce the use of cash and promote formality in the country. During 2020, 4.4 million accounts were enrolled in the digital collection platform (CoDi), that is a 64% market share and a total of 254,710 payments with CoDi were made.



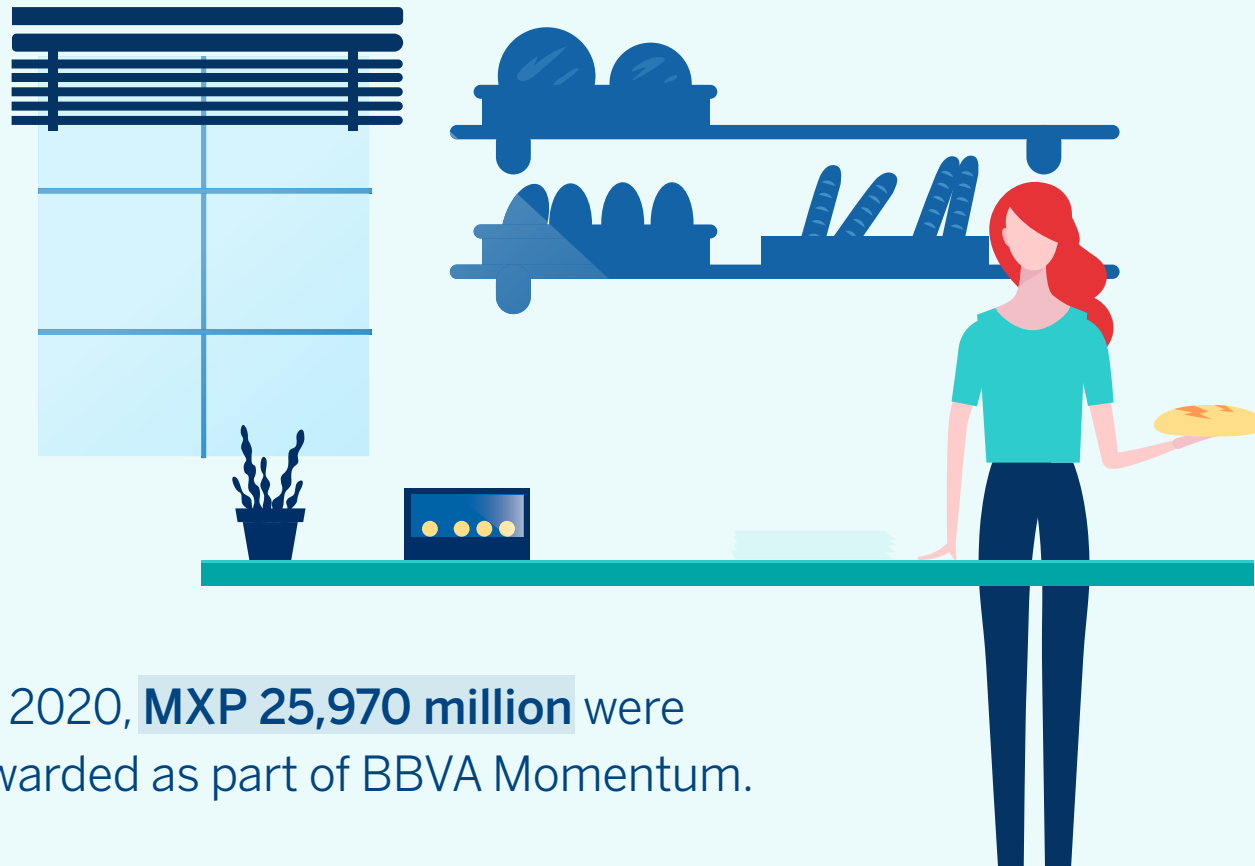
## Entrepreneurship

Despite the situation we face today globally due to COVID-19, Grupo BBVA México adapted to the circumstances with the support of new technologies to carry out the eighth edition of BBVA Momentum fully online. In it, 100 companies from various sectors with social or environmental impact were supported through training, acceleration, support and financing under preferential conditions. Also, 2020 was the first year that the BBVA Momentum Day was held, in which they had the opportunity to bring together entrepreneurs from

different generations to strengthen the BBVA Momentum community through their experiences.

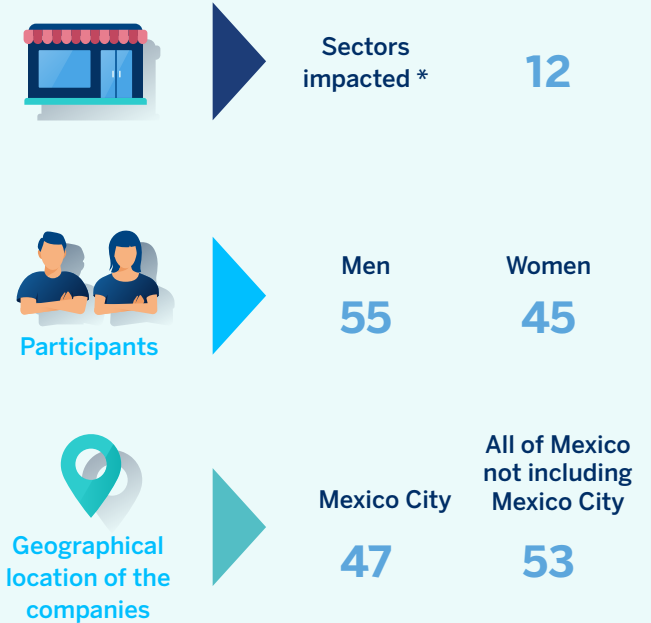
The first stage included workshops with a virtual format, specialized consultancies with specialists from the New Ventures network, and an online course with Tec de Monterrey.

In the second stage, the 20 entrepreneurs with the best scores were selected and participated in a specialized online course taught by EGADE, closing on Social Investment Day.



In 2020, **MXP 25,970 million** were awarded as part of BBVA Momentum.

## BBVA Momentum 2020 results



### BBVA Women Entrepreneurs

1,583 NAFIN businesswomen were supported through the making of loans to finance and develop their businesses.

To learn more about initiative: <https://www.youtube.com/watch?reload=9&v=PKHkbpqRKlw>

\*In other editions of Momentum, the transport sector has also been supported.

## COVID Support

In April 2020, the CNBV authorized credit institutions to apply Special Accounting Criteria. In order to support its clients who are impacted by the pandemic generated by COVID-19 and the measures that are being taken to prevent its spread. The support program consisted of granting borrowers a partial or total deferral of principal and/or interest payments for up to four months and with the possibility of extending it for an additional two months.

At Grupo BBVA México, in accordance with the Special Accounting Criteria described above, the support programs by type of portfolio consisted of:



- **Commercial activity (Business and SMEs).** Grace period between four and six months for principal and/or interest. According to the negotiations with each borrower, the deferred monthly payments will be required at the expiration of the contract, with an extension of the expiration of the contract or at the end of the deferral period.



- **Mortgages.** Deferral of up to four monthly installments that will be due upon maturity of the loan.



- **Payroll, Auto and Personal.** Four months (or eight fortnights) of grace of principal and/or interests are granted, with extension of term.



- **Credit card.** It consists of deferring the enforceability of payments for four months.



In all cases, it did not apply the collection of default interest or charges for collection expenses and without affecting the credit history.

As a result of the adherence of the borrowers to the support programs, the total balance of the supported portfolio is MXP 278,483 million as of December 31. Considering the support in Grupo BBVA México was given as of April and most of the adhered portfolio was in current accounting status as of that month, as of December 31, due to the actual count of default days, the non-performing portfolio is MXP 18,438 million, which represents 6.62% of the total portfolio supported. Accrued interest that would have been recognized in the Financial Margin as of December 31 would have been MXP 7,332 million, if the support plans had not been applied.

**MXP 278,483 million, total balance** of the supported portfolio as of December 31.

# Responsible practices

07

**Grupo BBVA México** is committed to **its employees** by creating attractive, safe and diverse work spaces; protects the **environment** by reducing the environmental impact of its internal activities based on the Global Eco-efficiency Plan; and involves **its suppliers** through the inclusion of ethical, social and environmental factors within the supply chain.



# Responsible commitment to the employee

GRI 102-7, 102-8, 102-38, 102-39, 102-41, 103-1, 103-2, 103-3, 401-1, 401-2

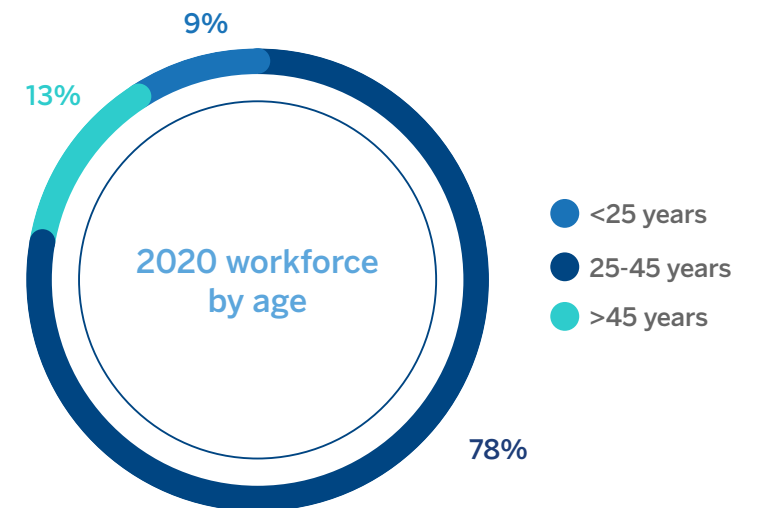
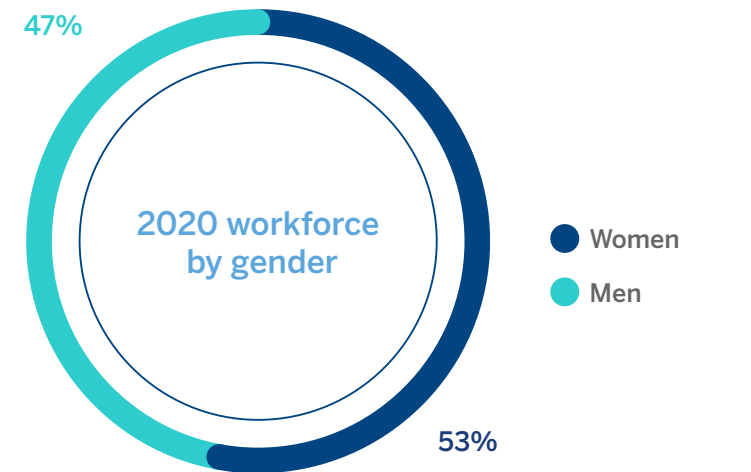
## BBVA Team

At the end of 2020, Grupo BBVA México workforce was made up of 37,258 employees, which represents a 3% decrease compared to the previous year. The Institution has a staff in which 9% of the employees are under 25 years of age; 78% are between the ages of 25 and 45; while the remaining 13% are older than 45 years.

**37,258**  
**employees**  
on staff at the  
end of 2020.

Workforce by age and gender	2018		2019		2020	
	Count	%	Count	%	Count	%
Women	19,565	53%	20,405	53%	19,924	53%
Men	17,272	47%	17,823	47%	17,334	47%
Age						
<b>Total employees</b>	<b>36,837</b>		<b>38,228</b>		<b>37,258</b>	
< 25 years	11%		11%		9%	
25-45 years	75%		75%		78%	
> 45 years	14%		14%		13%	

Source: Grupo BBVA México. 26 employees are excluded.



**53%** of the Grupo BBVA México workforce **are women.**

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
<b>Workforce by contract and gender*</b>						
Full time contract	15,583	17,882	16,084	18,621	16,300	18,958
Part time contract	1,689	1,683	1,721	1,767	1,006	952
<b>Workforce by day and gender</b>						
Full time	17,253	19,551	17,823	20,403	16,300	18,956
Part time	19	14	0	2	0	2

**For the third consecutive year,** the gender percentages within Grupo BBVA México **maintained the same relationship.**

\* The results do not take into account part-time staff contracts, expatriates and temporary disability.  
Source: Grupo BBVA México. 26 employees are excluded.



Category of employees by gender	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Management committee and corporate directors	45	5	44	6	39	4
Executives	131	29	116	28	109	33
Middle management	3,290	2,205	3,597	2,633	3,658	2,700
Specialists	3,017	2,977	2,993	3,022	2,952	3,029
Sales force	5,743	6,050	5,684	6,150	5,523	6,062
Base positions	5,046	8,299	5,389	8,566	5,035	8,088

Source: Grupo BBVA México. 26 employees are excluded.



**23%** of the executives of Grupo BBVA México are women.

**33%** of the employees of Grupo BBVA México are unionized and, of them, **62%** are women.

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Employee onboarding*						
< 25 years	1,612	1,940	1,131	1,317	535	638
25-45 years	2,538	2,517	2,567	2,388	1,612	1,374
> 45 years	56	26	54	37	42	21
<b>Total</b>	<b>8,689</b>		<b>7,494</b>		<b>4,222</b>	
Employee terminations						
< 25 years	563	655	645	714	364	406
25-45 years	2,309	2,432	2,657	2,546	1,870	1,786
> 45 years	366	305	374	252	185	143
<b>Total</b>	<b>6,630</b>		<b>7,188</b>		<b>4,754</b>	

Source: Grupo BBVA México. 26 employees are excluded.



Unionized Employees	2018	2019	2020
Men	4,533	4,903	4,653
Women	7,704	8,035	7,669
<b>Total</b>	<b>12,237</b>	<b>12,938</b>	<b>12,322</b>

Source: Grupo BBVA México. 26 employees are excluded.

Rotation by age and gender	2018	2019*	2020
Men	19%	21%	14%
Women	18%	17%	12%
< 25 years	33%	34%	25%
25-45 years	18%	19%	19%
> 45 years	11%	11%	6%

\*To obtain 2019 results, a total of 37,858 employees are used in Grupo BBVA México's workforce.

Source: Grupo BBVA México. 26 employees are excluded.

Level of absenteeism	2018	2019	2020
Employees	8,661	8,364	5,052
Days	177,759	130,797	130,421

Source: Grupo BBVA México. 26 employees are excluded.



## Talent attraction

GRI 103-1, 103-2 and 103-3

The most important asset for Grupo BBVA México are people, professionals committed to the institution, but above all to its more than 20 million clients. COVID-19 had a significant impact on attracting talent, however, BBVA adapted to the new context and maintained its strong commitment to talent.

Through the creation of a new area called Employee Value Proposition (EVP), Grupo BBVA México seeks to ensure the best experience for all its employees from their welcome to their retirement. The talent attraction strategy consists of initiatives, links with universities and programs for young talent.

### Young Talent Programs

Recruitment on university campuses during 2020 was slowed down by the contingency caused by COVID-19. This challenge was taken as an opportunity to successfully migrate the Young Talent recruitment processes to virtual mode.

### Seed program

During 2020, Grupo BBVA México maintained the entry of the seed programs, managing to incorporate 90 graduates and undergraduate and engineering students.

### IT Program (BBVA IT)

Information technology (IT) program that lasts 12 months and is aimed at digital transformation. Recent graduates of Systems Engineering, Computing, Informatics, Computer Science, Software, will be able to acquire different certifications such as: Cloud, Oracle, Mobile, Agile, Python and HTML5, which will contribute to their professional growth. In 2020, 1,054 hours of training were delivered in the IT program. In addition, the “Meet IT” event was launched to position the program among university students.

More than **175 events** were held and **more than 25,000 students** were impacted nationwide through events, **fairs, workshops and talks.**



## Trainee Program

Grupo BBVA México's trainee program lasts 12 months and is aimed at recent bachelor's degree graduates. During the year, 25 trainees entered the program and received more than 500 hours of training on leadership, values and business.

## Scholarship Recipient Program

It is mainly aimed at students in the last year of the bachelor's degree. The program seeks young people interested in promoting their development and acquiring professional experience by participating in a specific project for six months and covering 30 hours a week. Despite the pandemic, six scholarship recipients were recruited in 2020.

## BBVA From Inside

This campaign is an example of how Grupo BBVA México faced the challenge of the contingency. Through digital means, it approached potential employees to position itself as an ideal employer.

## Know BBVA

Online event with more than 1,000 attendees nationwide where, in addition to publicizing BBVA's value proposition, four executives from corporate, retail, SME and wealth management banking were also present.

**During 2020, 70 online**

**Employability** workshops were held nationwide.

## Acknowledgments

### Employers for Youth

Grupo BBVA México won 1<sup>st</sup> place in the Employers for Youth (EFY) survey aimed at young professionals in Mexico. The study, carried out by FirstJob, takes into account more than 9,000 young people between 18 and 34 years old from more than 40 companies nationwide and assesses topics such as career development, recognition, benefits, talent, quality of life, infrastructure, innovation, work environment, reputation and diversity-culture. According to the survey, the attributes best rated for young people in Grupo BBVA México are:



For more information, visit the EFY page: <https://efy.global/mexico>.

BBVA obtained

**1<sup>st</sup> place** in the 2020

**Employers for Youth (EFY) survey.**

### Super Workspaces

decision to innovate and improve workspaces. A plan that was consolidated in 2016 with the change of corporate headquarters to Torre BBVA México and Torre Parques BBVA, and the change of infrastructure in its more than 1,800 branches nationwide. This process of constant renewal has earned the bank the first place in the banking sector. Also the 5<sup>th</sup> overall place in the 'Super Work Spaces 2020' classification, in the category of companies with more than 500 employees. This list is prepared by the consultancy Top Companies, WeWork and the magazine Expansión and evaluates the opinion of the collaborators about the workspaces and how they favor integration, dedication and inclusion.

### Most Attractive Employers in Mexico

For more information, visit the Expansion page: <https://expansion.mx/empresas/2020/09/23/estos-son-los-super-espacios-de-trabajo-2020>

Since 2018, this innovation has made the bank notable as one of the places where university students and recent graduates seek to work. Thus, in 2020, Grupo BBVA México was featured on the 'The Most Attractive Employers in Mexico 2020' list, by Universum. This ranking considers the responses of more than 40,000 students from 166 universities. For students within the business areas, Grupo BBVA México was rated in 6<sup>th</sup> place, being the 1<sup>st</sup> bank on the list. Regarding the humanities areas, the bank obtained the 13<sup>th</sup> place, while in engineering and technology 33<sup>rd</sup> place, where in just one year it climbed 13 positions.

Among the attributes that young people see in companies are being a good reference for future jobs; opportunities for professional development and training; they consider Grupo BBVA México as a stable job; and the opportunities offered by the Institution to achieve leadership positions.

For more information, visit the Universum page: <https://universumglobal.com/rankings/mexico/>

### Best Place to Code

Since 2014, Grupo BBVA México has led the banking technological transformation process. This change is accompanied by professionals who every day apply their knowledge and experience to promote the banking of the future and develop unique solutions that promote well-being in people. This has led to BBVA being selected as the best bank in the Best Place to Code list, prepared by Software Guru.

For more information, visit the Software Guru page: [https://bestplacetocode.com/en\\_](https://bestplacetocode.com/en_)

## Grupo BBVA México was positioned 6<sup>th</sup> place on the 'The Most Attractive Employers in Mexico 2020' list by Universum, being the first bank in the ranking.



### 2021 Goal

Position Grupo BBVA México as the ideal employer among young university students, capturing greater attention through certain attributes, with which it seeks to position the Institution as the best company in Mexico.



## Talent development

GRI 103-1, 103-2, 103-3, 404-1, 404-2, 404-3 and 412-2

**Just as the bank has committed to a deep optimization in its processes, it has strengthened the value proposition to the employee, managing to promote their well-being and growth within an environment that fosters respect, diversity and inclusion.**

One of the attributes that employees value most is career development. In this sense, the bank has a powerful and innovative model that is structured in three phases:

- Get to know yourself, receive the necessary feedback on what is expected of each employee, their strengths and areas for growth
- Improvement, to continue the learning and development career, grow in the current role and train in areas of interest that provide opportunities in the future
- Explore new paths and opportunities to grow and take on new challenges

This new model encourages and empowers employees to take control of their development and career within BBVA on a global level.

### Trained employees

Derived from the contingency, face-to-face training fell considerably while online training doubled, driven by the



#YoMeFormoEnCasa campaign. For example, remote training itineraries were built for Retail Network, SME and Wealth Management that represented 975,000 training hours, with a reach of 22,600 people in three months. In response to COVID-19, more than 40,000 people from the community and health professionals were trained in preventing and fighting the pandemic.

Grupo BBVA México took up the challenges of the pandemic to innovate in the development area. Regulatory and

institutional programs were innovated, reaching increases of 13% and 29% in courses, respectively. More than 375 training materials were designed to meet the training requests of the different areas and 65 training courses were migrated from face-to-face to virtual or remote format, promoting an evolution to virtual and remote learning by promoting multi-formats and multi-channel. In line with the comprehensive training strategy in Agile methodology, 509 employees were certified internally.

## Trained employees and investment in training

	2018	2019	2020
Trained employees	36,479	38,210*	36,985*
Percentage of trained employees	99%	100%*	99%*
Total courses on the BBVA CAMPUS platform	2,725	4,137*	19,845*
Average evaluation	9.6	9.78	9.51
Total investment in training	MXP \$231,954,778	MXP \$202,008,617.22	MXP \$176,715,217.62

\*Total employees who have received at least one course in the reporting period considers courses completed, passed.

## Training hours

	2018	2019	2020
Hours of face-to-face training	820,783	786,116	336,721
Hours of training through BBVA CAMPUS	1,069,642	993,811	1,863,382
Total	1,890,425	1,779,928	2,200,103
Average hours per employee	52	47	59

**2,200,103 hours** of training given in 2020; more than **420,000 hours of increase** in relation to the previous year.

## Anti-corruption training

	2020
Training hours	33,610

## Securities training

	2019	2020
Training hours	76,078	204,228

## Information security training

	2018	2019	2020
Training hours	190,317	8,694	14,282

## Human rights training

	2018	2019	2020
Training hours	7,474	18,489	7,436

With the **#YoMeFormoEnCasa** strategy, information security training presented an **increase of 64.3%** compared to the previous year.

## Performance reviews and professional development

At Grupo BBVA México we have a 360° evaluation model, where employees are evaluated by their leaders, clients and peers. During 2020, 99.9% of the employees were evaluated by their leader and the leaders were also evaluated by their employees, on the other hand, 96% of the employees evaluated their peers.

## Universidad BBVA

In October 2013, the BBVA University was created. The educational offer is focused on different programs such as bachelor's, master's and diploma courses, which are carried out with high-level institutions.

Scholarships (number of people)	2018	2019	2020
Diploma courses	N/A	72	120
Bachelor's degrees	150	76	175
Master's degrees	205	184	160
Development (people who receive fixed monthly support)	108	101	220
Certifications	N/A	N/A	120
Specializations courses	N/A	N/A	100

In 2020, the BBVA University  
**doubled the number of scholarships awarded.**





## Acknowledgment

### Gallup Survey: Employee Engagement

In 2020, the survey on the commitment of BBVA Group employees was issued and 98% of the BBVA Mexico Group workforce participated. The objective of this feedback is to find out which are those aspects with the greatest opportunity for improvement in order to continue moving forward and make BBVA a better place to work.

The survey covers satisfaction, development, well-being, diversity (among others) and is conducted by Gallup, a company specializing in employee surveys. Grupo BBVA México obtained an average result of 4.44 (over 5.00) and is positioned within the quartile of the most committed companies in Mexico and the first geography of Grupo BBVA to position itself in that quartile.



## 2021 Goals

- Continue transforming the training process from the premise of multi-channel and multi-format, in remote and online schemes, where the collaborator continues to be the protagonist of its development
- Certify 100% of employees in the I have Integrity program by the integrity ambassadors in order to promote a transformation in the culture of integrity
- Certify the retail network in the financial health advisory program, as part of the sales strategy and customer relations
- Provide our employees with differentiated offers through the BBVA University to add to their development and growth
- Establish impact training actions that contribute to the Leadership and Diversity and Inclusion model
- Certify collaborators in the current service model to strengthen protocols and observable behaviors towards our clients



## Employee benefits

GRI 401-2

As part of being the most important financial institution in Mexico and being recognized by different organizations as a large employer, Grupo BBVA Mexico has the B Promos platform, in which employees can consult all the benefits and benefits that the Institution has for them.

At the end of 2020, the employees had 442 agreements nationwide for the best brands, grouped into nine collections. The platform included health-related agreements, which is why the "COVID Care" collection has generated the highest number of visits in 2020.

### Remuneration

GRI 102-38 and 102-39

Grupo BBVA México has an advanced remuneration system, based on the reciprocal generation of value, which meets, among others, the following principles:

- Reward the achievement of results based on a prudent and responsible assumption of risks
- Ensure internal equity and external competitiveness
- Ensure transparency in its remuneration policy
- Guarantee that there are no salary differences by gender

Total remuneration includes:

- The fixed remuneration that is established taking into account the level of responsibility and the professional trajectory of each employee, setting a salary reference for each function, which reflects its value for Grupo BBVA México to which they work
- The variable remuneration that rewards the individual contributions of the teams and the value contribution of all of them to the recurring results of Grupo BBVA México

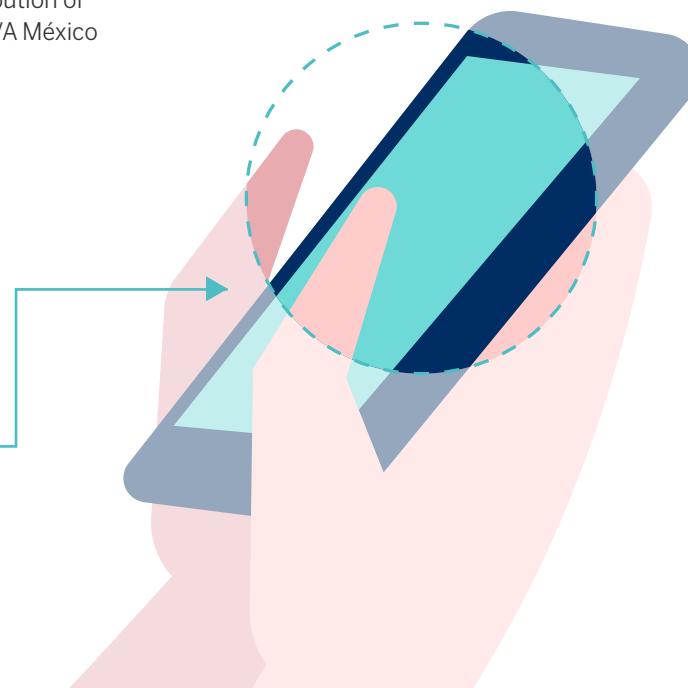
### Benefits

Grupo BBVA México grants a series of complementary benefits to its employees in order to attract and retain the best talent, improving their quality of life in every way.

### Pensions

The previously described institutions of Grupo BBVA México have a pension plan complementary to social security, which seeks to improve the quality of life of their employees upon retirement.

Currently **B Promos** has **35,089 employees registered** on the platform and **13,988 downloads from the App.**



## Occupational health and safety

GRI 401-2, FS1

Occupational health and safety are a fundamental axis for Grupo BBVA México, that is why it undertakes to guarantee safe and healthy environments, to promote security measures within each of its facilities, together with the promotion of initiatives for the physical and emotional health of the Institution's employees.

Derived from the global pandemic by COVID-19 and committed to the health of employees, during 2020 the following support actions were generated:



### Prevention:

- Definition of protocols, processes and protection equipment for the prevention of contagions
- Implementation of sanitary filters in corporate buildings and branches
- Recurrent testing program for mobility positions
- Permanent infection prevention and awareness campaign
- Awareness and prevention of COVID-19 contagion talks



### Identification:

- COVID-19 hotline. Telephone medical guidance on COVID-19 issues, available Monday through Friday from 9:00 a.m. to 6:00 p.m.
- COVID-19 testing program for employees with suspected illness, in agreement with a national laboratory



### Treatment:

- BBVA Assistance Program, which offers all Group employees nationwide and their beneficiaries, medical, psychological and nutritional guidance; unlimited service at no cost, by phone and/or video call. Additionally, it offers medical care at home, ambulance and paramedic motorcycle



### Monitoring:

- Medical monitoring of suspected or diagnosed cases of COVID-19, telephone medical attention available from Monday to Sunday, from 8:00 a.m. to 9:00 p.m.
- Development of the BBVA Tracing app for the prevention of COVID-19 infection chains in the workforce



## Emotional well-being

Committed to the emotional health of its employees, Grupo BBVA México has implemented various initiatives that seek to raise awareness about the importance of emotional health, provide support on issues associated with work and personal situations, as well as compliance with the Official Mexican Standard NOM-035-STPS-2018, Psychosocial risk factors at work-Identification, analysis and prevention. Grupo BBVA México has the following initiatives:

- Welfare Committee, made up of representatives from each discipline and which meets monthly to make decisions regarding new initiatives
- Institutional Policy for the Prevention of Psychosocial Risks
- Campaign to disseminate a complaint and awareness channel
- Wellness Line, a communication channel for employees who need any type of advice

## Wellness at home

Program implemented in the context of the COVID-19 contingency. It consisted of:

- More than 189 sessions on psychology topics such as fear, anxiety, patience and conscience with more than 11,000 connected collaborators
- More than 4,000 employees trained to work from home, including training on the use of collaboration tools, organizational recommendations and protocols to carry out Agile ceremonies remotely

- More than 80 weekly contents for the employee through the #TrabajaMejor and #DisfrutalaVida programs
- 24 resilience workshops for more than 3,180 employees
- More than 7,000 individuals impacted with talks about safety against COVID-19 with the family
- Launch of the Domestic Violence Support Line

## Pneumococcal campaign

National vaccination campaign against pneumococcus. 760 doses of the Prevenar vaccine were applied to the group of retirees in the first year of implementation during the period between January 2020 and January 2021.

## Influenza campaign

National vaccination campaign against influenza (quadrivalent vaccine). 6,274 doses were applied; 5,000 in Mexico City and 1,273 in the interior of the Republic (seven locations).

The **influenza vaccination campaign** obtained a **participation increase of 21%** compared to the previous year.

## Civil protection

Grupo BBVA México has a Civil Protection area, engaged in promoting the safety of all the people in its facilities. The area is made up of brigade members in branches and buildings together with external personnel. In 2020, 35,250 employees were trained in civil protection through the online course "Safety and signaling."



Total brigade members in branches

1,956



Total brigade members in corporate buildings

617



Total brigade members

2,573



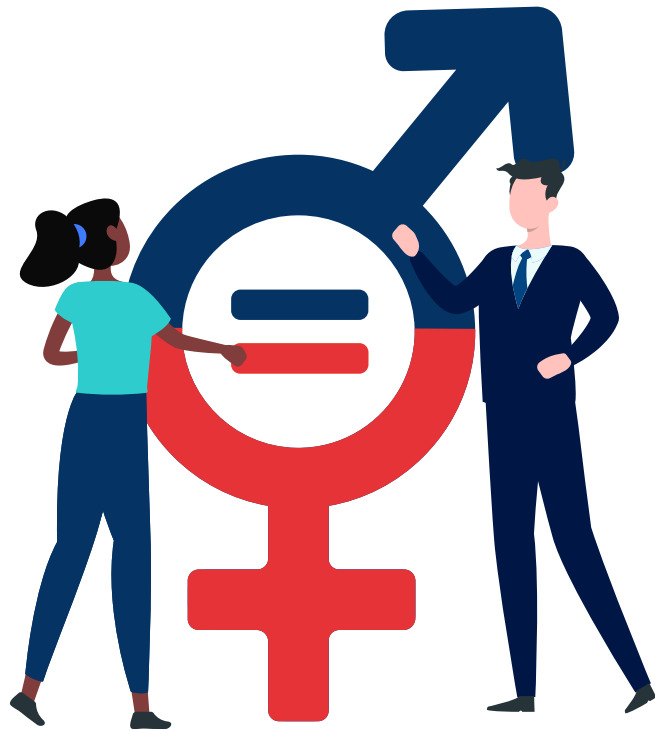
## 2021 Goals

- To resume the Preventive Medicine campaigns, and to reactivate the services at headquarters, with the actions that the new normality demands
- To promote initiatives that promote mental health
- To explore actions related to vaccination against COVID-19
- To implement emergency manual stations in branches

# Inclusion and diversity

GRI 103-1, 103-2, 103-3, 405-1 and FS1

Grupo BBVA México promotes a culture of diversity, in which the Institution respects people regardless of their age, sexual orientation, gender, political or religious orientation, etc. For this reason, Grupo BBVA México works in:



**1**  
Programs that promote **gender equality**

**2**  
Inclusion of **people with disabilities** (PwD)

**3**  
Promotes behaviors that support society through **volunteering**, in which their **friends and family** can participate

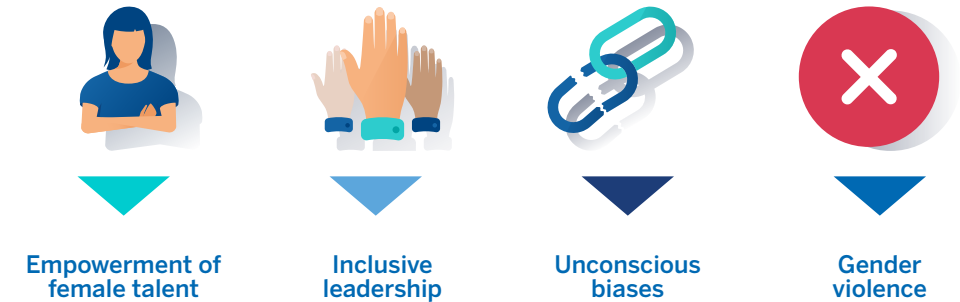
## Diversity and Inclusion Board

The Diversity and Inclusion Board was established in 2020, which is made up of 20 top-level collaborators, with the aim of guiding the strategy and establishing guidelines that promote a culture of respect for diversity, equality, non-discrimination and labor inclusion.

A diagnosis on gender equity was carried out to detect the current state and areas of opportunity. Additionally, action plans and specific KPIs were established to promote gender equity in management positions.

To reinforce its commitment and align its efforts with national initiatives, BBVA joined the "Gender Equality Goal" initiative of the Global Compact.

During 2020, 19,522 participants were sensitized on diversity and inclusion in virtual mode. The talks covered, among others, the following:



## Maternity and Paternity Accompaniment

Based on the strategy of diversity, inclusion and equity, Grupo BBVA México accompanies employees who become fathers and mothers:

- A formalized process is in place for the accompaniment of maternity and paternity from preparation to reincorporation. The process is documented in guides for employees and their leaders
- A gift kit with backpack, footrest, milk carrier and changing table is delivered. In 2020, 832 kits were delivered to the homes of future moms
- Father and mother school. Online talks with experts for collaborators with sons and daughters, on topics such as the use of social networks, drugs or the balance between life, family and work. In 2020 there were almost 4,000 training hours and more than 1,300 registrations
- Grupo BBVA México has seven lactation rooms distributed in the corporate facilities

### 2021 Goals



- Raise awareness of BBVA's employees and leadership team on diversity and inclusion
- Promote gender equity in leadership positions
- Transform the reporting, harassment and sexual harassment process



## Activities for collaborators

Programs aimed mainly at work-life balance, totally free for employees, where new skills can be developed and people's talent can be enhanced. They are programs that link employees and their families with the Group, stimulate networking, promote competitiveness and make the company attractive to new generations; some of them have a social cause such as the BBVA Racing Circuit.

### Family programs

#### Summer Entrepreneurs

Virtual entrepreneurship program for the sons and daughters of employees between the ages of 17 and 25, offering a diploma in "Business and Entrepreneurship" and, carrying out different activities: creation of business models, prototype design, innovation techniques such as behavioral design. In 2020, 198 students were enrolled and 132 graduated.

#### Girls and boys in science

In January 2020, BBVA invited employees and their children between the ages of 7 and 14 to program a simple video game with a rocket. All participating families also received a technology kit and access to a platform to create projects from home. In 2020 there were 233 participants.

### Stock programs

#### I have integrity

Launch of the "I have integrity" program with more than 104 ambassadors, 186 implemented workshops and 3,676 impacted employees.

#### Values Day

For a full month, recreational activities are carried out on a global level with all collaborators and, in particular, there is a day in which Grupo BBVA México sensitizes employees about the importance of the Institution's values, with workshops, videos, activities, etc. Due to COVID-19 contingency, for the first time the program was carried out remotely with the participation of 28,000 employees.

#### VIVA Award

Recognition given to employees who are worthy representatives for living the values of Grupo BBVA México on a day-to-day basis. In 2020 there were 44 ambassadors and two of them were selected as global ambassadors.

#### Sexual Harassment and Harassment Protocol

Communication where the Institution makes public that it rejects sexual harassment and harassment. Employees are aware of the platform where they can report sexual harassment and harassment. The message was disseminated through digital media to 38,000 employees.

### Sport activities

COVID-19 significantly impacted BBVA's sports activities, however, it did not stop activities. The first virtual race was launched where the collaborators decided how, when and where to run.

12,381 employees, family members and retirees received a competitor's kit and participated in the activity. In addition, several virtual modality activities were offered such as dance, zumba and yoga courses.

### Cultural activities

The virtual arts festival was organized with 779 participants that addressed songs, paintings, dances, photography, theater, cinema, among others. In addition, several virtual activities such as photography, painting, storytelling and singing courses were offered.



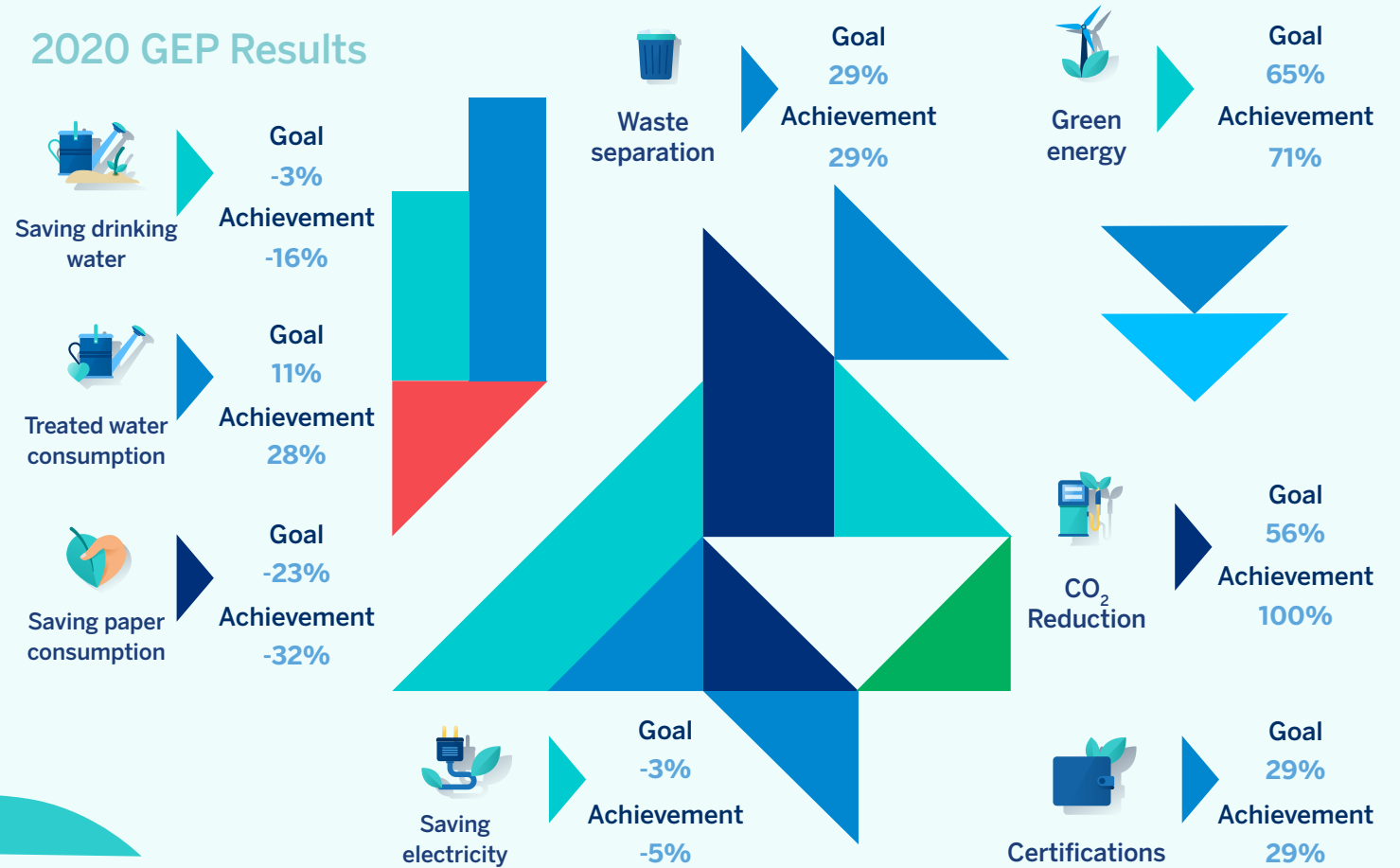
# Global Eco-efficiency Plan

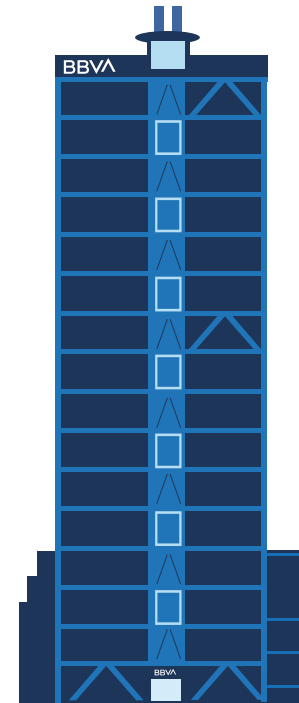
GRI 103-1, 103-2, 103-3, 301-1, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2 and FS1

As of 2016, Grupo BBVA established different objectives based on its commitment to the environment to implement the 2016-2020 Global Eco-efficiency Plan (GEP). Year after year, Grupo BBVA México has worked and carried out various initiatives to continue reducing its environmental footprint and reaching the goals that the GEP has set for 2020.



## 2020 GEP Results





### Sustainable construction

Certified buildings ISO 14001:2015	6
LEED Certified Buildings	4
Number of occupants	13,062*

\*By contingency, the number of employee from 2019 was used.

In 2020, the Black headquarters in Mérida was certified under the ISO 14001: 2015 standard.



## Energy

The energy sources of Grupo BBVA México are divided into consumption of electrical energy (supplied by CFE and by a private company that supplies renewable wind energy), consumption of LP gas, natural gas and diesel.

	2016	2017	2018	2019	2020	Units
Electricity consumption from non-renewable sources	261,238	239,917	202,189	233,541*	79,823	MWh
	940,456	863,701	727,880	840,748	647,363	GJ
Electricity consumption from renewable sources	N/A	14,321	54,074	61,677	201,347**	MWh
	N/A	51,556	194,666	222,037	364,849	GJ
Electric energy consumed per occupant	5.78	5.40	4.44	5.04***	6.07	MWh/occupant
Total LP gas consumed	156,722	146,673	164,155	136,810	46,980	Liters
	3,758	3,805	4,284	3,571	1,227	GJ
Total natural gas consumed	63,892	67,083	68,148	68,862	34,898	m3
	2,690	2,753	2,820	2,847	1,445	GJ
Total diesel consumed	331,810	200,451	279,990	310,997	291,026	Liters
	12,096	7,086	10,631	11,809	10,964	GJ

\* The 2019 consumption was updated. Previously reported data: 206,565 MWh.

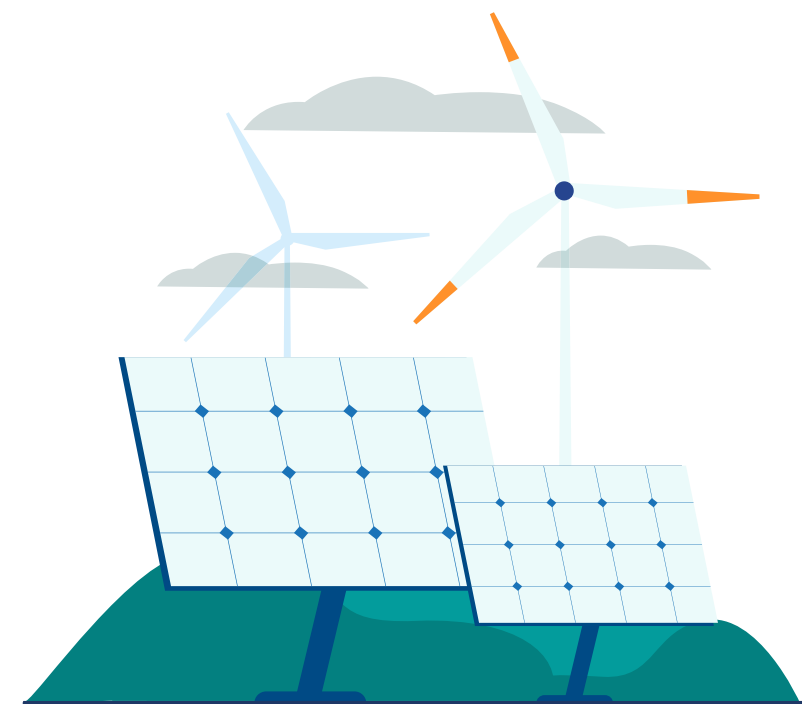
\*\* Renewable energy consumption considers the 100,000 MWh that were purchased in renewable energy certificates.

\*\*\* As a result of the update of total consumption, this data was changed. Previously reported data: 4.46 MWh/occupant.

Scope: BBVA Mexico Group.

1. The total number of occupants is considered as the sum of employees of Grupo BBVA México plus the number of external employees of the Institution's buildings and offices. By contingency, the data for 2019 is used.
2. The number of employees in 2019 was 38,228 and the number of external employees was 8,094, giving a total of 46,322 occupants.
3. Figures at the end of 2020.
4. The annual data on electricity consumption of Grupo BBVA México's Real Estate Base does not consider some locations that are not part of the centralized collection agreement with CFE, of which their consumption is unknown energy, among other aspects, because it is included as part of the property's rent.
5. For the 2020 fuel energy consumption calculations, the calorific powers of the "List of fuels and their calorific powers (CONUEE) that will be used for the report to the 2021 RENE" were used.

In 2020, Grupo BBVA México **increased its consumption of renewable energy by 64%** compared to the previous year.



## Emissions

### Total emissions generated

	2016	2017	2018	2019	2020	Units
Direct CO <sub>2</sub> emissions (scope 1)	1,314	881	1,161	1,203	935	Tons
Indirect CO <sub>2</sub> emissions (scope 2)	117,838	111,223	94,547	112,333*	36,647	Tons
Indirect CO <sub>2</sub> emissions (scope 3)	9,686	10,599	16,436	13,958	2,476	Tons
Total CO <sub>2</sub> e emissions emitted	128,855	122,703	112,144	114,520	40,058	Tons
Total CO <sub>2</sub> per occupant	2.87	2.76	2.46	2.47	0.89	Tons / occupant

\*Consumption for 2019 has been updated. Previously reported data: 99,358 t CO<sub>2</sub>.

Source: Grupo BBVA México.

1. The calculation of the total CO<sub>2</sub>e emitted is the result of the sum of the emissions of scope 1 (fossil fuels), scope 2 (electricity) and scope 3 (air travel).
2. Conversion factors from the International Energy Agency (IEA) were used to calculate Scope 2 emissions and, to calculate Scope 1 and 3 emissions, conversion factors from the Department of Environment, Food and Rural Affairs (DEFRA).
3. The total number of occupants is considered as the sum of employees of Grupo BBVA México plus the number of external employees of the Institution's buildings and offices in 2019.
4. The number of employees in 2019 was 38,228 and the number of external employees was 8,094, giving a total of 46,322 occupants.
5. Figures at the end of 2019.

### Emission compensation

In order to reduce the carbon footprint, compensation bonds equivalent to 209,984 tCO<sub>2</sub>e were purchased from different projects in Mexico with the following characteristics:

Type of Project	Location	Compensation (tCO <sub>2</sub> e)
Methane capture in landfill	Durango	5,684
Landfill Gas (LFG) Management and Disposal	Guanajuato	14,300
Wind power	Oaxaca	120,000
Afforestation and reforestation	Nayarit, Tabasco, Chiapas	70,000

### Renewable energy certificates

To support the energy transition by promoting the use of renewable energy, 100,000 renewable energy certificates (IRECs) were purchased, equivalent to 100,000 MWh or 36% of total electricity consumption.





#### Kilometers of air travel

	2016	2017	2018	2019	Units
Sections less than 500 km	4,591,489	947,602	6,522,604	5,457,212	km
Sections between 500 and 1,600 km	22,056,761	16,826,091	26,068,301	23,478,538	km
Sections greater than 1,600 km	24,483,086	39,067,562	25,159,809	21,954,350	km
Total	51,131,336	56,841,255	57,750,714	50,890,100	km

The amount of air travel does not include those made outside the agreement with the supplier.

Reclassification 2020	2020	Units
Sections less than 500 km	1,567,433	km
Sections between 500 and 3,700 km	9,901,377	km
Sections greater than 3,700 km	2,898,559	km
Total	14,367,369	km

Derived from the contingency due to COVID-19, flights were reduced by 72% compared to 2019.

## Water

		2016	2017	2018	2019	2020	Units
Water withdrawal	Pipe water*	N/A	N/A	56,495	52,440	10,676	m <sup>3</sup>
	Municipal water*	N/A	N/A	N/A	N/A	775,708	m <sup>3</sup>
	Total water withdrawn	624,359	731,840	471,435	828,553**	786,384	m <sup>3</sup>
	Water withdrawn per occupant	13.81	16.44	10.35	17.89***	17.00	m <sup>3</sup> /occupant
Water discharge	Municipal drainage	N/A	N/A	N/A	N/A	703,907	m <sup>3</sup>
	Treatment plants	N/A	N/A	N/A	N/A	36,324	m <sup>3</sup>
Water consumption *	<b>Total annual water consumed</b>	N/A	N/A	N/A	N/A	37,048	m <sup>3</sup>

\* Reporting update in accordance with the new GRI 303 (2018) requirements as of 2020.

\*\* An adjustment was made to the methodology for the 2019 and 2020 report to estimate water consumption based on local factors. Therefore, the 2019 consumption was updated. Previously reported data: 428,051 m<sup>3</sup>.

\*\*\* As a result of the update of total consumption, this data was changed. Previously reported data: 9.24 m<sup>3</sup>/occupant

Scope: BBVA Mexico Group.

1. The total number of occupants is considered as the sum of employees of Grupo BBVA México plus the number of external employees of the Institution's buildings and offices. Due to contingency, the data for 2019 is used.

2. The number of employees in 2019 was 38,228 and the number of external employees was 8,094, giving a total of 46,322 occupants.

3. Figures at the end of 2020.

4. The annual data on water consumption of Grupo BBVA México's Real Estate Base some locations whose water consumption is unknown, among other aspects, because it is included as part of the property's rent.

5. As of 2018, in order to align with BBVA Global guidelines, the water consumption calculation methodology considers a corporate factor different from the local factor used in previous years.

Torre BBVA, Parques BBVA and the Data Processing Center have the capacity to recycle **rainwater and wastewater**. The treated water is used in toilets, cooling towers, water mirrors and gardening.



## Paper and Waste

### Paper consumption

	2016	2017	2018	2019	2020	Units
Total paper consumed	1,769,841	2,480,687	1,662,173	1,246,244	851,989	kg
Total paper consumed per occupant	39.17	55.72	36.51	26.9	18.39	kg/occupant

Source: Grupo BBVA México.

1. The total number of occupants is considered as the sum of employees of Grupo BBVA México plus the number of external employees of the Institution's buildings and offices. Due to contingency, the data for 2019 is used.

2. The number of employees in 2019 was 38,228 and the number of external employees was 8,094, giving a total of 46,322 occupants.

3. Figures at the end of 2020.

### Managed waste

	2016	2017	2018	2019	2020	Units
Non-hazardous waste	954,115	954,115	1,137,588	1,125,661	366,862	kg
Dangerous residues	6,085	6,085	16,202	18,167	936	kg

**32% reduction**  
in paper consumption  
compared to 2019.

**68% decrease in**  
waste compared to 2019.

### Extension of commitment

To contribute to a more sustainable world, Grupo BBVA updated its Environmental Eco-efficiency Policy, in which it reveals its strong commitment to the environment, the SDGs and promotes environmental education among all its employees.



#### 2021 Goals

- Strengthen the methodology and expand the scope of the key indicators for the Global Eco-efficiency Plan (GEP)
- Define GEP goals for 2025



# Responsible vendors and purchases

GRI 102-9, 308-1, 412-1 and FS1

Grupo BBVA México's commitment and responsibility extends to the supply chain in order to integrate ethical, social and environmental factors within the entire organization to create a sustainable market.

Grupo BBVA México's relationships with its suppliers are governed by a series of documents available on the supplier portal for consultation:



For more information go to:

<https://suppliers.bbva.com/>  
<https://suppliers.bbva.com/compras-responsables/>

**96.85% of the active suppliers in 2020**

**are from Mexico**, 2.11% from Spain, 0.89% from the United States and 0.15% from other nationalities.

## Provisioning Model

Grupo BBVA México has a Global Procurement Process Model, which covers from the existence of the approved annual budget to the payment of invoices to suppliers, in all the geographies in which it has a presence.

## Homologation of Suppliers

This process consists of a review, by Corporate Regulations, carried out by five certifying bodies in charge of verifying compliance with the homologation criteria in accordance with the provisions of the Regulations. This review is applicable to suppliers that provide goods and/or services to Grupo BBVA México based on the following criteria:

- 1**  
The level of annual expenditure of the supplier taking as a reference the billing and/or the amount of awards made or planned.
- 2**  
The potential business impact of the provider's services and/or products.
- 3**  
New negotiations between suppliers and the Institution, whose relationship is equal to or greater than two years.

Within this process, aspects such as:



Within the factor of corporate social responsibility, a questionnaire attached to the 10 Principles of the UN Global Compact is shared with suppliers, which includes topics such as: human rights, working conditions, civil protection, commitment to the community, care for the environment, anti-corruption and good practices.

Homologation of Suppliers	2019	2020
Total number of suppliers that entered the approval process	2,026	2,744
Number of homologated suppliers	1,768	2,512
Percentage of purchases from suppliers that have participated in the approval process	96%	98%*
Number of suppliers that have not passed the homologation process (Not homologation)	84	222
Number of suppliers with a remediation plan in the homologation process (without penalty)	13	10**
Total active suppliers at the Grupo BBVA México level	8,104	7,546

\* To determine this percentage, only suppliers that meet the applicable criteria of the approval process and those awards made during the 2020 period are considered without considering regularizations.

\*\* These suppliers are granted an additional period to mitigate any risk or observation detected during their review or the user area decides on the continuity of the relationship with the supplier.

In 2020, the results of the supplier quality survey carried out in 2019 were obtained, in which a rating of 86/100 points was obtained, five points more than the results of 2019.

## Supplier mailbox

If there is any incident in the provisioning process or it is required to communicate any doubt, comment or suggestion, the applicant or contact person from the Purchasing Department can be contacted directly. In case of requiring additional attention, the incident can be sent through the following link: <https://bbva-suppliers.appspot.com/presencia-bbva/>.

Additionally, as a supplier to Grupo BBVA México, if you observe an action or situation related to the Institution that may go against the legal provisions or the standards of the Supplier Code of Ethics, it must be communicated directly to the reporting channel.



### 2021 Goals

- Use a supplier evaluation model applicable to all geographies, standardized to local regulations
- Apply the Global Risk Model to all the Group's suppliers manageable by Purchasing
- Adapt the new Holding Evaluation Model to local regulations

During 2020, the **number of approved** suppliers **increased 42%** compared to 2019.

# Contribution to the community

08

GRI 103-1, 103-2, 103-3, 413-1

**Grupo BBVA México's commitment** to the community is key for the Institution's permanence and growth, since both parties are **essential for this to be possible**.

Grupo BBVA México develops a series of initiatives and activities with **high social impact in the area of education** and financial inclusion, together with the social programs developed by the **BBVA Foundation**, in order to support people to make better decisions for their financial well-being.





# Investment in the community

Through its programs to contribute to society and its purpose of making the opportunities of this new era available to all, Grupo BBVA México acts as an engine of opportunities for people, generating a positive impact on their lives, especially benefiting groups vulnerable.

Despite all the changes we have witnessed due to the consequences of COVID-19, during 2020 Grupo BBVA México continued to promote the main lines of action previously established in the Community Investment Plan: financial education, social entrepreneurship, knowledge, education and culture.

## Financial education

FS16

Grupo BBVA México has defined Financial Education (FE) as a strategic priority of the Responsible Banking Plan, based on two objectives:



Improve the financial health of its clients



Avoid using cash through digitization



The FE plan's commitment to society is to support people to make better financial decisions through training in skills and competencies in this area through the development of tools and best practices, and the use of digital applications. FE's plan focuses on three strategic lines of action:

## 1 Society

Grupo BBVA México develops programs to improve knowledge of financial concepts and promote a change in behavior in financial decision-making, which will improve people's financial health.

## 2 Customer solutions

This line is aimed at integrating financial training into the customer experience. In order to facilitate informed decision making and improve your financial well-being.

## 3 Promotion, dissemination and communication about FE

Creation of practical financial education content that is disseminated on the corporate website, podcasts and social networks; channels that are accessible to both clients and non-clients.



## FE Programs

Despite the situation arising worldwide from COVID-19, Grupo BBVA México, with its high capacity for adaptation and resilience, managed to give continuity to its different FE programs.

### Workshops:

- **Face-to-face.** Intended for payroll groups in order to acquire the skills and knowledge necessary for the use of financial products and banking applications. They are taught by a PE facilitator, either in a mobile classroom, digital space or at the organization's facilities, for nominated and non-nominated groups
- **Online.** It provides the opportunity to acquire financial knowledge in a simple way through digital tools that offer a wide range of courses on topics such as savings, digital banking, use of credit cards, mortgages, investments and life plan, which can be performed at any time since they are available 24 hours a day
- **Coaching.** Financial advice is provided by telephone, where a qualified person will be able to guide and respond to clients' concerns about finances and the Institution's offer
- **Remotely.** They fulfill the same objective as the face-to-face workshops; However, due to the health emergency derived from COVID-19, it was migrated to a 100% digital modality in order to continue giving these workshops

Financial education	Beneficiary*	Participants**	Workshops given
Face-to-face	7,869	13,365	685
Online	14,298	23,119	23,119
Coaching	3,097	4,760	N/A
Remotely	18,712	21,424	949

\*The beneficiary is the one who participates in the activity offered or, in the case of the online modality, the one who completes a workshop.

\*\*Given that a beneficiary can participate in more than one workshop, the total number of participations that the Program has is counted, that is, if the same person participated in two workshops, one beneficiary and two participations are counted.



## Webpage

A fundamental part of the Grupo BBVA México strategy is the digital presence, seeking to maintain communication and strengthen relationships with stakeholders. Through its webpage <https://www.bbva.mx/educacion-financiera.html>, Grupo BBVA México shares quality content to achieve its goals in relation to healthy personal finances.

During 2020, the **Financial Education** webpage obtained a total of **3,489,583 visits**.

## Social service in Universities

In order to support young university students and continue promoting financial education in the communities and among the general public, Grupo BBVA México has generated various alliances with institutions at the national level so that young people who study a degree can carry out their social service teaching Financial Education workshops which, in turn, provide you with tools and skills for your professional life.

During 2020 there were **14,886 beneficiaries of the 1,747 workshops given**.

## National Financial Education Week

Event organized by the Government of Mexico through CONDUSEF. In it, Grupo BBVA México gave a series of workshops and conferences, digitally, in order to raise awareness among the population about the importance of financial education to achieve a healthy management of their finances.

A total of 128 participants were obtained in distance workshops and 28,068,810 impressions were made as part of the National Financial Education Week digital campaign; reaching a total of 70,978 clicks and 14,839 visits to the Financial Education website.

## Initiatives for the unbanked

In order to have a greater reach in the communities, Grupo BBVA México has two financial education initiatives focused on supporting and impacting people who have barriers to accessing these services.

During 2020, the Cocula “cashless communities” initiative was promoted, consolidating the Banca de Barrio offer to promote the adoption of solutions such as: Digital Account, BBVA Mexico App, CoDi®.

With this, there was a three times higher growth in CoDi transactions, clients that adopted CoDi and product placement than the average of 12 municipalities in conditions similar to Cocula.

Through this initiative, **8,303 direct beneficiaries** of the information capsules were obtained, and **113,597 contacts** were sent.

## KidZania

This program is aimed at children between 2 and 16 years of age so that, through different jobs within this interactive city, they can develop skills and acquire financial knowledge through recreational activities. During 2020, the park was mostly closed due to COVID-19; However, during the opening months there were 152,593 participating children over three years of age.



# Social programs

GRI 413-1, 103-1, 103-2 and 103-3

Additionally, as part of Grupo BBVA México's strategy and commitment to the community, during 2020 a series of social programs was developed with the aim of contributing to the country's economy and the financial well-being of society.

## National Coordination of Benito Juárez Scholarships

A scholarship of MXP \$1,600 bimonthly was awarded to 52,887 young people under the age of 18, high school students in public institutions. The amount could be withdrawn at any ATM without a card, using only 16 digits that each beneficiary received directly on their cell phone.

## Welfare Ministry

Grupo BBVA México carried out this collaboration in order to contribute to the well-being and quality of life of the elderly, a non-contributory pension of MXP \$2,550 bimonthly was granted through a debit card and central account to 1,203,212 older adults..

## Youth Building the Future

This digital social program consists of providing a training scholarship to young people between 18 and 29 years old so that they have adequate professional skills to face the challenges of the future through productive activities through a Job Center. In order to make the process more efficient and have a greater scope, Grupo BBVA México proposed a unique digital solution in the country's financial market: "Massive Digital Account," in which the organization grants the scholarship to young people through a level 2 bank account through BBVA Net Cash with only three data, reaching 1,359,464 beneficiaries during 2020.

Additionally, during this year, within the contribution to society of Grupo BBVA México, the start-up and execution of the Social Response Plan of Grupo BBVA to face the effects of COVID-19 stands out. As part of this response, in 2020, 28 remote meetings were held in coordination with the advisors of Tec de Monterrey on the Together for Health (*Juntos por la Salud*) initiative. As a result, MXP 193 million were collected for the purchase of 8.1 million supplies of personal protective equipment for medical personnel from 77 COVID hospitals in all states of the Republic.









# BBVA Foundation

GRI 103-1, 103-2, 103-3, 413-1

Fundación BBVA México is responsible for giving life to the social action initiatives of Grupo BBVA México. The Foundation develops innovative initiatives to generate opportunities for the community and provide educational, cultural and entrepreneurial support that contributes to the generation of a sustainable community.

## Investment in social programs

During 2020, Fundación BBVA México invested in total more than MXP 1,630 million, which were allocated to various investment programs and initiatives in the community as follows:

Line of action	Investment (in MXP million)
 BBVA Scholarship Program for Young Boys and Girls that Inspire ( <i>Becas BBVA para Chavos que Inspiran</i> )	793
 Together for Health ( <i>Juntos por la Salud</i> )	731
 Operating costs	36
 Reconstruction of schools	14
 Cultural promotion	13
 Community adoption	9



## BBVA Scholarship Program for Young Boys and Girls that Inspire

Through the educational scholarships granted by Fundación BBVA México in the Scholarship for Young Boys and Girls that Inspire program, talented young people from middle school, high school and university are supported who face economic barriers, fostering school continuity and promoting social mobility.

During 2020, scholarships were awarded for the following educational levels, reaching more than 40 thousand scholarship holder:

Level	Number of direct beneficiaries
Young Boys and Girls that Inspire – Middle School	16,839
Young Boys and Girls that Inspire – High School	16,342
Young Boys and Girls that Inspire – University	7,504

During 2020, the **IReNe** of the BBVA Scholarship Program for Young Boys and Girls that Inspire was **95.8 points**.

6,205 hours of mentoring in the **BBVA Scholarships for Young Boys and Girls that Inspire program\***.

### Volunteering

Through the volunteer initiatives of Fundación BBVA México, 5,308 mentors and unique volunteers participated. 223 employees and 30 scholarship recipients from Fundación BBVA México participated in the only One Team Volunteering day. This initiative directly benefited 489 students.

Additionally, as a contribution to the Young Boys and Girls that Inspire program, 5,055 mentors participated. Together, with these initiatives we directly support 4,985 scholarship recipients.

During 2020, with the volunteer activities, it was possible to have a direct positive impact on 5,474 students.

**1,338 hours of One Team Volunteering\***.

\* The data correspond only to BBVA participants.

### Cultural Promotion

From the Cultural Promotion area, various initiatives are developed from the entire cultural spectrum, plastic and visual arts, in order to promote the largest number of talented artists in the main cultural centers of the country, while bringing different artistic expressions to the general public.

During 2020, given the confinement context, the activities, exhibitions, concerts and shows were developed digitally, which allowed us to reach more than 1 million unique users (face-to-face or virtual attendees to events and exhibitions).

Initiatives	Thousands of users
BBVA Art Grant	734
BBVA-MACG Program	173
Activities for collaborators	61
Plastic Parallelisms Exhibition	29
Territories Exhibition	26
New Year's Concert	7
Make it in Short Film	6

## BBVA Art Grant

This program consists of a national platform for exchange and collaboration, which provides financial incentives to outstanding initiatives in art and culture, and unpublished public programs. It works through an annual call, under the structure of a committee of experts, with the aim of promoting cultural professionals, artists and cultural managers with a proven track record.



During 2020, **6 projects were supported** and more than **734 thousand unique users** were registered\*.

\*Single user: face-to-face or virtual attendees to events and exhibitions.

## BBVA My Community

This program, formerly known as Mutual Improvement, seeks that clients can recover their wealth and live better. This is achieved through social recovery in abandoned or neglected areas of Mexico, in order to generate a benefit to the communities that, derived from the lack of accelerated payment of mortgage loans, suffer a deterioration of the urban and financial environment and decomposition of the social fabric.



12 subdivisions of Tijuana supported



10,205 supported homes in total



More than 33 thousand inhabitants benefited\*



IReNe of 90 points

\* The number of total direct beneficiaries is estimated using the average number of occupants in private dwellings inhabited by state 2020 published by INEGI.

Investment of **MXP 17.7 million by Grupo BBVA México** for the development of the project and more than **MXP 43 million** by its strategic allies **for the repair of services and public spaces.**



### Support in natural disasters

Our Foundation is firmly committed to providing humanitarian support to populations that may be affected in the event of natural disasters, which is why it continues to support and promote programs that benefit those most in need in a state of emergency. In alliance with Fundación Televisa and the Ministry of National Defense, we support individuals from Chiapas, Tabasco, Guerrero, Oaxaca, Morelos, the State of Mexico, Mexico City, Quintana Roo and Yucatán.

During 2020 we delivered **11,405 food packages**, equivalent to more than **67 tons of food for the benefit of 45,620 individuals.**

Additionally, we delivered 3,000 hygiene kits to support 6,000 individuals affected by natural disasters during 2020 in the states of Tabasco and Chiapas.



# Social response to COVID-19

## Together for Health (*Juntos por la Salud*)

Faced with the imminent health emergency caused by COVID-19, Grupo BBVA México decided to act and design a strategy that would protect its employees, its clients and society in general. In order to support the growing demand for hospital services and the consequent risk faced by health personnel, Fundación BBVA México, hand in hand with the federal government, academia, private initiative and society in general, coordinated a series of actions to create a support network, with the aim of helping and saving lives. To do this, it was necessary to provide equipment to hospitals and protective material to medical personnel who would be in the first line of defense caring for all people infected by the virus.

The initial contribution for the project was MXP 470 million as seed capital. This investment was directed to a Trust created specifically for this purpose, with all the legal support of expert areas of the bank, in order to ensure maximum transparency, the strictest controls for the management of resources and their traceability.

The support of our allies and donors was decisive in **expanding the impact of the initial donation,** raising **more than MXP 256 million.**

The Together for Health (*Juntos por la Salud*) program managed to invest a total of MXP 731.2 million, in four lines of action:

- 1** Provide medical equipment such as respiratory aids and invasive respirators to hospitals
- 2** Delivery of protective supplies such as hats, face masks, masks, goggles, gowns, gloves, boot covers, overalls and masks to medical personnel
- 3** Donation of resources to organizations such as the Mexican Red Cross, Doctors without Borders and the United Nations High Commissioner for Refugees (UNHCR) to increase hospital care capacity
- 4** Training for doctors and the general public, in alliance with UNAM and Tec de Monterrey

In alliance with the Mexican Red Cross, a field hospital was set up within the INER facilities, where more than 40 beds with artificial respirators were installed for critically ill patients, increasing the Institute's care capacity by 50%.

In coordination with Doctors Without Borders, actions have been developed in three ways: prevention, channeling and patient care through monitoring in the State of Mexico and Morelos and the installation of COVID care centers in Tijuana, Matamoros and Reynosa. Additionally, in alliance with the International Committee of the Red Cross and the Mexican Red Cross, it supported the management of the deceased through donations. They were delivered in the states of Veracruz, Mexico City, Guerrero, Tabasco, Sinaloa, Quintana Roo, Chihuahua and Puebla.



Thanks to the efforts of the Fundación BBVA México, the Federal Government and partner organizations, the following results were achieved:

**423,390**  
individuals directly benefited

- More than 112 thousand health professionals
- More than 32 thousand patients benefited by respirators
- More than 32 thousand people trained
- More than 15 thousand oximeters
- More than 231 thousand people benefited from donations to the Red Cross, Doctors Without Borders and UNHCR

**+21 million**  
medical protection supplies

**1,000**  
breathing aids

**223**  
invasive respirators  
**224**  
hospitals across the country

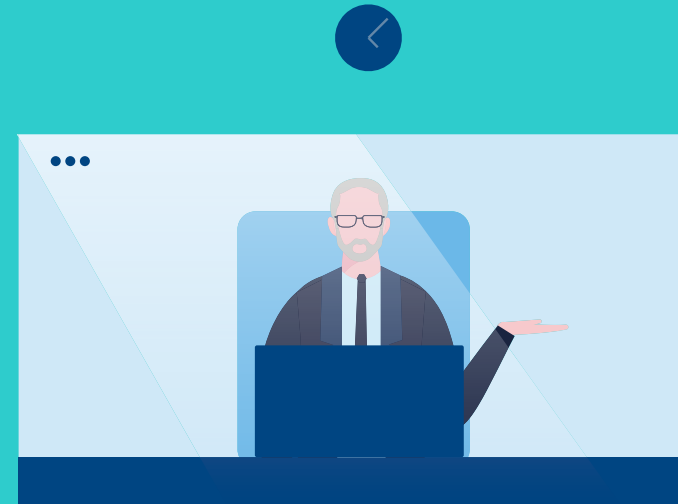


**2021 Goals**

- Through the BBVA Scholarship Program for Young Boys and Girls that Inspire, about 46 thousand scholarships will be awarded to high school, high school and university students
- Art and culture will continue to be supported through the BBVA Art Grant to bring different forms of artistic expression to close to 1 million people
- Through the “My Community” BBVA program, interventions will be carried out in subdivisions with high levels of overdue portfolio, abandonment and vandalism in order to recover the social fabric and regain equity value from social and urban improvement

# About the Report

09



GRI 101: Foundations 2016, 102-5, 102-45, 102-49, 102-50

**The 2020 Annual Report** contains the initiatives, activities and results of **Grupo Financiero BBVA Bancomer**, S.A. de C.V. The information reported covers the period between January 1 and December 31, 2020 and includes issues in **economic, social and environmental matters**, aligned with the Group's Responsible Banking strategy. The report is available for consultation on its website.



# About the Report



## Coverage and Denomination

Unless otherwise stated, the Annual Report covers the following companies that make up Grupo Financiero BBVA Bancomer, S.A. de C.V.:

- BBVA Bancomer, S.A.
- Casa de Bolsa BBVA Bancomer, S.A. de C.V.
- BBVA Bancomer Servicios Administrativos, S.A. de C.V.
- BBVA Bancomer Operadora, S.A. de C.V.
- BBVA Bancomer Gestión, S.A. de C.V.
- Seguros BBVA Bancomer, S.A. de C.V.
- BBVA Bancomer Seguros Salud, S.A. de C.V.
- Pensiones BBVA Bancomer, S.A. de C.V.

For the purpose of this report, Grupo Financiero BBVA Bancomer, S.A. de C.V., will be called Grupo BBVA México and/or the Institution. If the information reported does not correspond to all its affiliates, a clarification will be made about the affiliates to which the information is related. In this report, Grupo BBVA corresponds to the integration of Banco Bilbao Vizcaya Argentaria (BBVA) and all its international acquisitions.

# Standards used

GRI 102-46, 102-54

This report has been prepared in accordance with the Comprehensive option of the GRI Standards and under the following reporting principles, both of quality and content:

## Quality

- Precision
- Balance
- Quality
- Comparability
- Reliability
- Punctuality

## Content

- Inclusion of stakeholders
- Sustainability context
- Materiality
- Completeness



# Independent review

GRI 102-56

The Grupo BBVA México's 2020 Annual Report was independently reviewed by the firm KPMG.



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## Independent Limited Assurance Report on the Contents of the Standards *Global Reporting Initiative ("GRI")* (Non-Financial Information)

To the Department of Corporate Responsibility and Reputation  
Grupo Financiero BBVA Bancomer, S.A. de C.V.:

We were engaged by the Management of Grupo Financiero BBVA Bancomer, S.A. de C.V. (hereinafter "BBVA Bancomer") to report on the Contents of the Global Reporting Initiative ("GRI") (Non-Financial Information), prepared and presented by the Corporate Responsibility and Reputation Department of BBVA included in BBVA Bancomer 2020 Annual Report for the period from January 1 to December 31, 2020 (the "Annual Report"), that are detailed in Annex A attached to this report (the "Contents"), in the form of an independent conclusion of limited assurance, regarding whether, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents are not prepared in all material respects, in accordance with the Standards of the Global Reporting Initiative (GRI).

### *Management responsibilities*

The Management of BBVA Bancomer, through its Corporate Responsibility and Reputation Department is responsible for the preparation and presentation of the information subject to our review and the information and statements contained within it.

The Corporate Responsibility and Reputation Department of BBVA Bancomer is responsible for designing, implementing, and maintaining the relevant internal control for the preparation and presentation of the information subject to our review, which is free from material errors, whether due to fraud or error. Likewise, the Management of BBVA Bancomer, through its Risk Management, Legal Counsel and Audit units, are responsible for preventing and detecting fraud, as well as identifying and ensuring that BBVA complies with the laws and regulations applicable to its activities

The Management of BBVA Bancomer, through its Corporate Responsibility and Reputation Department is also responsible for ensuring that the personnel involved in the preparation of the Contents are adequately trained, the information systems are duly updated and that any change in the presentation of data and/or in the form of reporting, include all significant reporting units.

### *Our responsibilities*

Our responsibility is to carry out a limited assurance engagement on the information concerning the Contents included in the BBVA Bancomer 2020 Annual Report and to express an independent conclusion of limited assurance based on the evidence obtained. We carry out our work based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements

(Continue)

Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board, that standard requires that we plan and perform the engagement to obtain limited assurance about whether, based on our work and the evidence obtained, nothing has come to our attention that causes us to believe that the Contents included in the BBVA Bancomer 2020 Annual Report for the period from January 1 to December 31, 2020, are not prepared in all material respects, in accordance with the Standards of the Global Reporting Initiative (GRI).

KPMG CARDENAS DOSAL S.C. (the "Firm") applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our knowledge and experience of the Contents presented in BBVA Bancomer 2020 Annual Report and other circumstances of the work, and our consideration of the areas in which material errors may occur.

When obtaining an understanding of the Contents included in the BBVA Bancomer 2020 Annual Report, and other work circumstances, we have considered the processes used to prepare the Contents, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of BBVA Bancomer internal control over the preparation and presentation of the Contents included in the BBVA Bancomer 2020 Annual Report.

Our engagement also included assessing the appropriateness of the main subject, the suitability of the criteria used by BBVA Bancomer in the preparation of the Contents, assessing the appropriateness of the methods, policies and procedures, as well as models used.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

### *Criteria*

The criteria on which the preparation of the Contents has been evaluated refer to the established requirements and in accordance with the Standards of the Global Reporting Initiative (GRI) that are detailed in Annex A.

(Continue)

**Inherent limitations**

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

**Conclusion**

Our conclusion has been formed based on, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Contents detailed in Annex A attached to this assurance report, prepared by BBVA Bancomer's Corporate Responsibility and Reputation Department and included in BBVA Bancomer 2020 Annual Report for the period from January 1 to December 31, 2020, are not prepared in all material aspects, in accordance with the Global Reporting Initiative (GRI).

**Restriction of use of our report**

Our report should not be regarded as suitable to be used or relied on by any party to acquire rights against us other than BBVA Bancomer's Corporate Responsibility and Reputation Department, for any purpose or in any other context. Any party other than BBVA Bancomer's Corporate Responsibility and Reputation Department who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than BBVA Bancomer for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to BBVA Bancomer, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

KPMG CARDENAS DOSAL S.C.



Juan Carlos Reséndiz Muñoz  
Partner  
Mexico City, May 14<sup>th</sup>, 2021.

**Appendix A**

Description of the Contents object of the limited assurance engagement.

GRI Standard	Content	Description
	102-1	Name of the organization.
	102-2	Activities, brands, products, and services.
	102-3	Location of headquarters.
	102-4	Location of operations.
	102-5	Ownership and legal form.
	102-6	Markets served.
	102-7	Scale of the organization.
	102-8	Information on employees and other workers.
	102-9	Supply chain.
	102-10	Significant changes to the organization and its supply chain.
	102-11	Precautionary Principle or approach.
	102-12	External initiatives.
	102-13	Membership of associations.
	102-14	Statement from senior decision-maker.
	102-15	Key impacts, risks, and opportunities.
	102-16	Values, principles, Standards, and norms of behavior.
	102-17	Mechanisms for advice and concerns about ethics.
	102-18	Governance structure.
	102-19	Delegating authority.
<b>General Disclosures</b>	102-20	Executive-level responsibility for economic, environmental, and social topics.
	102-21	Consulting stakeholders on economic, environmental, and social topics.
	102-22	Composition of the highest governance body and its committees.
	102-23	Chair of the highest governance body.
	102-24	Nominating and selecting the highest governance body.
	102-25	Conflicts of interest.
	102-26	Role of highest governance body in setting purpose, values and strategy.
	102-27	Collective knowledge of highest governance body.
	102-28	Evaluating the highest governance body's performance.
	102-29	Identifying and managing economic, environmental, and social impacts.
	102-30	Effectiveness of risk management processes.
	102-31	Review of economic, environmental, and social topics.
	102-32	Highest governance body's role in sustainability reporting.
	102-33	Communicating critical concerns.
	102-34	Nature and total number of critical concerns.
	102-35	Remuneration policies.
	102-36	Process for determining remuneration.
	102-40	List of stakeholder groups.
	102-41	Collective bargaining agreements.



	102-42	Identifying and selecting stakeholders.
	102-43	Approach to stakeholder engagement.
	102-44	Key topics and concerns raised.
	102-45	Entities included in the consolidated financial statements.
	102-46	Defining report content and topic Boundaries.
	102-47	List of material topics.
	102-48	Restatements of information.
	102-49	Changes in reporting.
	102-50	Reporting period.
	102-51	Date of most recent report.
	102-52	Reporting cycle.
	102-53	Contact point for questions regarding the report.
	102-54	Claims of reporting in accordance with the GRI Standards.
	102-55	GRI content index.
	102-56	External assurance.
<b>Performance indicators</b>		
<b>Economic Performance</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 205 Anti-corruption</b>	205-1	Operations assessed for risks related to corruption.
	205-2	Communication and training about anti-corruption policies and procedures.
	205-3	Confirmed incidents of corruption and actions taken.
<b>Environmental Performance</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 301 Materials</b>	301-1	Materials used by weight or volume.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 302 Energy</b>	302-1	Energy consumption within the organization.
	302-2	Energy consumption outside of the organization.
	302-3	Energy intensity.
	302-4	Reduction of energy consumption.
	302-5	Reductions in energy requirements of products and services.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 303 Water and effluents</b>	303-3	Water withdrawal.
	303-5	Water consumption.
	103-1	Explanation of the material topic and its Boundary.

5

<b>GRI 103 Management approach</b>	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 305 Emissions</b>	305-1	Direct (Scope 1) GHG emissions.
	305-2	Energy indirect (Scope 2) GHG emissions.
	305-3	Other indirect (Scope 3) GHG emissions.
	305-4	GHG emissions intensity.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 306 Effluents and waste</b>	306-2	Waste by type and disposal method.
<b>Social Performance</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 401 Employment</b>	401-1	New employee hires and employee turnover.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 404 Training and education</b>	404-1	Average hours of training per year per employee.
	404-2	Programs for upgrading employee skills and transition assistance programs.
	404-3	Percentage of employees receiving regular performance and career development reviews.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 413 Local communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 417 Marketing and labeling</b>	417-1	Requirements for product and service information and labeling.
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
<b>GRI 418</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.

6

<b>Customer privacy</b>		
<b>Sector disclosures</b>		
<b>Financial Services</b>		
<b>GRI 103 Management approach</b>	103-1	Explanation of the material topic and its Boundary.
	103-2	The management approach and its components.
	103-3	Evaluation of the management approach.
	FS1	Policies with specific environmental and social components applied to business lines.
	FS2	Procedures for assessing and screening environmental and social risks in business lines.
	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.
	FS11	Percentage of assets subject to positive and negative environmental or social screening.
	FS16	Initiatives to enhance financial literacy by type of beneficiary.
<b>SASB Standard</b>	<b>Code</b>	<b>Accounting Metric</b>
<b>Commercial banks</b>	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers
<b>Consumer finance</b>	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB

# Appendices

10



# Responsible Banking Principles

## Responsible Banking Principles Index (UNEP FI)

Reporting and self-assessment requirements	High-level summary of the bank's response	Reference(s) / Link(s) to bank's full response/ relevant information
<p><b>Principle 1: Alignment</b></p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>BBVA is a Spanish global financial group and is the largest financial institution in Mexico). At the end of 2020, the performing loan portfolio of Grupo BBVA México closed with a balance of MXP 1,211,829 million and represents a market share of 23.6% in Mexico. Assets managed in investment funds closed in December 2020 at MXP 497,638 million. Grupo BBVA México had 22.6 million clients and 1,746 branches. Grupo BBVA México offers a wide range of products through its three business units:</p> <ul style="list-style-type: none"> <li>• Retail Network (Consumer finance, Mortgage finance &amp; Insurance)</li> <li>• Business and Government Banking (Retail finance)</li> <li>• Corporate and Investment Banking (Retail finance, Asset management &amp; Investment banking)</li> </ul>	<p>Sections "Profile and Strategy" and "Economic Impact"</p>
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>In December 2019, Grupo BBVA México incorporated sustainability as one of its six strategic priorities with the aim of aligning its activity with the Paris Agreement and the Sustainable Development Goals (SDG). A step that has come to consolidate the bank's commitment to sustainability.</p>	<p>Section "Strategy"</p>
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>		

**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

## 2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a. Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts

Within the framework of sustainability as a strategic priority, BBVA has prioritized two lines of action with the greatest impact:

1. Climate action: with a focus on energy efficiency (SDG 7), the circular economy (SDG 12) and the reduction of CO<sub>2</sub> emissions (SDG 13)
2. Inclusive growth: specifically in SDGs 8 and 9 with business initiatives around financial inclusion, support for entrepreneurship and sustainable infrastructures.

On the other hand, BBVA has identified negative impacts and risks through processes such as:

- Environmental & Social Framework with the identification of sectors with a greater social environmental impact (mining, agribusiness, energy, infrastructure and defense).
- Equator Principles for project finance
- Human Rights due diligence process

In addition, other related and detailed processes in the 2020 TCFD Report of Grupo BBVA are:

- The identification and evaluation of sectors sensitive to transition risk and the development of an internal taxonomy of transition risk with data on exposure to these sectors.
- Quantification of exposure to carbon-related sectors
- Impact evaluation process are the sectoral frameworks, both wholesale and retail
- Application of the methodology among Katowice banks in order to align the Paris Agreement in the sectors most sensitive to transition risk, and set metrics for these sectors.

Sections "Strategy" and "Sustainable Finance"

## Reporting and self-assessment requirements

## High-level summary of the bank's response

## Reference(s) / Link(s) to bank's full response/ relevant information

The impact analysis for the identification of the two axes is mainly based on the following:

- BBVA's business model and main ESG risks & opportunities (see item 1.1)
- Global and national materiality analysis based on GRI and SASB methodologies and considering ESG risks and trends in Mexico
- Assessment of the impact of climate change risks on BBVA's portfolio globally
- Identification of sectors with a greater ESG impact
- Results of due diligence processes on Human Rights

A process was implemented and a cross-functional team was created that is responsible for identifying strategic business opportunities in relation to these two lines of action (see item 2.3). We will work with our clients and the community to identify viable transition opportunities, and we will support them by developing corresponding financial products and solutions.

## Reporting and self-assessment requirements

## High-level summary of the bank's response

## Reference(s) / Link(s) to bank's full response/ relevant information

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

BBVA has conducted an impact analysis at a strategic level to define the new priority focuses in the discipline of sustainability with a global (Group) and national (Mexico) scope.

### 2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

Within the framework of the 2025 Commitment, Grupo BBVA set the following goals for 2025 at a global level (2018 baseline). The goals are linked to five SDGs and the Paris Agreement (see item 1.1.):

Mobilize EUR 100,000 million with this breakdown:

- EUR 70,000 million to projects aimed at the transition to a low-carbon economy
- EUR 18,000 million to financial inclusion and entrepreneurship
- EUR 12,000 million to sustainable infrastructure and agribusiness

Grupo BBVA México contributes directly to these goals with sustainable financial products for its corporate and individual clients.

Grupo BBVA México has also set goals to reduce the environmental impact of its operations through an eco-efficiency plan. The goals set in 2016 for the year 2020 were fully achieved and goals will be set for the year 2025.

In addition, it has been decided to reduce financing to fossil fuels. BBVA will reduce its exposure to coal-related activities to zero, ceasing to finance companies in those activities, before 2040 in Mexico. This decision, included in the update of the BBVA's Environmental and Social Framework is aligned with the proposal of the Intergovernmental Panel on Climate Change (IPCC), consisting of limiting the rise in temperatures to a maximum 1.5°C and with the ambition of achieving a carbon neutral economy by 2050.

Sections "Sustainable Finance" and "Global Eco-efficiency Plan"

## Reporting and self-assessment requirements

## High-level summary of the bank's response

## Reference(s) / Link(s) to bank's full response/ relevant information

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

The 2025 Commitment shows the commitment to establish measurable and specific goals.

### 2.3 Plans for Target Implementation and Monitoring

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

The goals of the 2025 Commitment related to capital mobilization were translated into action plans by geography and business areas, including key performance indicators (KPIs).

We created the Global Sustainability Office and a local office in Mexico that manages and coordinates progress.

Grupo BBVA México is incorporating sustainability into the CIB, Enterprise and Retail business plans. 12 workstreams made up of local champions of different relevant functions were defined for the development of products for capital mobilization in accordance with global goals.

There is a monthly progress reporting process where progress is reviewed, among others, in the following areas:

- Progress in the marketing of sustainable products in different business areas
- Training plan for employees in sustainable products
- Exposure to risks of climate change
- Dissemination and application of sectoral ESG standards
- Progress in the eco-efficiency plan for operations
- Collaboration with stakeholders

Section "Sustainable Finance"



## Reporting and self-assessment requirements

## High-level summary of the bank's response

## Reference(s) / Link(s) to bank's full response/ relevant information

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

BBVA carries out periodic monitoring of the goals set in Commitment 2025

### 2.4 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures).

The bank shows progress in the objectives set in the framework of the 2025 Commitment.

BBVA Group has reached EUR 50,154 million in sustainable financing at the end of December 2020. This means achieving half of its sustainable financing goals provided for the 2018-2025 period (EUR 100,000 million), one year ahead of schedule. The growth rate in the financing of this type of sustainable operations by Grupo BBVA is 33% more than planned.

In 2020, Grupo BBVA México contributed Eur 946 million to the Group's 2025 Commitment.

Section "Sustainable Finance"

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

The bank shows clear progress on the targets under the 2025 Commitment. Half of the sustainable financing target was reached a year ahead of schedule.

**Principle 3: Clients and Customers (goods and services)**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

In 2019, sustainability and financial health became two of the six strategic priorities of Grupo BBVA at a global level. Consequently, in 2020 the Board of Directors approved:

- The new General Sustainability Policy where BBVA assumes its firm commitment to support clients in their transition towards sustainable business models. As a result of this policy, the Global Sustainability Office (hereinafter GSO) was created with some working groups specifically aimed at developing sustainable solutions for clients and promoting responsible practices in communication and marketing directed to them.
- Updating the Corporate Social Responsibility (CSR) Policy, where one of the principles is to "maintain a transparent, clear and responsible relationship with our clients" accompanied by financial education to facilitate informed financial decision making and the promotion of financial health.

Sections "Sustainability Strategy", "Sustainability Governance" and "Sustainable Finance"

3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

In 2020, one of the main lines of action was the development of sustainable solutions aimed at three customer segments: Retail clients, companies and corporations and institutions.

In order to establish a responsible relationship with clients, helping them achieve their vital and professional goals, BBVA has three lines of action:

1. Ensure that digital developments for clients are carried out in accordance with standards of transparency, clarity and responsibility (TCR)
2. Promote the development of products and services to improve the financial health of clients.
3. Financial education solutions for clients.

Sections "Transparent, Clear and Responsible Communication (TCR)", "Financial inclusion and entrepreneurship" and "Financial education"

**Principle 4: Stakeholders**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

The Bank has actively participated in numerous initiatives, always in close collaboration with all stakeholders. These initiatives revolve around the following priority areas:

1. Universal frames of reference, for example, as one of the founding banks of the Principles of Responsible Banking.
2. Alignment with the Paris Agreement: with the assumption of the Collective Commitment to Climate Action, and participation in the pilot of the PACTA methodology (Paris Alignment Capital Transition Assessment) together with other entities known as the 'Katowice banks'.
3. Market Standards, with a role as promoter of the Green Bond Principles, the Social Bonds Principles, the Green Loan Principles and other similar standards developed by the industry itself.
4. Transparency, following the TCFD recommendations of the Financial Stability Board.
5. Financial regulation, with participation in numerous consultation processes and in different activities with regulatory and supervisory bodies to promote regulation in sustainable finance.
6. In 2020, the fund manager BBVA signed the letter promoted by the Consejo Consultivo de Finanzas Verdes (CCFV) in which the Mexican public issuers were asked for greater disclosure of ESG information.

It should be noted that Grupo BBVA holds the chairmanship of the Sustainable Finance Working Group of the European Banking Federation (EBF) and the co-chairmanship of the Global Steering Committee of UNEP FI.

Reporting and self-assessment requirements	High-level summary of the bank's response	Reference(s) / Link(s) to bank's full response/ relevant information
<p><b>Principle 5: Governance and Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Grupo BBVA's Board of Directors defines, promotes and monitors the sustainability and climate change strategy.</p> <p>In 2020, the Global Sustainability Office (GSO) was created with the aim of implementing the commitments derived from this strategy and developing a single sustainability agenda.</p> <p>In addition, the GSO plan is regularly monitored by the leadership group.</p>	<p>Section "Sustainability Governance"</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, among others.</p>	<p>It is the responsibility of all collaborators, both from the business and support areas, to incorporate the dimension of sustainability in our day-to-day life, in everything we do: both in our relationship with clients and in our internal processes (strategic planning, risk management, team management, etc.).</p> <p>To accelerate and transversally promote this new priority and make it a reality in all areas, the Global Sustainability Office supports all the bank's units to establish a culture of responsible banking.</p> <p>In 2020, Grupo BBVA launched a training offer in sustainability for more than 125,000 employees around the world. A key piece of this offer is a basic sustainability course, mandatory for all teams and which includes basic content on these principles. Also in 2020, a financial health course was launched for all Group employees.</p>	

### Reporting and self-assessment requirements

#### 5.3 Governance Structure for Implementation of the Principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- a. target-setting and actions to achieve targets set.
- b. remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

### High-level summary of the bank's response

Within the framework of the GSO and the different working groups created, they regularly report to the CEO of Grupo BBVA on the progress of their actions and monitor their indicators.

The monitoring model includes specific lines of action, KPIs for measuring progress, as well as blocking points with their consequent mitigation or unblocking action.

Specifically, the monitoring of these principles is integrated into the GSO's "Sustainability Public Engagement" working group, where public commitments are monitored.

### Reference(s) / Link(s) to bank's full response/ relevant information

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

With the role of the Board of Directors and the birth of the Global Sustainability Office (GSO), BBVA has strengthened its governance structure to ensure full compliance with these principles.

**Reporting and self-assessment requirements****High-level summary of the bank's response****Reference(s) / Link(s) to bank's full response/  
relevant information****Principle 6: Transparency and Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

In accordance with the recommendations of the Financial Stability Board, Grupo BBVA published in 2020 its first global report on the risks and opportunities of climate change according to the standard of the Task Force on Climate-related Financial Disclosures (TCFD).

Along the same lines, Grupo BBVA together with the rest of the Katowice banks published a joint methodology to align their loan portfolios with the goals of the Paris Agreement and thus reconfigure their portfolios in order to finance a society with less carbon emissions.

One year after the adoption of the Collective Commitment to Climate Action (CCCA), Grupo BBVA together with the other member financial institutions published their measures to align their portfolios with international climate goals.

BBVA's progress in the implementation of these principles will be published annually as part of the BBVA Mexico Annual Report.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

BBVA has made a great effort to increase transparency with the publication of its first TCFD report, and the publication of the joint methodology for aligning our loan portfolios with other Katowice banks.

# International commitments signed and links with associations

GRI 102-12 and 102-13

Grupo BBVA México continues to support the following initiatives:

- United Nations Global Compact: GFBB is actively involved at the local level
- Grupo BBVA México actively participates at the local level in the Financial Initiative of the United Nations Environment Programme Finance Initiative (UNEP FI)
- Adherence to the Principles of Responsible Banking in September 2019
- Equator Principles
- United Nations Principles for Responsible Investment

Grupo BBVA México is part of the following associations:

- Mexican Bank Association (*Asociación de Bancos de México, ABM*)
- Mexican Association of Stock Market Intermediaries (*Asociación Mexicana de Intermediarios Bursátiles, AMIB*)
- Mexican Association of Insurance Institutions (*Asociación Mexicana de Instituciones de Seguros, AMIS*)
- Mexican Stock Exchange (BMV): It is not a party, however, by confirmation of the broker-dealer, it is a member to carry out transactions and brokerage activities
- National Chamber of the Housing Industry (*Cámara Nacional de la Industria de la Vivienda, CANADEVI*)





## SASB Index

This index reflects the Grupo BBVA México's report in accordance with the 2018-10 version of the industrial standards issued by the Sustainability Accounting Standards Board (SASB). The disclosure of Grupo BBVA México according to these standards is based on the six SICS (Sustainable Industry Classification System) industries within the financial sector that are most closely aligned with the services offered by Grupo BBVA México: Asset Management and Custody Activities (FN-AC), Commercial Banks (FN-CB), Consumer Financing (FN-CF), Insurance (FN-IN), Investment Banking and Brokerage (FN-IB) and Mortgage Financing (FN-MF). Unless otherwise indicated, all data and descriptions refer to Grupo BBVA México on a consolidated basis, where appropriate, and not only to the businesses or segments corresponding to the specific sector. Not all metrics included in the standards for these five SICS industries are currently disclosed, but will be further evaluated in the future. Grupo BBVA México's commitment is to provide investors with useful, relevant and meaningful information on sustainability. All data is as of and for the year ended December 31, 2020, unless otherwise indicated.



Industry	Metrics	Code	Response 2020																		
<b>Topic: Data security</b>																					
CF	Card fraud losses (1) with no card and (2) with card and other types of fraud.	FN-CF-230a.2	<table border="1"> <thead> <tr> <th colspan="3">Credit Cards</th> <th colspan="3">Debit Cards</th> </tr> <tr> <th>With</th> <th>Without</th> <th>Digital</th> <th>With</th> <th>Without</th> <th>Digital</th> </tr> </thead> <tbody> <tr> <td>\$14,439</td> <td>\$451,034</td> <td>\$47,013</td> <td>\$55,296</td> <td>\$690,699</td> <td>\$55,028</td> </tr> </tbody> </table>	Credit Cards			Debit Cards			With	Without	Digital	With	Without	Digital	\$14,439	\$451,034	\$47,013	\$55,296	\$690,699	\$55,028
			Credit Cards			Debit Cards															
With	Without	Digital	With	Without	Digital																
\$14,439	\$451,034	\$47,013	\$55,296	\$690,699	\$55,028																
CB, CF	Description of the approach to identifying and addressing data security risks.	FN-CB-230a.2 FN-CF-230a.3	To find out the details of our approach to data security risks: Chapter Data Protection.																		
<b>Topic: Generation of financial inclusion and capacity</b>																					
CB	Number of no-charge retail checking accounts provided to previously unbanked or underbanked customers.	FN-CB-240a.3	Number of N2 debit digital accounts provided to previously unbanked customers: 3,198,947																		
CB	Number of participants in financial education initiatives for unbanked, underbanked, or underserved clients.	FN-CB-240a.4	To know the details of our financial education activities: Financial Education Chapter.																		
<b>Topic: Incorporation of environmental, social and corporate management factors</b>																					
CB	Commercial and industrial credit exposure, by sector.	FN-CB-410a.1	Consolidated financial statements of BBVA Bancomer, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Subsidiaries																		
IN	Total assets invested by sector and asset class.	FN-IN-410a.1	Consolidated financial statements of BBVA Bancomer, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Subsidiaries.																		
CB, AC, IB, IN	Description of the approach to incorporate environmental, social and corporate governance (ESG) factors into credit analysis, investment banking and brokerage activities, and wealth management strategies and processes	FN-CB-410a.2 FN-AC-410a.2 FN-IB-410a.3 FN-IN-410a.2	Together the Business areas, we are working to offer products and services that allow us to offer clients the possibility of choosing sustainable options and that contribute to generating a positive impact on people's lives, having greater financial Inclusion as axes and non-discrimination of our clients based on gender, ethnic origin, creed, age, disability, illness, sexual orientation, nationality, marital status, socioeconomic status, political affiliation, etc. For details of our approach to incorporating ESG factors: Sustainable Finance Chapter.																		

Industry	Metrics	Code	Response 2020
IB	Income from (1) underwriting, (2) advisory and (3) securitization transactions incorporating the integration of environmental, social and corporate governance (ESG) factors by industry.	FN-IB-410a.1	Total ESG revenues of CIB Mexico in 2020 were 4.63 million euros.
IB	(1) Number and (2) total value of investments and loans that incorporate the integration of environmental, social and corporate management (ESG) factors by industry.	FN-IB-410a.2	The total value of CIB México that incorporates ESG factors in 2020 was 429 million euros.
AC	Number of assets under management, by asset class, that uses (1) integration of environmental, social and corporate governance (ESG) issues, (2) thematic investment in sustainability, and (3) screening.	FN-AC-410a.1	<p>Through the Asset Management area, Grupo BBVA México manages pension funds in accordance with the Principles for Responsible Investment.</p> <p>The six Principles for Responsible Investment make up a set of voluntary and aspirational investment principles that offer a set of possible actions to incorporate environmental, social and good corporate governance issues within the investment practice. These Principles can be consulted in the following link [1]: At the end of 2020, the amount of resources managed under the defined contribution pension plan amounted to MXP \$8,068.81.</p>
AC	Description of the proxy voting and intervention policies and procedures in investee companies.	FN-AC-410a.3	BBVA Bancomer, Pension Funds subscribed the Principles for Responsible Investment and incorporated the pension plans of BBVA employees under the protection of said company. BBVA, through its Asset Management area in Mexico, manages the financial resources of defined contribution pension plans. To learn more about the approach to incorporating ESG factors and voting procedures: Sustainable Finance Chapter.

Industry	Metrics	Code	Response 2020
<b>Topic: Business ethics</b>			
AC, CB, IB	Total amount of monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice or other related laws or regulations of the financial industry.	FN-CB-510a.1 FN-IB-510a.1 FN-AC-510a.1	<p>There are no pending legal, administrative or arbitration proceedings that are not 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 officers, are or could be involved, which could have or has had a material impact on the results of our operations.</p> <p>There are no legal, administrative or arbitration proceedings with contingencies that represent more than 10% of the Bank's total assets. For more information on other types of lawsuits and proceedings brought against us, please see Note 35 to our Audited Financial Statements.</p>
AC, CB, IB	Description of whistleblowing policies and procedures.	FN-CB-510a.2 FN-IB-510a.2 FN-AC-510a.2	To know the policies, procedures and report see: Chapter Compliance.
<b>Topic: Systemic risk management</b>			
CB, IB	Description of the approach for incorporating stress test results into capital allocation planning, corporate strategies and other business activities.	FN-CB-550a.2 FN-IB-550a.2	<p>Within the framework of the capital planning and management strategy, the Risk Appetite Framework (RAF) guarantees that the BBVA Mexico Group Risk Policy is focused on promoting a universal, multi-channel and responsible banking business model, based on principles, with sustainable growth, risk-adjusted profitability and recurring value generation as objectives.</p> <p>Also, daily simulations of the losses or gains of the portfolios are carried out by reassessing them under catastrophic scenarios (stress test). These estimates are generated by applying percentage changes observed in a certain period of history to the risk factors, which includes significant market turbulence. Backtesting is carried out on a monthly basis to compare the daily gains 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 calculation of value at risk and consequently to be able to calibrate the models used.</p> <p>To know more on the approach to incorporate stress test results, see: Risk Management Chapter and the consolidated financial statements of BBVA Bancomer, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer and Subsidiaries.</p>

Industry	Metrics	Code	Response 2020
AC	Description of the approach for incorporating liquidity risk management programs into the portfolio strategy and the management of recate risk.	FN-AC-550a.2	To know more on the approach to incorporate liquidity risk management programs, see: Risk Management Chapter.
IN	Description of the approach to managing risks related to capital and liquidity associated with uninsured systemic activities.	FN-IN-550a.3	To know more on the approach to managing risks related to capital and liquidity, see: Chapter Risk Management.
AC	Net risk against the credit derivatives subscribed.	FN-AC-550a.4	To know more on the exposure to derivatives: Note 8 of the financial statements, page 52.
<b>Topic: Diversity and inclusion among employees</b>			
AC, IB	Percentage of representation of gender and racial/ethnic groups in (1) executive management, (2) management or executive, (3) professionals, and (4) all other employees.	FN-IB-330a.1 FN-AC-330a.1	To know more on the composition of collaborators: Chapter Profile of collaborators.
<b>Topic: Professional integrity</b>			
IB	Description of the approach to ensuring professional integrity, including the duty of care.	FN-IB-510b.4	To know more on the approach to professional integrity, see: Chapter Integrity Program.
IB	Total amount of monetary losses as a result of legal proceedings related to professional integrity, including the duty of care.	FN-IB-510b.3	<p>There are no pending legal, administrative or arbitration proceedings that are not 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 officers, are or could be involved, which could have or has had a material impact on the results of our operations.</p> <p>There are no legal, administrative or arbitration proceedings with contingencies that represent more than 10% of the Bank's total assets. For more information on other types of lawsuits and proceedings brought against us, please see Note 35 to our Audited Financial Statements.</p>

Industry	Metrics	Code	Response 2020
<b>Topic: Incentives for collaborators and risk taking</b>			
IB	Percentage of total remuneration that is variable for material risk takers (MRT)	FN-IB-550b.1	<p>The fixed remuneration and the variable remuneration of the MRTs are duly balanced and aligned with the applicable regulation, allowing a fully flexible policy regarding the payment of the variable components, which may make it possible for these to be reduced, in their case, up to their entirety.</p> <p>The proportion between both components is established taking into account the type of functions performed by each MRT (business, support or control) and, consequently, their impact on the Institution's risk profile, adapting in each case to the existing reality in the various functions.</p> <p>For all functions, fixed components have a greater weight than variable components, but the percentage of variable is slightly higher for business functions than for support or control functions. For these purposes, the Bank establishes "target" ratios between fixed and variable remuneration, which take into account both the function performed by each MRT and its impact on the risk profile of the Institution.</p>
<b>Topic: Customer privacy (FN-CF-220a.1, FN-CF-220a.2)</b>			
To know more about the systems and processes to ensure customer privacy, see: Chapter Security, Privacy and Customer Protection.			
<b>Topic: Lending practices</b>			
MF	Total amount of monetary losses resulting from legal proceedings related to customer communications or the remuneration of loan originators.	FN-MF-270a.3	<p>There are no pending legal, administrative or arbitration proceedings that are not 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 officers, are or could be involved, which could have or has had a material impact on the results of our operations.</p> <p>There are no legal, administrative or arbitration proceedings with contingencies that represent more than 10% of the Bank's total assets. For more information on other types of lawsuits and proceedings brought against us, please see Note 35 to our Audited Financial Statements.</p>

Industry	Metrics	Code	Response 2020
MF	Description of the remuneration structure of loan originators.	FN-MF-270a.4	<p>The remuneration system applicable in general to the entire workforce of Grupo BBVA México consists of:</p> <ul style="list-style-type: none"> <li>• Ordinary Remuneration: It is the Fixed Remuneration that is established taking into consideration the level of responsibility and professional trajectory of the collaborators in the Group, setting a salary reference for each function that reflects its value for the Organization. This salary reference is defined by analyzing internal and external equity in contrast to the market.</li> <li>• Extraordinary Remuneration: It is the Variable Remuneration made up of payments or benefits in addition to the fixed remuneration and that revolve around variable parameters. It is a key element in the remuneration policy, since it rewards the creation of value in the Group through each of the units that make up Grupo BBVA México, ultimately rewarding individual contributions, team contributions and value addition of all of them to the recurring results of the Group.</li> </ul>
<b>Topic: Sales practices</b>			
CF	Percentage of total remuneration of covered employees that is variable and is related to the number of products and services sold.	FN-CF-270a.1	<p>The Variable Remuneration is made up of payments or benefits in addition to the fixed remuneration and that revolve around variable parameters.</p> <p>Its calculation is based on a “target” annual variable remuneration, which represents the amount of the annual variable remuneration in case of reaching 100% of the pre-established objectives. These objectives can be financial or non-financial and are based on the results of each deal.</p> <p>For all positions, fixed components have a greater weight than variable components and 100% of the variable is related to the achievement of established indicators.</p>
CF	(1) Number of complaints filed with CONDUSEF, (2) percentage of complaints with monetary or non-monetary compensation, (3) percentage of complaints contested by the consumer, (4) percentage of complaints that ended in an investigation by the CONDUSEF.	FN-CF-270a.4	To know more on the complaints filed, see: Chapter Specialized Customer Service Unit.

Industry	Metrics	Code	Response 2020
CF	Total amount of monetary losses as a result of legal proceedings related to the sale and maintenance of the products.	FN-CF-270a.5	<p>There are no pending legal, administrative or arbitration proceedings that are not 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 officers, are or could be involved, which could have or has had a material impact on the results of our operations.</p> <p>There are no legal, administrative or arbitration proceedings with contingencies that represent more than 10% of the Bank's total assets. For more information on other types of lawsuits and proceedings brought against us, please see Note 35 to our Audited Financial Statements.</p>
<b>Topic: Discriminatory loans</b>			
MF	Description of the policies and procedures to ensure the granting of mortgage loans without discrimination.	FN-MF-270b.3	<p>The mortgage loan in Grupo BBVA México is more than a financing, it is a tool to achieve the goal of having a home. Mortgage loans of Grupo BBVA México have specific characteristics that benefit clients, such as:</p> <ol style="list-style-type: none"> <li>1. Fixed preferential rates and fixed payments during the term of the loan.</li> <li>2. Financing terms of 5, 10, 15 or up to 20 years.</li> <li>3. Tax deductible interest.</li> <li>4. Repayments without any type of penalty.</li> </ol> <p>Additionally, Grupo BBVA México, as an ally and financial advisor, offers clients the opportunity to carry out a simulator within the support website for the search for a house, recommendations before acquiring a mortgage loan and multiple financing options aimed at the specific needs of each client.</p>

Industry	Metrics	Code	Response 2020
<b>Topic: Transparent information and fair advice for clients</b>			
AC, IN	Total amount of monetary losses as a result of legal proceedings related to marketing and communication of information related to financial and insurance products to new and old clients.	FN-AC-270a.2 FN-IN-270a.1	<p>There are no pending legal, administrative or arbitration proceedings that are not 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 officers, are or could be involved, which could have or has had a material impact on the results of our operations.</p> <p>There are no legal, administrative or arbitration proceedings with contingencies that represent more than 10% of the Bank's total assets. For more information on other types of lawsuits and proceedings brought against us, please see Note 35 to our Audited Financial Statements.</p>
AC, IN	Description of the approach to inform clients about products and services.	FN-AC-270a.3 FN-IN-270a.4	<p>BBVA has principles and guides that establish the TCR guidelines at the different points of contact with the client, which are complemented by the code of conduct and the service models that govern the way in which the client is served at the different points of contact.</p> <p>There are monitoring actions that allow knowing the perception of clients.</p> <p>To know more on the approach to inform clients, see: Chapter TCR.</p>
IN	Relationship between complaints and claims	FN-IN-270a.2	To know the details of the complaints and claims: Chapter Specialized Customer Service Unit (UNE).
<b>Topic: Policies designed to encourage responsible behavior</b>			
IN	Analysis of products or product characteristics that encourage health, safety or environmentally responsible actions or behaviors.	FN-IN-410b.2	BBVA offers insurance products to encourage environmentally responsible behavior. To know the detail, see: Sustainable Finance Chapter.



# GRI Content Index

GRI 102-55

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>GRI 101: Foundation 2016</b>			About the Report	131
	102-1	Name of the organization	Grupo Financiero BBVA Bancomer, S.A de C.V.	
	102-2	Activities, brands, products and services	Group's Profile	15
	102-3	Location of headquarters	Paseo de la Reforma # 510, Col. Juárez, C.P. 06600, Ciudad de México.	
	102-4	Location of operations	Presence	17
	102-5	Ownership and legal form	About the Report	131
	102-6	Markets served	Presence	17
<b>GRI 102: General Disclosures 2016</b>	102-7	Scale of the organization	Presence Responsible commitment to the employee	17 and 93
	102-8	Information on employees and other workers	Responsible commitment to the employee	93
	102-9	Supply chain	Responsible vendors and purchasers	117
	102-10	Significant changes to the organization and its supply chain	There were no significant changes	
	102-11	Precautionary principle or approach	Sustainable finance	72
	102-12	External initiatives	Strategy	25, 150
	102-13	Membership of associations	Strategy	25, 150

GRI Standard	Content	Description	Chapter/Direct answer	Page
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-makers	Report of the Chairman of the Board of Directors Report of the Vice-chairman of the Board of Administration and CEO	3 and 5
	102-15	Key impacts, risks and opportunities	Report of the Chairman of the Board of Directors Report of the Vice-chairman of the Board of Administration and CEO Materiality Risk management	3, 5, 27 and 46
	102-16	Values, principles, standards and norms of behavior	Group's Profile Integrity program	15 and 51
	102-17	Mechanisms for advice and concerns about ethics	Integrity program	51
	102-18	Governance structure	Corporate governance	39
	102-19	Delegating authority	Corporate governance	39
	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate governance	39
	102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate governance Sustainability strategy	25, 39
	102-22	Composition of the highest governance body and its committees	Corporate governance	39
	102-23	Chair of the highest governance body	Corporate governance	39
	102-24	Nominating and selecting the highest governance body	Corporate governance	39
	102-25	Conflicts of interest	Corporate governance	39
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance	39

GRI Standard	Content	Description	Chapter/Direct answer	Page
GRI 102: General Disclosures 2016	102-27	Collective knowledge of highest governance body	Within the framework of the GSO, the different working groups created regularly inform the CEO of Grupo BBVA on the progress of their actions and monitor their indicators on a monthly basis.	
	102-28	Evaluating the highest governance body's performance	Sustainability is integrated into the remuneration system for the Chairman and CEO of the Grupo BBVA. In the case of the President, it is carried out through a synthetic index based on the results of the analysis of the main sustainability agencies and calculated by an independent third party. For the rest of the employees, in the coming years it is intended to include sustainability indicators, in response to the new strategic priority linked to sustainability. As of this date, Grupo BBVA México does not include ESG criteria in the evaluation of the performance of directors.	
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate governance Sustainability strategy	25 and 39
	102-30	Effectiveness of risk management processes	Risk management Non-financial risk management	39, 46 and 49
	102-31	Review of economic, environmental, and social topics	Corporate governance Sustainability strategy	25, 39
	102-32	Highest governance body's role in sustainability reporting	Sustainability strategy Corporate governance	25, 39
	102-33	Communicating critical concerns	Corporate governance	39
	102-34	Nature and total number of critical concerns	Summaries of the resolutions taken at the General Ordinary Shareholders' Meetings of Grupo BBVA México are published on the Investor Relations website. ( <a href="#">link</a> )	
	102-35	Remuneration policies	Corporate governance	39
	102-36	Process for determining remuneration	Corporate governance	39
102-37	Stakeholders' involvement in remuneration	Stakeholders are not involved in this process.		

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>GRI 102:</b> General Disclosures 2016	102-40	List of stakeholder groups	Sustainability strategy	29
	102-41	Collective bargaining agreements	Responsible commitment to the employee	93
	102-42	Identifying and selecting stakeholders	Sustainability strategy	25
	102-43	Approach to stakeholder engagement	Sustainability strategy	25
	102-44	Key topics and concerns raised	Sustainability strategy	25
	102-45	Entities included in the consolidated financial statements	About the report	131
	102-46	Defining report content and topic Boundaries	Sustainability strategy Standards used	25, 133
	102-47	List of material topics	Sustainability strategy	25
	102-48	Restatements of information	For greater clarity, changes in the information reported are expressed directly in the corresponding text throughout the Report.	
	102-49	Changes in reporting	There are no significant changes	
	102-50	Reporting period	About the report	131
	102-51	Date of most recent report	The previous Annual Report was published in the first half of 2020	
	102-52	Reporting cycle	The reporting cycle is annual	
	102-53	Contact point for questions regarding the report	Irma B. Acosta Pedregal, Director of Corporate Responsibility and Reputation Email: ib.acosta@bbva.com	
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report	133
	102-55	GRI content index	GRI Content Index	160
	102-56	External assurance	Independent review	134

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>MATERIAL TOPICS</b>				
Corporate governance				
Please refer to general disclosures 102-18 to 102-39				
Risk and crisis management				
Please refer to general disclosures 102-18, 102-29, 102-30				
Communication and transparency				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Transparent, Clear and Responsible Communication (TCR)	
	103-2	The management approach and its components	Transparent, Clear and Responsible Communication (TCR)	67
	103-3	Evaluation of the management approach	Transparent, Clear and Responsible Communication (TCR)	
<b>GRI 417</b> Marketing and Labeling	417-1	Requirements for product and service information and labeling	Transparent, Clear and Responsible Communication (TCR)	67
	417-2	Incidents of non-compliance concerning product and service information and labeling	Specialized Customer Service Unit (Claims filed with the UNE)	59 and 67
	417-3	Incidents of non-compliance concerning marketing communications	Specialized Customer Service Unit (Claims filed with the UNE)	59 and 67
Quality of Employment				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Responsible commitment to the employee	
	103-2	The management approach and its components	Responsible commitment to the employee	93
	103-3	Evaluation of the management approach	Responsible commitment to the employee	
<b>GRI 401</b> 2016 Employment	401-1	New employee hires and employee turnover	Responsible commitment to the employee	93
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible commitment to the employee	93, 104, 105

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>Socially and environmentally responsible financing</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Sustainable finance	
	103-2	The management approach and its components	Sustainable finance	72
	103-3	Evaluation of the management approach	Sustainable finance	
<b>G4</b> Financial Services Sector	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Sustainable finance	72
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Sustainable finance	72
	FS11	Percentage of assets subject to positive and negative environmental or social screening	Sustainable finance	72
<b>Environmental footprint</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Global Eco-efficiency Plan	
	103-2	The management approach and its components	Global Eco-efficiency Plan	110
	103-3	Evaluation of the management approach	Global Eco-efficiency Plan	
<b>GRI 301</b> Materials 2016	301-1	Materials used by weight or volume	Global Eco-efficiency Plan	110
	301-2	Recycled input materials used	Information not available. This information exceeds the scope of the measurement.	
	301-3	Reclaimed products and their packaging materials	Not applicable. Grupo BBVA México's operations do not involve the recovery of products and packaging materials.	

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>GRI 302</b> Energy 2016	302-1	Energy consumption within the organization	Global Eco-efficiency Plan	110
	302-2	Energy consumption outside of the organization	Global Eco-efficiency Plan	110
	302-3	Energy intensity	Global Eco-efficiency Plan	110
	302-4	Reduction of energy consumption	Global Eco-efficiency Plan	110
	302-5	Reductions in energy requirements of products and services	Global Eco-efficiency Plan	110
<b>GRI 303</b> Water and Effluents 2018	303-1	Interactions with water as a shared resource	Grupo BBVA México's operations do not generate significant impacts on the environment related to water; however, the Global Eco-efficiency Plan seeks to make its activities more efficient and mitigate any environmental impact that its operations may generate.	110
	303-2	Management of water discharge-related impacts	Grupo BBVA México's operations do not affect water quality and therefore do not require a treatment method for its discharge into the municipal main network.	
	303-3	Water withdrawal	Global Eco-efficiency Plan	110
	303-4	Water discharge	Global Eco-efficiency Plan	110
	303-5	Water consumption	Global Eco-efficiency Plan	110
<b>GRI 305</b> Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Global Eco-efficiency Plan	110
	305-2	Energy indirect (Scope 2) GHG emissions	Global Eco-efficiency Plan	110
	305-3	Other indirect (Scope 3) GHG emissions	Global Eco-efficiency Plan	110
	305-4	GHG emissions intensity	Global Eco-efficiency Plan	110
	305-5	Reduction of GHG emissions	Global Eco-efficiency Plan	110
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable: the operations carried out by Grupo BBVA México do not generate significant ODS emissions.	

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>GRI 305</b> Emissions 2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable: the operations carried out by Grupo BBVA México do not generate significant NOX and SOX emissions.	
	306-2	Waste by type and disposal method	Global Eco-efficiency Plan	110
	306-3	Significant spills	Grupo BBVA México did not present significant spills during the reporting period.	
	306-4	Transport of hazardous waste	Grupo BBVA México does not handle hazardous waste within its operations that require special handling.	
<b>GRI 307</b> Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	During the reporting period, Grupo BBVA México's operations did not generate any breach of environmental legislation and regulations.	
<b>Contribution to the community</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Contribution to the community Social programs Fundación BBVA	
	103-2	The management approach and its components	Contribution to the community Social programs Fundación BBVA	119, 124, 125
	103-3	Evaluation of the management approach	Contribution to the community Social programs Fundación BBVA	
<b>GRI 413</b> Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Contribution to the community Social programs Fundación BBVA	119, 124, 125
	413-2	Operations with significant actual and potential negative impacts on local communities	To guarantee the security and confidentiality of the data entrusted to it, Grupo BBVA México integrates new technologies and trains all its collaborators in their handling.	



GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>Cybersecurity and responsible use of data</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Security, privacy and client protection Seamless experience	57, 70
	103-2	The management approach and its components	Security, privacy and client protection Seamless experience	
	103-3	Evaluation of the management approach	Security, privacy and client protection Seamless experience	
<b>GRI 418</b> Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Seamless experience Security, privacy and client protection	59, 70
<b>Compliance system</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Regulatory compliance	50
	103-2	The management approach and its components	Regulatory compliance	
	103-3	Evaluation of the management approach	Regulatory compliance	
<b>GRI 307</b> Environmental Compliance 2016	307-1	Non-compliance with environmental legislation and regulations.	During the reporting period, the Grupo BBVA México's operations did not generate any breach of environmental legislation and regulations.	
<b>GRI 419</b> Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	The total amount paid in significant fines during 2020 was MXP \$9,432,497.26	
<b>Anti-corruption</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Integrity program	51
	103-2	The management approach and its components	Integrity program	
	103-3	Evaluation of the management approach	Integrity program	
<b>GRI 205</b> Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Integrity program	51
	205-2	Communication and training about anti-corruption policies and procedures	Integrity program	51
	205-3	Confirmed incidents of corruption and actions taken	Integrity program	51

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>Diversity</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Inclusion and diversity	107
	103-2	The management approach and its components	Inclusion and diversity	
	103-3	Evaluation of the management approach	Inclusion and diversity	
<b>GRI 405</b> Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusion and diversity	107
<b>Talent attraction, development and retention</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Talent attraction Talent development	97, 100
	103-2	The management approach and its components	Talent attraction Talent development	
	103-3	Evaluation of the management approach	Talent attraction Talent development	
<b>GRI 404</b> Training and Education 2016	404-1	Average hours of training per year per employee	Talent development	100
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent development	100
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent development	100
<b>GRI 412</b> Human Rights Assessments 2016	412-2	Employee training on human rights policies or procedures	Talent development	100
<b>Education and Financial Inclusion</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Financial inclusion	88
	103-2	The management approach and its components	Financial inclusion	
	103-3	Evaluation of the management approach	Financial inclusion	

GRI Standard	Content	Description	Chapter/Direct answer	Page
<b>G4</b> Financial Services Sector	FS13	Access points in low-populated or economically disadvantaged areas by type	Financial inclusion	88
	FS14	Initiatives to improve access to financial services for disadvantaged people	Financial inclusion	88
	FS16	Initiatives to enhance financial literacy by type of beneficiary	Financial education	120
<b>Ethical behavior</b>				
<b>GRI 103</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Integrity program	51
	103-2	The management approach and its components	Integrity program	
	103-3	Evaluation of the management approach	Integrity program	
<b>GRI 206</b> Anti-competitive Behavior 2019	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Regulatory compliance	50
Also refer to general contents 102-16 and 102-17				
<b>Sector Contents</b>				
<b>G4</b> Financial Services Sector	FS1	Policies with specific environmental and social components applied to business lines	Sustainability strategy Occupational health and safety Inclusion and diversity Global Eco-efficiency Plan	25, 72, 105, 107 and 110
	FS2	Procedures for assessing and screening environmental and social risks in business lines	Non-financial risk management Sustainable finance	49, 72
	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Sustainable finance	72

# Consolidated financial statements

To view the consolidated financial statements of Grupo BBVA México, visit:  
[https://investors.bbva.mx/es/inf\\_financiera/.](https://investors.bbva.mx/es/inf_financiera/)

