

BBVA Mexico
Nearshoring

BBVA

2024





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4| Value Offering

BBVA

1 | About BBVA

We are part of a solid international financial group

BBVA Group Information



GLOBAL PRESENCE BBVA

SEPTEMBER 2023



Countries
>25

Branches
6,017

Employees
120,457



DIGITAL CAPABILITIES

SEPTEMBER 2023

Digital Sales
62.3%

Mobile Clients
51.5 million



FINANCIAL METRICS

SEPTEMBER 2023

Net Income

5,961 million euros

Total Assets

757,736 million euros

Performing Loans

376,336 million euros

Deposits

403,861 million euros

OUR PURPOSE

“
To bring the age of opportunity to everyone
”



SUSTAINABLE DEVELOPMENT AND CONTRIBUTION TO SOCIETY

Tripling original
commitment 2025 BBVA

300 million euros
between 2018 and 2025

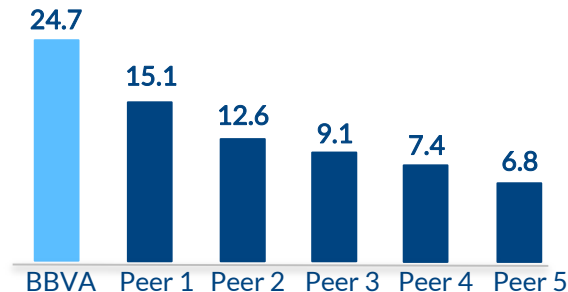
BBVA Mexico's Footprint (SEPTEMBER 23)

★ #1



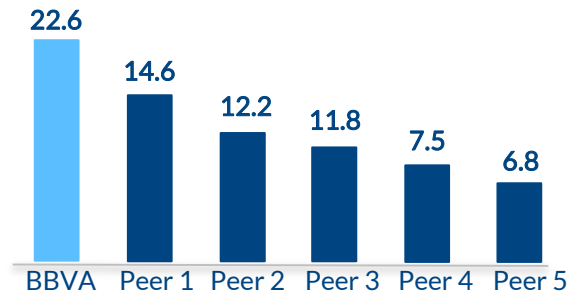
Performing Loans Market Share

(Stage 1,2, Aug 23, %)



Deposits Market Share

(Demand + Time deposits, Aug - 23, %)

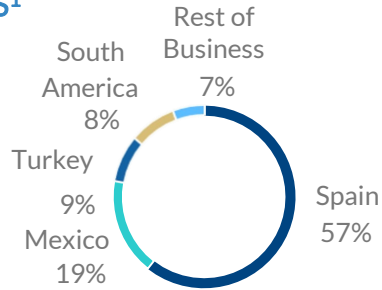


A well-diversified footprint with leading franchises

BREAKDOWN BY BUSINESS AREA

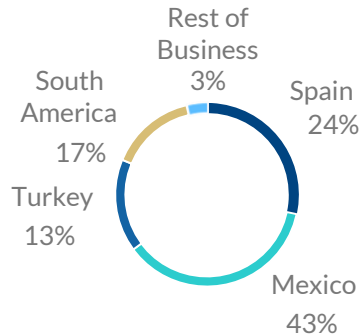
TOTAL ASSETS¹

DEC22



GROSS INCOME¹

12M22



(1) Figures exclude the Corporate Center.

STRONG POSITION



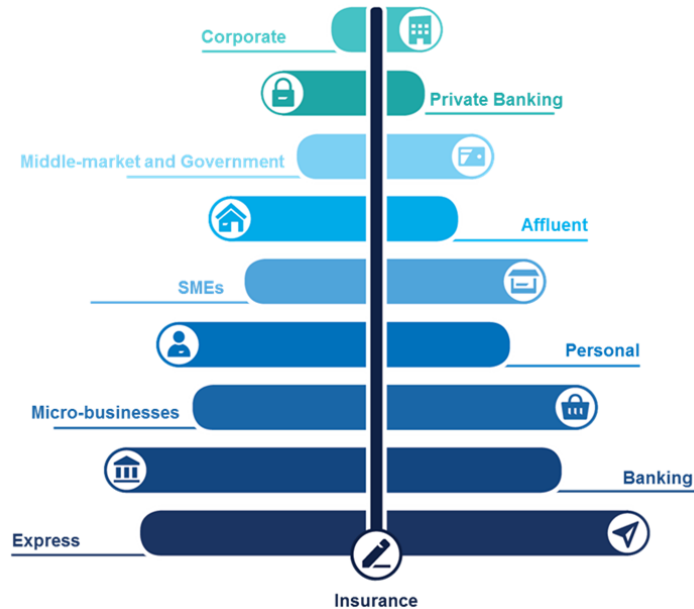
Ranking AND MARKET SHARE (%) ²

	SPAIN	#3	13.3%
	MEXICO	#1	24.4%
	TURKEY	#2	17.9%
	COLOMBIA	#4	10.9%
	PERU	#2	20.2%

(2) Latest available loan market shares. Ranking among peer group. Turkey among private banks.

BBVA Mexico: A unique value offering

One of the main strengths,
our customer base of **29.9 M** customers



Investment as a pillar and key driver to
continue transformation and innovation
(create new technology, digital channels, products and
services)

Specialized and personalized attention for
each customer segment
(provide a higher quality service)

We continue to promote the financing of "green" and social projects.

ENVIRONMENT



101,054mp

↑ **+20%**
vs. sep'22

INCLUSIVE GROWTH



37,790mp

↑ **+31%**
vs. sep'22

TOTAL

138,844mp

↑ **+23%**
vs. sep'22









Strong increase in our sustainable business

Exceeding our initial expectations

COMMITMENT IN PORTFOLIO ALIGNMENT

2030 decarbonization goals set in selected CO₂ intensive industries

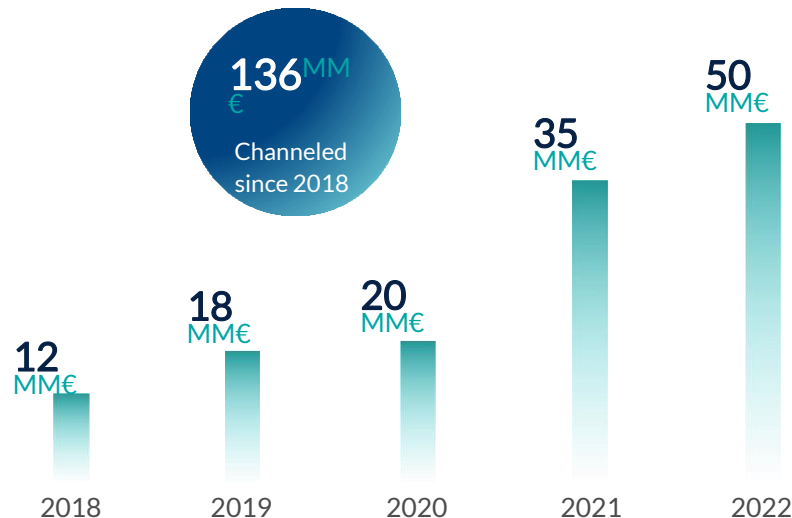
REDUCTION IN 2030

 Power	-52% kg CO ₂ e/MWh
 Auto	-46% kg CO ₂ e/MWh
 Steel	-23% kg CO ₂ e/MWh
 Cement	-17% kg CO ₂ e/MWh
 Coal	Phase out ¹
 Oil & Gas	-30% kg CO ₂ e/MWh

GOAL: NET ZERO 2050

(1) 2030 for developed countries and 2040 for emerging countries.

SUSTAINABLE BUSINESS ANNUAL GROWTH (CLIMATE CHANGE AND INCLUSIVE GROWTH)





3 | Commercial Banking at Mexico



Recognitions for BBVA Commercial Banking

- Global Finance Best Treasury & Cash Management Awards 2020

- Euromoney Excellence Awards 2020

- Euromoney Award for Excellence in Latin America 2020

- Best Transaction Bank in Latin America 2020

- The Banker's Transaction Bank in Latin America 2020

- Global Finance magazine's 2021 World's Best Global Banks

- World's Best Global Bank Worldwide 2021.

- LatinFinance Deals of the Year Awards 2021

- SRP Americas Awards 2021

- Global Finance's 2022 Sustainable Finance Awards

- Outstanding Leader in Social Bonds Latin America y Western Europe

- Global Finance's 2022 Best Treasury and Cash Management Provider Awards

- Spain and Latin America

- Best Investment Bank in Spain, Mexico, Turkey and Western Europe 2022



BBVA Mexico occupies a leading position in Commercial Banking

We offer you a Commercial Banking Sales Force that is considerably larger than the competition's



- CDMX
- Monterrey
- Guadalajara
- Tlalnepantla
- Puebla
- Ciudad Juárez
- Querétaro
- Pachuca
- Acapulco
- Toluca
- Campeche
- Navojoa
- Ciudad Obregón
- Tepic
- Coatzacoalcos
- Veracruz
- Colima
- Celaya
- Cuautitlan
- Oaxaca
- Cuernavaca
- Chihuahua
- Culiacán
- Aguascalientes
- Durango
- Tuxpan
- Ecatepec
- Zacatecas
- Mexicali
- Gómez Palacio
- Morelia
- Cancún
- Nogales
- Puerto Vallarta
- Orizaba
- Reynosa
- Playa del Carmen
- San Luis de Potosí
- Ciudad del Carmen
- Tapachula
- Hermosillo
- Saltillo
- Irapuato
- Tampico
- Jalapa
- Tepatitlán
- La Paz
- Tijuana
- León
- Tlaxcala
- Lerma
- Torreón
- Los Cabos
- Tuxtla Gutiérrez
- Los Mochis
- Villahermosa
- Matamoros
- Zamora
- Mazatlán
- Mérida

A powerhouse dedicated to serving companies



We provide personalized attention

Would recommend their manager at BBVA (only 5 out of 10 would recommend a competitor).



We are leaders in commercial banking

In the market with 22% market share.



The best coverage

With a complete product shelf, we are considered a Full Service Bank.

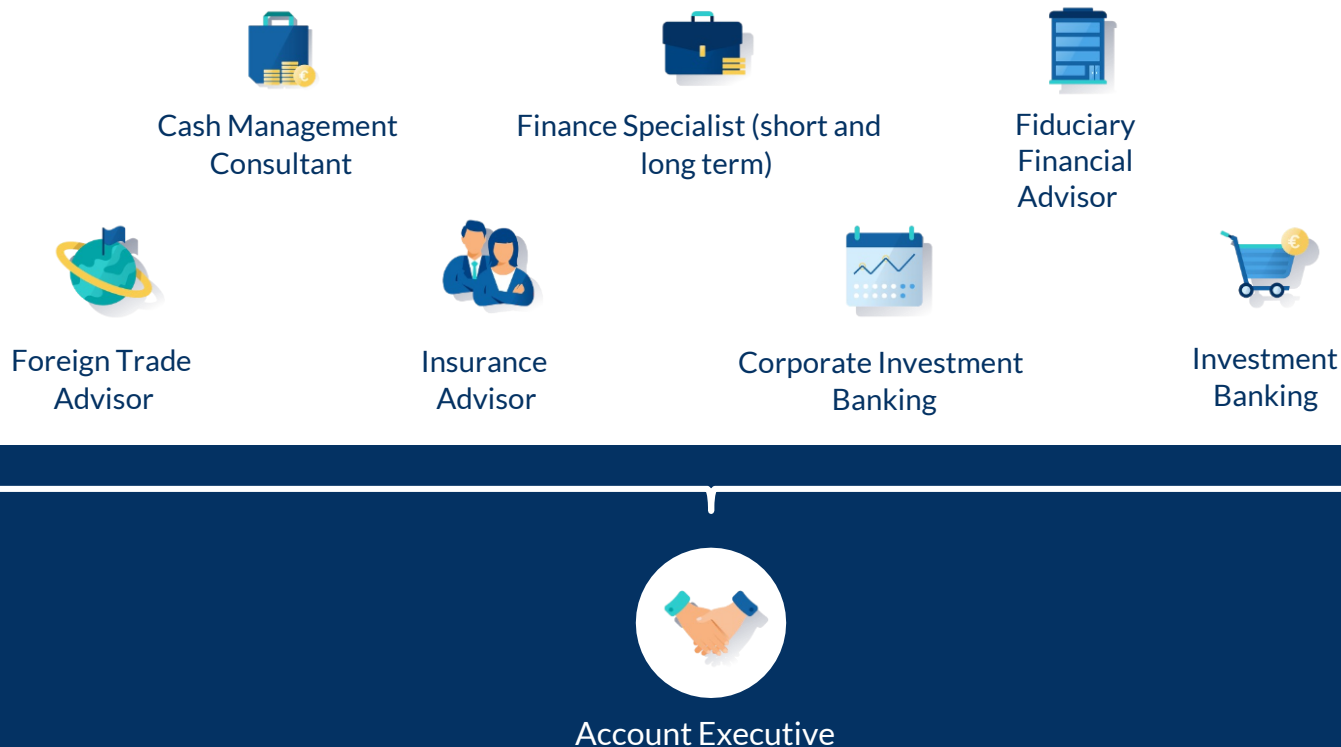


In commercial banking

We have a strong network of executives all over the country.

A great team for your company

At BBVA we know what the needs of the business world are. For this reason, we work with a unique relationship model, assigning each customer their own team of specialists in key areas, led by an Account Executive.



Mexico Commercial Banking Product Catalog

Financing

- Current Account Credit
- Digital Credits
 - Cash Credit
 - Flex Cash Credit Bancomer
- Long-Term Loans
 - Unsecured Loans
 - Fixed Asset Loans
 - Working Capital Loans
- Leasing
- Confirming

Treasury management

- Checking Accounts
- SWIFT
- Electronic Banking
- Cash Allocations
- Check Protection
- Host to Host (H2H)
- SIT
- Payroll

Risk Management

- Insurance
- Credit insurance
- Term deposits
- Investment Funds and Asset Management
- Management
- Investment Banking

Investment Banking

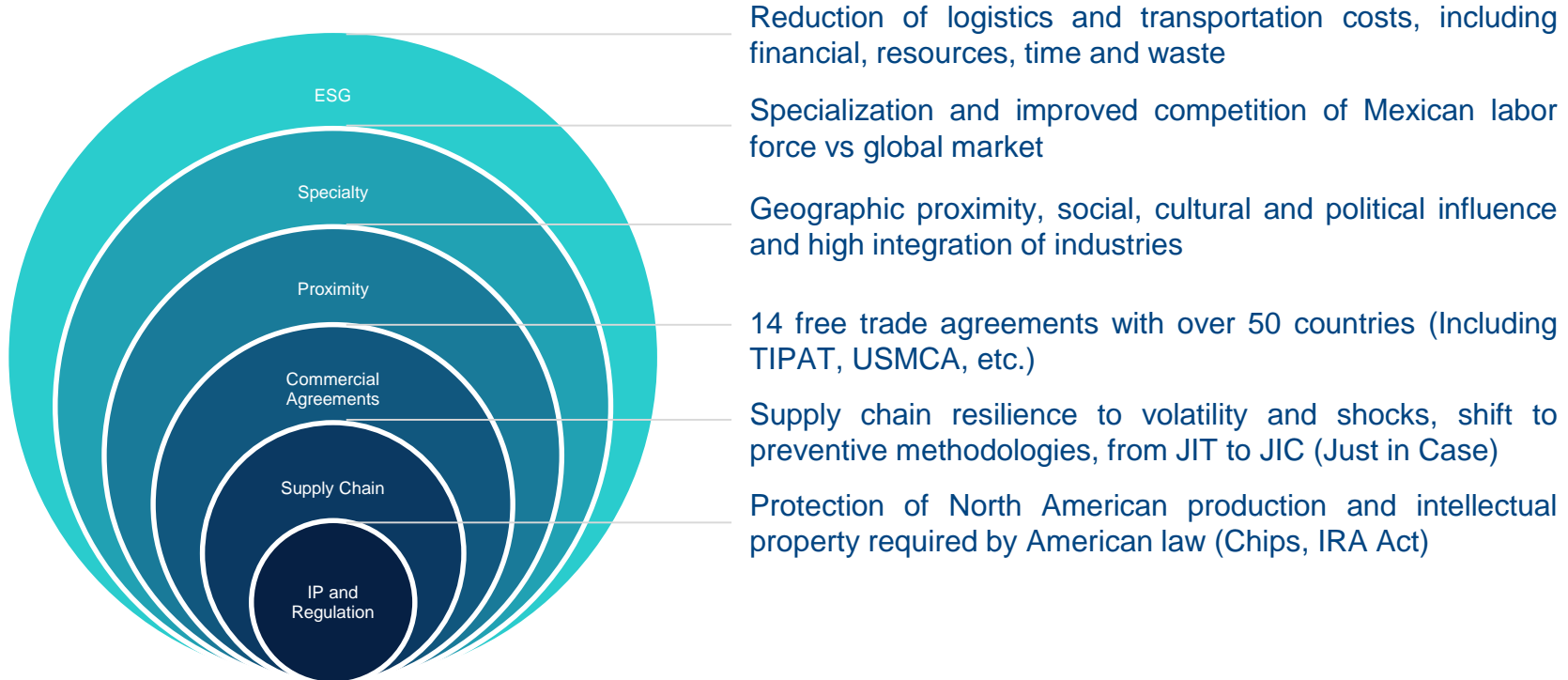
- Project Finance
- Corporate Syndicated Lending (CSL)
- Debt Capital Markets (DCM)
- Equity Capital Markets
- Mergers and Acquisitions (M&A)

International trade

- Letters of Credit, Standby and Demand Guarantees
- Short-Term and Long-Term Financing, and with the ECA Guarantee
- Forfaiting
- FX
- International Payments and Collections

2 | Mexico Overview

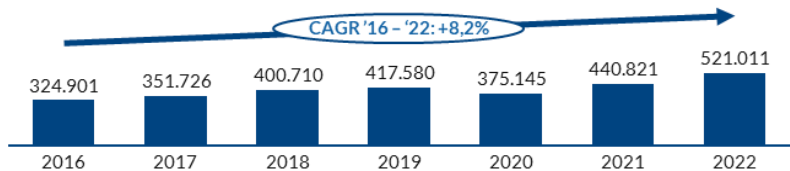
Mexico is taking advantage as the main Nearshoring destination...



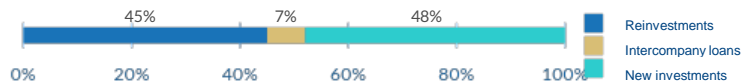
... Exports & FDI are proof of the opportunity

FDI is the main driver causing the rise in exports

Mexico, Total Exports by Year 16-22 (US\$ MN)

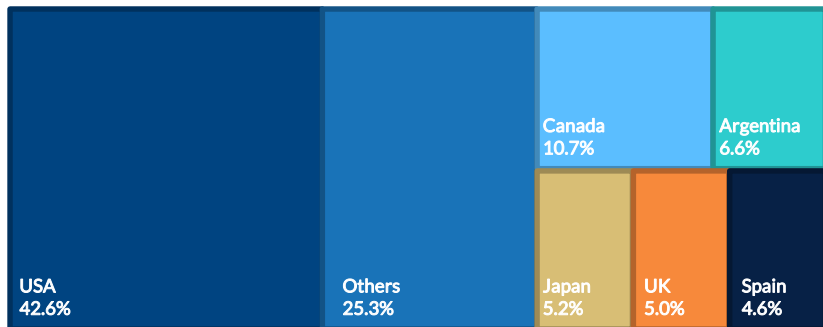


Foreign Direct Investment by Type (2022)



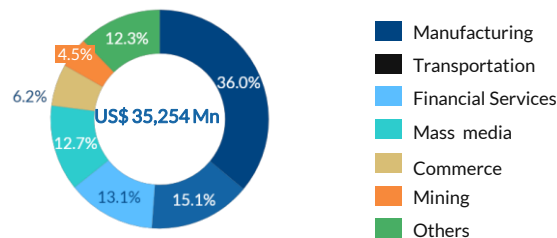
...USA was the most engaged investor

FDI by Country of Origin

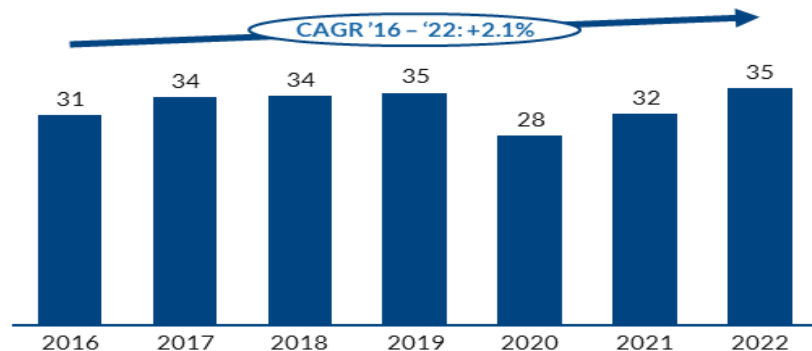


Fuente: Secretaría de Economía e INEGI

FDI by industrial sector...



Foreign Direct Investment in Mexico (2016 - 2022, US\$ Mn)

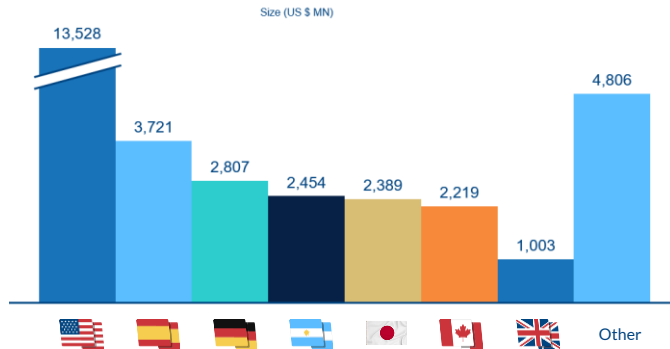


... in 2023, FDI has increased greatly...

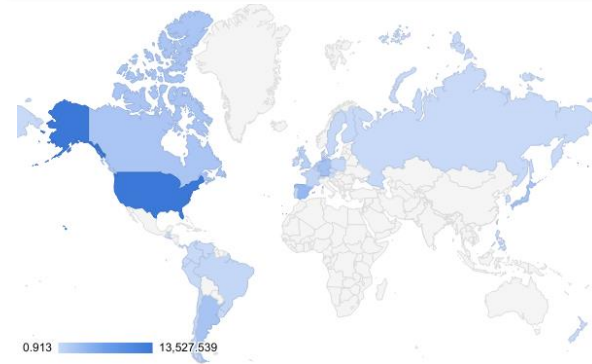
Top 10 Industries with the most FDI Investments (3T 2023)



FDI Announcements by Country of Origin



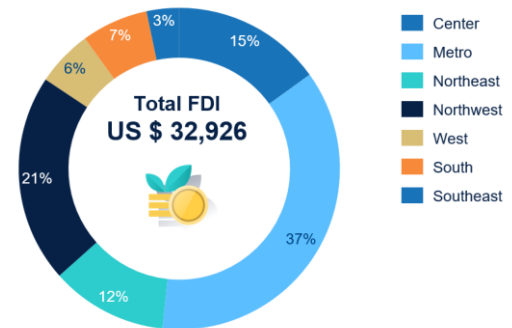
FDI by Country of Origin



Investment from over
40 countries

~53%
Of the investment is being sent to the
manufacturing industries

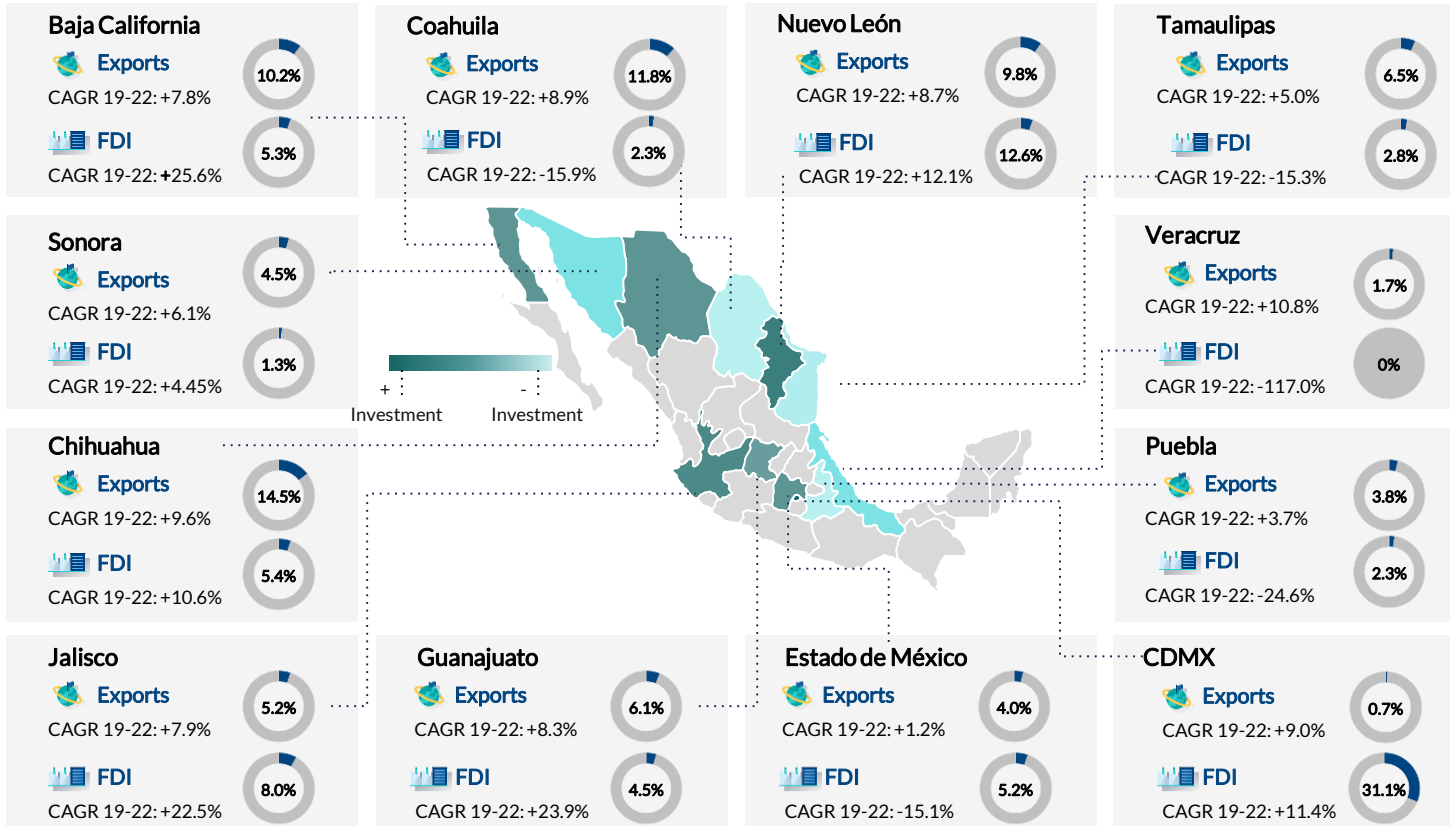
+1,500
Companies have had movements in
their investments in 3Q23



FDI announcement amounts to about US \$32,926 million in the 3Q23

Zooming in, we can notice there are different opportunities by state

Exports, FDI by state - (% of total, 2022)



FDI by Division (% of total, 2022)

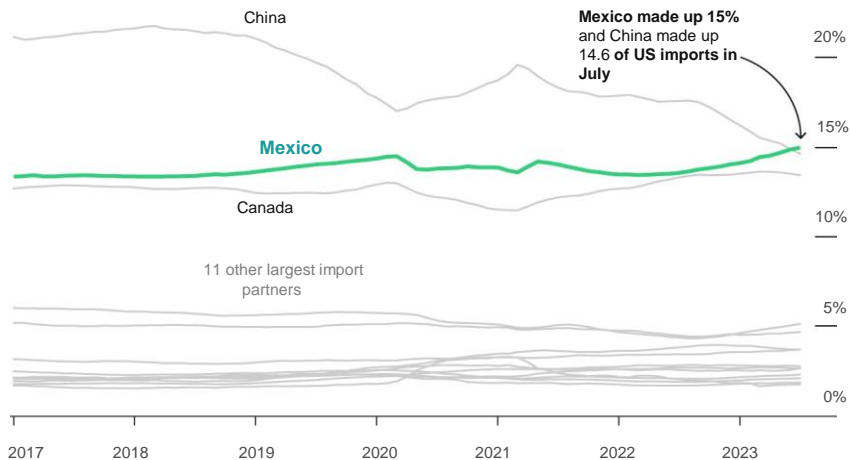
Metro	38.0%
Northwest	20.4%
Northeast	15.0%
West	10.4%
Center	9.8%
South	3.8%
Southeast	2.5%
Total	US\$35,254 MN

Mexico has Eclipsed China as Biggest US Trade Partner

Mexico Replaced China as Top US Trade Partner. Can It Last?

- US-China tensions are rewiring global trade, and Mexico seems to be better positioned to take advantage of it than any other country
- On top of resurgent exports, Mexico boasts the world's strongest currency this year and one of the best-performing stock markets
- Foreign direct investment is already up more than 40% in 2023

Monthly share of US imports



Source: Bloomberg

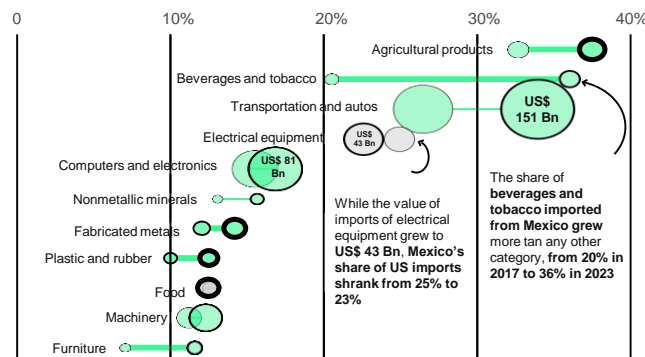
Investment in Heavy Machinery in Mexico Hits an All-Time High

% change in businesses' monthly fixed investment in machines and equipment since 1993



US Dependence on Mexican Goods Has Increased Since 2017

US imports from Mexico that grew '17-'23 shrank '23-'17



Overall, the boost that Mexico's economy will get from nearshoring, it could end up adding as much as 0.7 percentage point of GDP each year

SHCP has published tax incentives



The SHCP published tax incentives to support companies in their arrival in Mexico, as long as they produce, process or manufacture the following goods and also export them. **The benefits range from 56% to 89% of the investment deduction for individuals with business activity and corporations.**

Participating Industries



Food



Fertilizers



Pharmaceuticals



Electronic Components



Machinery



Batteries



Engines



Transportation



Medical devices

Additional requirements



Export revenues >50% of turnover



Registered in the RFC and with Buzón Tributario (Tax Mailbox)



Favorable opinion of tax obligations



File a notice of intent to opt for the benefits of the benefits.

Impediments

- Unpaid or forgiven tax credits
- Untraceable
- With enforceable judgment
- S.A. and do not process a tax certificate
- Digital seal restriction
- "Sold" or "bought" invoices
- In dissolution

4| Value Offering



The Nearshoring offer is a set of products and services that will help clients involved in Nearshoring to make their operations more efficient, simplify their treasury management, carry out strategic planning and have an optimal control of their operation with first level services.

We are at your disposal as the best option to complement your services and to accompany and advise you financially in this process of growth, putting at your disposal the possibility of accessing, and permeate to your customers our first level solutions with preferential market conditions.

We are committed to our clients and we are sure that our experience, infrastructure and local and global positioning will give us the opportunity to grow together.



360° solutions for businesses at every stage

Transactions and daily services

Investment solutions and risk
hedging

Long-term financing

Advisory

Transactional services:

- Cash Management
- Securities Services
- Working Capital
- Trade Finance

Global Markets:

- Fixed Income markets
- FX
- Equity and capital markets

- Structured and corporate financing
- Syndicated Loans
- Bonds

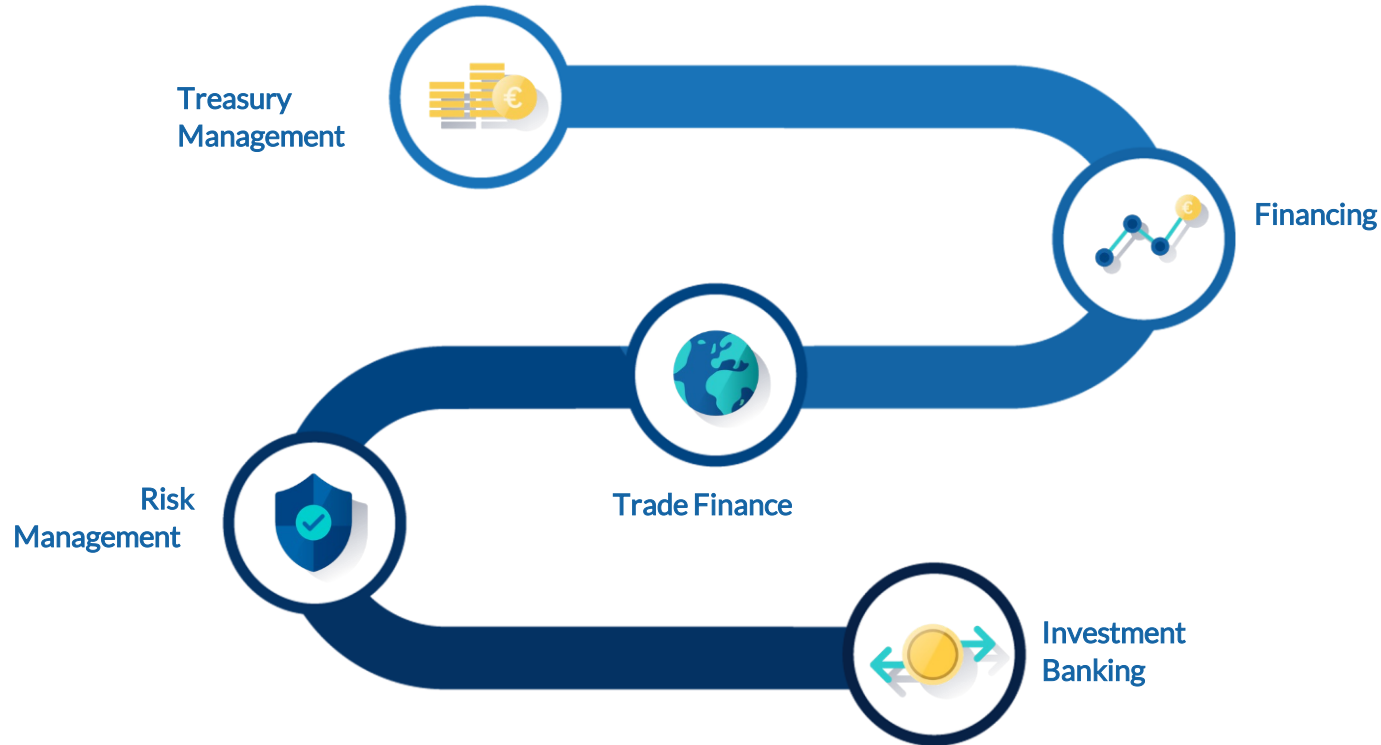
- ECM
- DCM
- ESG
- M&A



BBVA has the global capacities and unique local know-how to fulfill the needs of a broad spectrum of clients

A comprehensive catalog of products and services

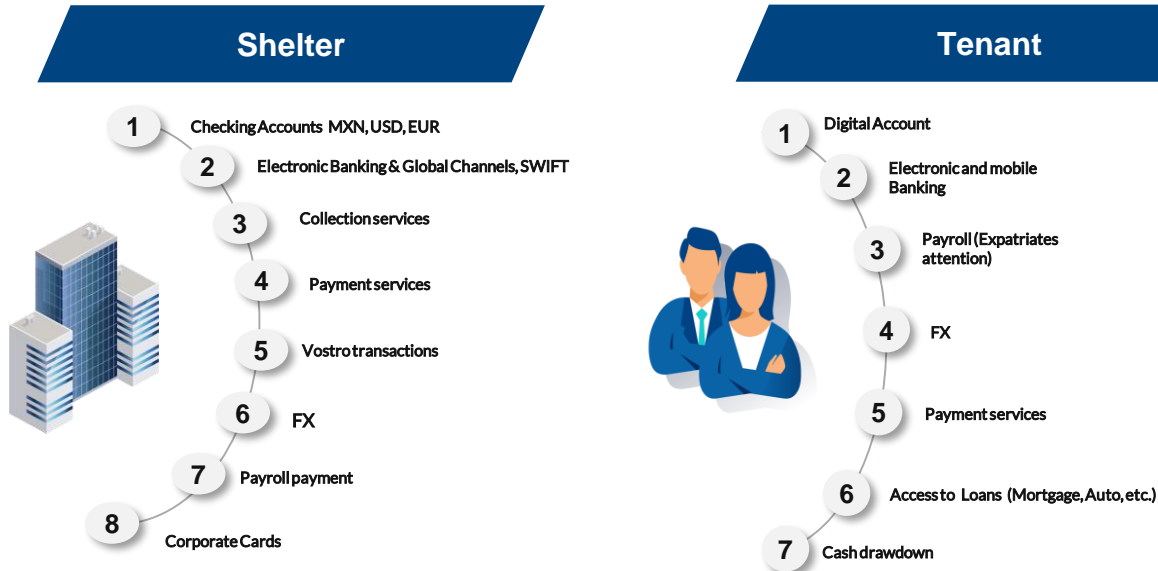
Most of these products are global and sustainable by nature



Nearshoring Solutions for Shelter & Tenant



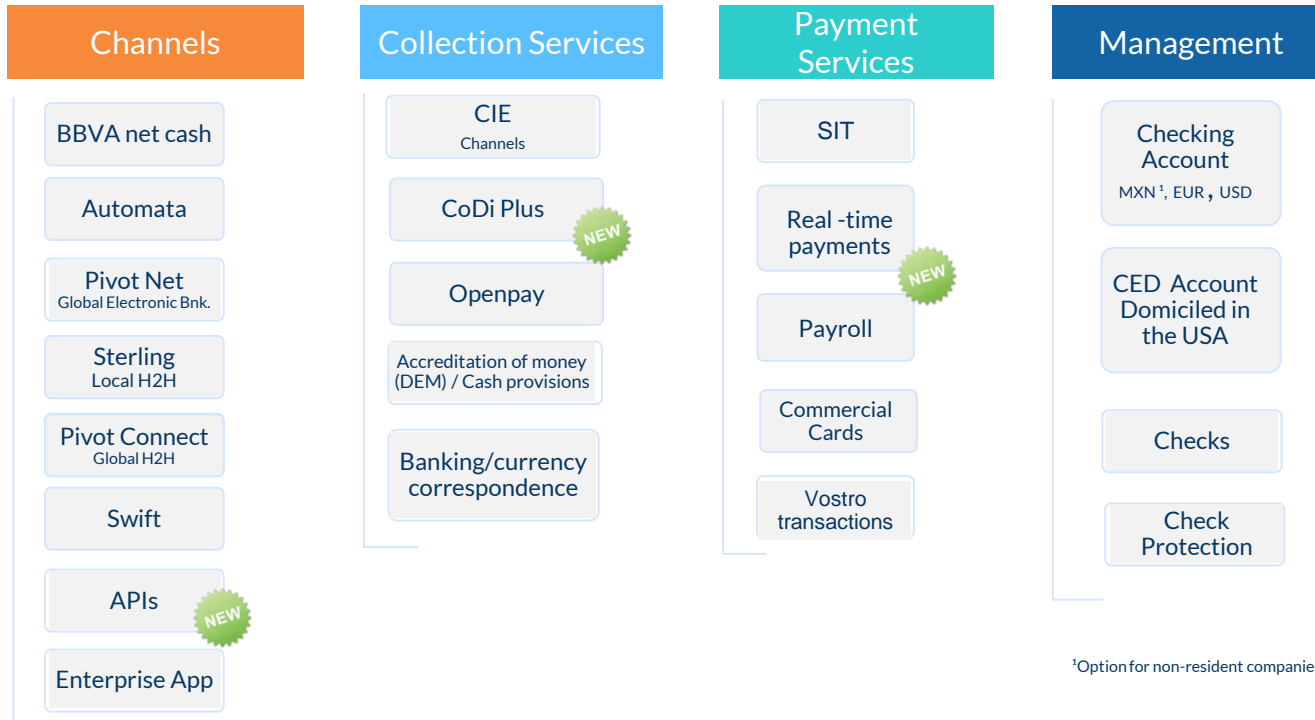
We package the main transactional services



Also accessible for Industrial Parks considering ATMs.

Infrastructure adaptation costs are not covered by BBVA.

With the technology to make it happen and aligned with your needs...



Global Treasury Management (Pivot)

Advanced solutions for cash management

Manage all your company's payments by means of our comprehensive solutions in a **streamlined and simple manner**.

Innovative technology and high security standards

Control your transactions securely. **Sign with two-factor authentication** and send your files using secure protocols.



Optimize your company's global treasury management

A global connection for your local operations

Operate via the channel you prefer, both globally and in the electronic banks of the different countries in which BBVA operates..

SOLUTIONS

PAYMENTS AND COLLECTIONS



Manage and track your company's payment and collection processes.

REPORTING



Centralized access to your company's account management information.

GLOBAL SUPPLY CHAIN FINANCE



Manage suppliers and invoices coming from different locations.

COMMERCIAL CARDS



Simplify the expense management of your corporate cards.

AGENT



Manage syndicated loans with BBVA.

PIVOT

CHANNELS

PIVOT CONNECT



Manage payments/collections and transaction reports.

PIVOT NET



Connect globally and operate locally.

Let's start working together

With no need to travel

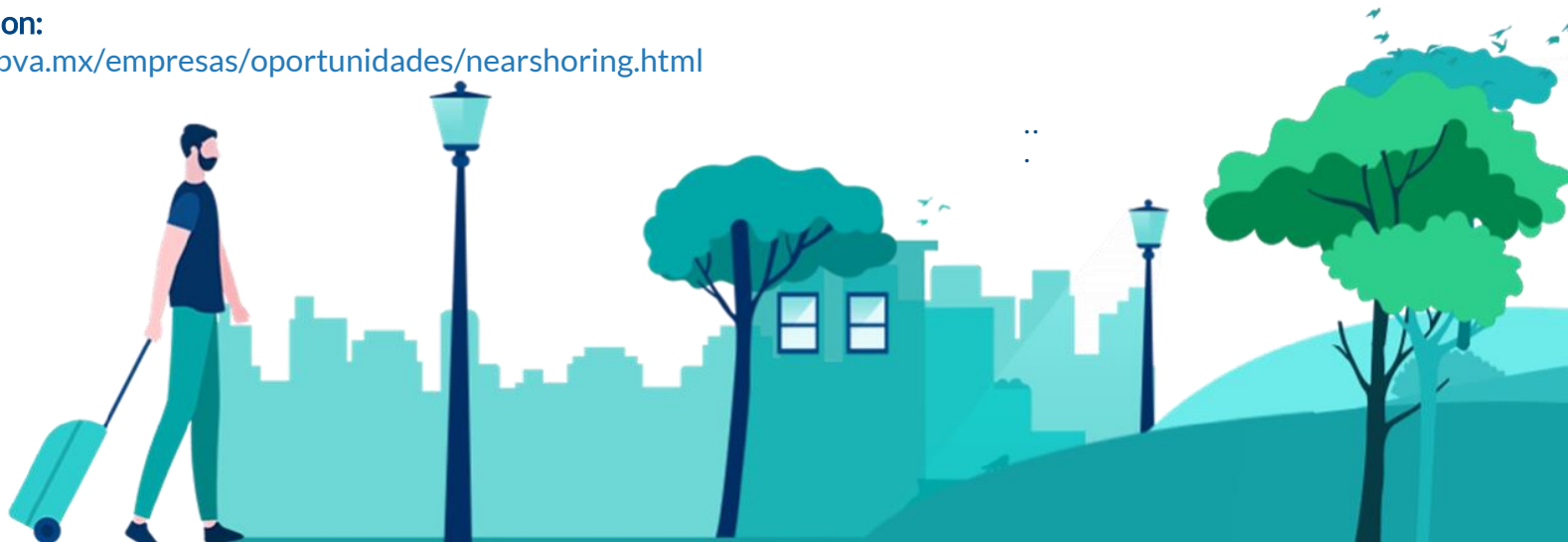
If you are interested, please contact your local manager.

Nearshoring

Contact us: nearshoring.mx@bbva.com

More information:

<https://www.bbva.mx/empresas/oportunidades/nearshoring.html>



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