

# Presentation

Grupo Financiero BBVA México (GFBB) has been publishing annual Environmental, Social, and Governance (ESG) performance reports for 14 years. The 2022 Integrated Annual Report addresses the issues most relevant to GFBB and its stakeholders, and reflects the collective work of those contributing to our business model, which prioritizes sustainability. The report is prepared by the Investor Relations and Responsible Business and Sustainability teams.

01



# Report of the Chairman of the Board of Directors

GRI 2-22

At Grupo Financiero BBVA México, we work in a cross-functional manner to achieve our goal of leading sustainable financing with our customers, maintaining responsible commitment to our employees and communities, as well as developing a responsible value chain.

To achieve these objectives, we strive to maintain the quality and strength of our traditional products and services while integrating innovative initiatives and activities into our operation. This allows us to generate seamless experiences for our customers, and technology has played a crucial role in this endeavor. In fact, our efforts have earned us recognition as the best digital bank in Europe and Latin America in 2022 (awarded the Innovation in Digital Banking Awards by The Banker).

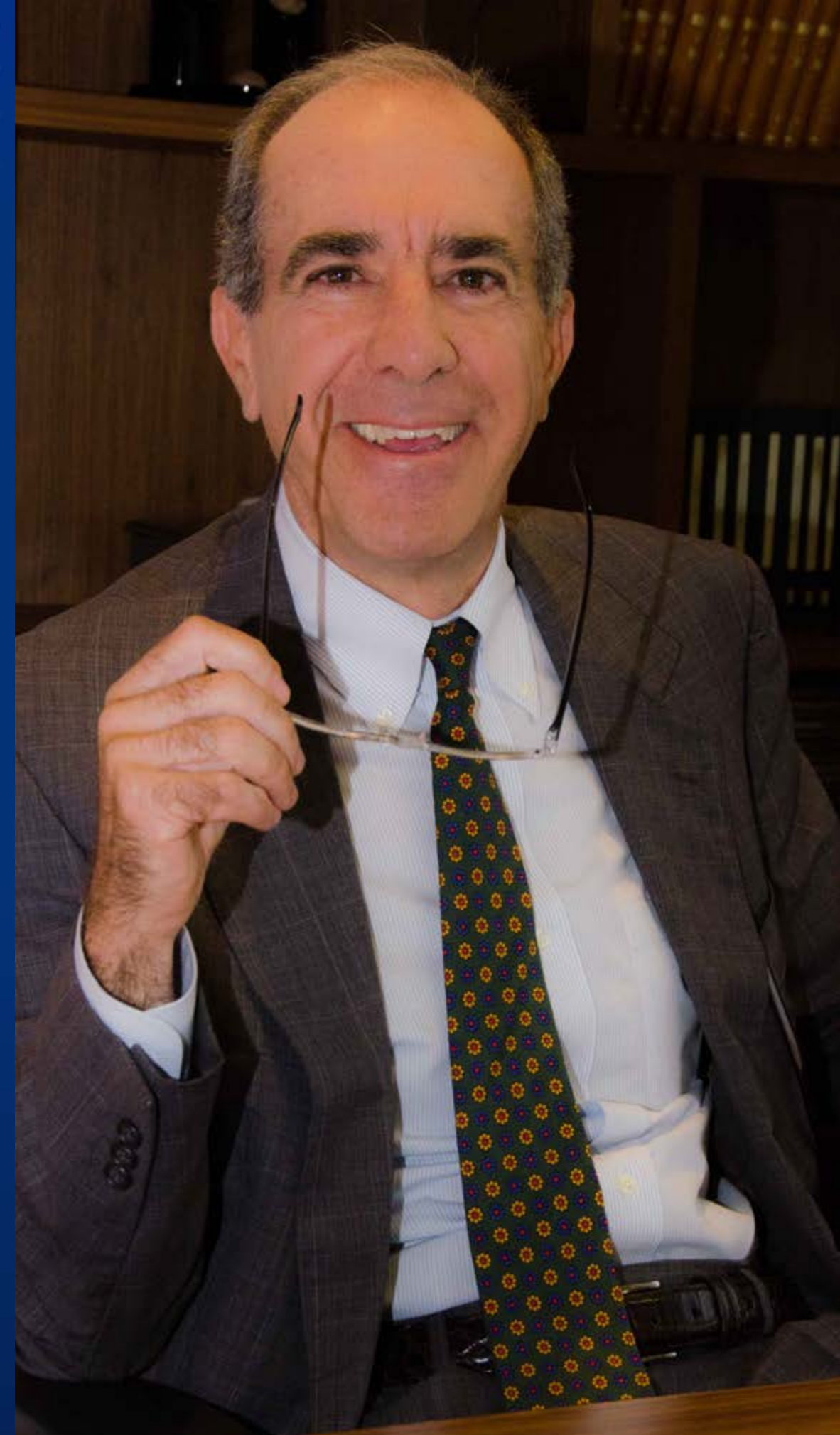
We are building increasingly inclusive work environments as part of our **responsible commitment to our employees**. To this end, we continue to promote inclusion initiatives in our processes for attracting, developing and retaining human talent. We have a workforce of more than 40 thousand employees, 52% of whom are women. In addition, we have implemented a specific plan for labor inclusion for individuals with disabilities. BBVA México continues to position itself as one of the most attractive companies

to work for and this year we earned the second place in Universum's "Most Attractive Employers" ranking.

One of our main **commitments is to the community**, to whom we provide value through what we do best: assisting them in keeping their finances healthy. During 2022, we offered financial education face-to-face and remote workshops, benefiting more than 90,000 people, more than twice as many as in 2021.

From **Fundación BBVA** we reaped a series of achievements that impacted thousands of people with education, recovery of public spaces and culture. Through the "My Community" program, we impacted more than 30 thousand people through the recovery of public spaces. And we brought culture closer to more than 1.4 million people through different initiatives financed by Fomento Cultural.

In connection with **sustainable financing**, BBVA Group increased its goal of mobilizing resources by 50%, so now EUR 300,000 million are earmarked for this purpose for the period from 2018 to 2025. BBVA México is definitely an important player in achieving this goal and we have already made significant progress. In 2022 we doubled our placement of sustainable bonds, and we increased





bank financing for projects that promote environmental conservation by more than 60%. In addition, we closed the year with MXN 11,726 million in assets in the BBVA México and S&P Dow Jones Indices ETF MEXTRAC, which, as of 2022, incorporates ESG criteria.

To ensure a **responsible value chain**, we updated our evaluation process in 2022, which assesses financial and non-financial aspects such as anti-corruption, labor, reputational issues, among others. More than 4,000 suppliers participated in the evaluation process. As a result, 99% of our purchases were obtained from suppliers who underwent this process, demonstrating our commitment to responsible procurement.

To coordinate all these efforts, we maintain an organizational structure with a Global Sustainability Area, which coordinates and permeates the sustainability strategy throughout the organization.

From an environmental perspective, this year we added four more buildings certified under the ISO 14001:2015 standard for Environmental Management Systems, reaching a total of 10 buildings. To contribute to the reduction of greenhouse gas emissions, 100% of the electricity consumed by Grupo Financiero BBVA México comes from renewable sources. We were also neutral in direct carbon emissions by offsetting our environmental footprint with carbon dioxide (CO2) mitigation projects,



which also generate a positive impact in the communities of Chiapas and Oaxaca, where they were developed.

BBVA México reaffirms its commitment to the Ten Principles of the United Nations Global Compact. Through various sustainability initiatives outlined in this document, we strive to create a more equitable environment that provides greater opportunities for all, while contributing to the achievement of the Sustainable Development Goals and the 2030 Agenda.

**We express our gratitude to all those who joined us throughout the year, particularly our customers and employees who have placed their trust in our bank and our commitment to sustainable development.**

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



# Report of the Vice Chairman of the Board of Directors and Chief Executive Officer GRI 2-22

## Business Evolution, Fiscal Year 2022

The year 2022 presented us with complex challenges due to the lingering effects of the COVID-19 pandemic, disruptions in production chains, and geopolitical conflicts at the global level. All of these factors have had a significant impact on the economy.

Despite these challenges, at BBVA Mexico we have seized the opportunities presented by the new realities. We have adapted quickly to the changing environment, while maintaining our focus on our main objectives of customer-centricity, proactivity, and a service-oriented culture. Our strong commitment to Mexico has enabled us to demonstrate a high degree of flexibility.

BBVA México has been a steadfast companion to Mexican families for 90 years, fostering opportunities for them to achieve their goals while continually contributing to the country's growth. Our legacy dates back to 1932 when the Sistema de Bancos de Comercio was established, paving the way for other institutions such as Probursa, Multibanco Mercantil de México, Promex, Banca Cremi, and Banco de Oriente. In 2000, the successful merger of Bancomer and BBVA, two influential financial groups in Mexico and

Spain, cemented our position as a leader in the industry. Throughout the decades, we have remained committed to driving change, innovation, and transformation.

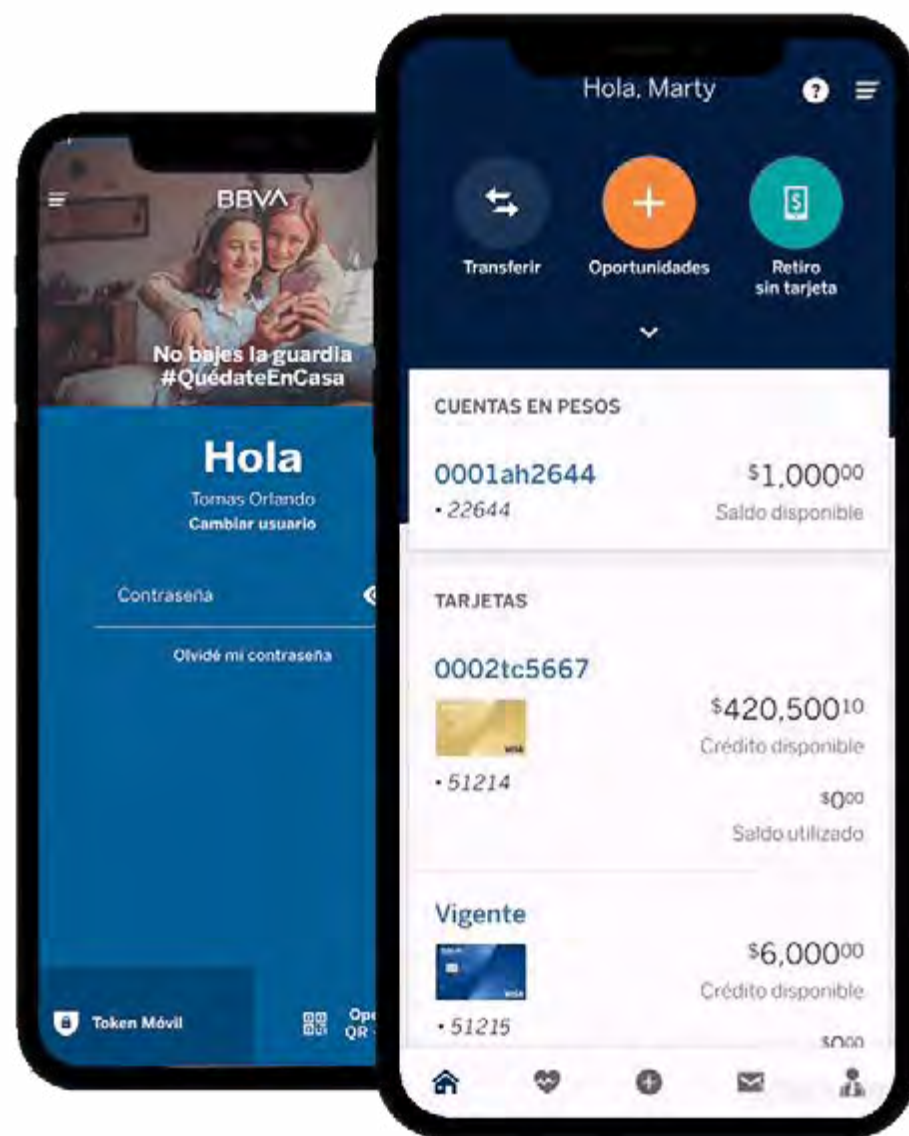
At BBVA México, our top priority is to provide responsible credit that fosters the growth of families and businesses. We place our customers at the heart of every decision we make, while also actively investing in projects that generate employment and support economic development.

Our leadership position in the industry has been further consolidated, with an impressive 50 basis point increase in market share, reaching 24.4% by the close of December 2022, as confirmed by the National Banking and Securities Commission (CNBV). The total portfolio exceeded MXN 1.4 trillion at the end of December, registering an annual growth of 15.6%.

BBVA México's commercial portfolio has reached MXN 828 billion, equivalent to an annual increase of 16.2%. The exceptional performance of corporate loans and the business segment have contributed significantly to this achievement. Additionally, we are delighted to highlight







**60%**  
of transactions conducted digitally  
vs. 54% in 2021.

the evolution of SMEs, which have demonstrated outstanding dynamism thanks to the recent strategies implemented to improve our services and attention to this crucial segment. Our innovative business model, Banca de Barrio (Neighborhood Banking), has proven highly effective in serving small businesses within a delimited perimeter around the branch. This model has enabled us to attract a greater number of customers, develop closer relationships, and enhance the service experience through a wide range of specialized products. We have a team of 3,800 specialized executives who have helped us increase our customer base by over 165,000 since 2020. We have also deployed 140,000 new POS terminals, attracted 412,000 new payrolls, and acted as advisors to small businesses, resulting in insurance underwriting worth over MXN 2,000 million to protect against any type of damage.

Loans to individuals showed an increase of 13.8% year-on-year, reflecting the momentum of our digital strategy and the gradual economic recovery. In detail, consumer and credit card loans, which together recorded an increase of 16.1% in annual terms, stand out. Meanwhile, housing finance continues to show solid dynamism, with a balance 11.3% higher than in 2021, which allows us to continue to place one out of every four mortgages in private banking.

In terms of asset quality, the evolution of the delinquency rate showed a positive trend, registering an annual improvement of 15 bps, reaching 1.6% at the end of the

year. This is the result of our robust risk models. The coverage ratio stood at 207.9% at the end of 2022.

With respect to deposits, the constant promotion of savings is reflected in the 10.1% increase in bank deposits (demand + time deposits) in annual terms. Demand deposits were the most dynamic with an annual growth of 10.0%. This has also allowed BBVA México to consolidate its leadership position in bank deposits, with a market share of 24.4%, an annual increase of 15 bps, according to public figures from the CNBV at the end of December 2022.

On the other hand, the focus on the continuous adoption of ideas of innovation and modernity that we have had in these 90 years of transformation, today places us as a relevant player in digital experiences. Technology is immersed in the design of solutions to understand the new needs of customers and build a closer, more inclusive, open and secure banking for all.

As an active participant in the constantly evolving banking industry, BBVA México operates within a highly competitive system where innovation is crucial. Our unwavering commitment to innovation is evident in the number of financial transactions we have processed, exceeding 2,935 million by the end of 2022. It is particularly noteworthy that 60% of these transactions were carried out through our mobile application or website, compared to 54% the previous year, indicating a significant increase in digital banking.

Digital channels have played a pivotal role in promoting financial inclusion, and one of our noteworthy achievements in this area has been the launch of 100% digital accounts. As of the end of December 2022, we are proud to report that the total number of digital accounts has exceeded 2.4 million, representing an impressive 5% increase over the previous year.

This has allowed BBVA México to achieve 74.8% of total sales through one of our digital channels.

Through our extensive physical and digital offerings, our customer base grew by 2.7 million new customers, reaching a total of 28 million customers at the end of the year, reflecting our resolute financial inclusion strategy. Of our total base, 68.6% of our customers are users of some of our digital channels.

At BBVA México, we believe that continuous social action is essential in realizing our vision of creating a country of opportunities for all. In line with this, we have made education a top priority, recognizing it as a vital tool for empowering children and young people to achieve their dreams. Through our Foundation, we provide financial support to middle school, high school, and university students. Our “Young Boys and Girls that Inspire” (Chavos que inspiran) program has been an incredible success, supporting over 47,000 scholarship recipients to date. We have extended the program to young people with disabilities, and in the first edition, we provided scholarships to 652 recipients.

Over the course of 90 years, BBVA México has consistently pursued objectives that make a positive impact on the community we serve. Sustainability has become a fundamental aspect of our mission, as all companies have a responsibility to take action to improve our interactions with the environment and society at large. In this regard, we are proud to have mobilized over MXN 160 billion as of 2022, through our two lines of action focusing on climate change and inclusive growth.

As part of our strategic priority to support our customers in transitioning to a more sustainable future, we’re proud to have taken a significant step in this direction. We became the first private bank in Mexico to place a sustainable bond worth MXN 10 billion. The proceeds of this bond will be used to finance projects that promote climate action and inclusive growth.

At BBVA México we will continue working to provide the best service to families, individuals, businesses and governments for many more years to come and thus continue creating opportunities for all. Our main objective is to be a bank of people for people. In 2023 we will maintain the wave of transformation, a renewed focus on customer service by offering relevant products, tailored to their needs with faster and more efficient processes, making the most of global trends such as digitalization, to advance in the construction of an increasingly inclusive and sustainable society.

It is time to acknowledge and express gratitude to each member of our exceptional team for their unwavering dedication and hard work in 2022. Let’s celebrate the opportunity to strive for continuous improvement and to continue serving our customers and contributing to our country in the roles that have been entrusted to us.



**Let us continue to create opportunities.**

**Eduardo Osuna Osuna**

Vice Chairman of the Board of Directors and  
Chief Executive Officer of BBVA México



# 2022 Achievements

In 2022, Grupo Financiero BBVA México celebrated 90 years of creating opportunities and we celebrated by delivering excellent results.

## Continuous transformation

Our commitment to social responsibility is decisive, and we demonstrated this by reaching a total of **28 million customers with the best net recommendation rate**, a result far ahead of our next competitor.

With our **digital offering**, we have been able to reach **18.9 million mobile customers**, which represents **68% of our total customer base**. In 2022 alone, we conducted over **2.9 billion transactions**, **60%** of which were completed **through digital channels**. As a result, we have achieved **74.8%** of our **total sales** through some digital channel.

## Promoting the country's development

One of BBVA México's key strategic priorities is **to drive the growth of our SME customers**, which totaled **748,000** by the end of 2022, with **a portfolio valued at MXN 95 billion**. Our **Banca de Barrio** program has been instrumental in attracting more than **165,000 new customers**, deploying **140,000 Point-of-Sale Terminals**, and **facilitating 412,000 payrolls**.

We support individuals and families in their financial needs by surpassing pre-pandemic levels, with **2 million new credit cards** and double-digit sales in all consumer products.

Thanks to these initiatives, the **current portfolio** grew by 15.6% to reach **MXN 1.4 trillion** with adequate risk management, a non-performing portfolio ratio of 1.6% and a coverage ratio of 207.9%. We have the **best financial profitability (ROE) in the system, 25.8%, and the best efficiency ratio of 32.1%**.

To **encourage household savings**, we have achieved double-digit growth in both demand and time deposits, with increases of 10.0% and 10.6%, respectively.

## Commitment to sustainability

Sustainability is a strategic priority for BBVA. Committed to the environment and inclusive growth, we **mobilized more than MXN 160 billion**.

As a Group, we **tripled our sustainable financing target to 2025**, which now stands at **EUR 300 billion**. In 2022, we were the **first private bank in Mexico to issue a Sustainable Bond**, in the amount of **MXN 10 billion**.

Furthermore, as we firmly believe that education can transform lives, we are proud to continue our scholarship program **"Young Boys and Girls that Inspire,"** which will provide support to over **47,000 scholarship recipients across 1,700 municipalities** throughout the country during the 2022-2023 school year. This program is made possible by the generous donations of our over 16,000 employees and 380,000 customers who share our commitment to education.

In 2023, we will strive to maintain our leadership position and continue to be recognized as one of the most desirable companies to work for, with a strong commitment to corporate integrity.