

Presentation of the 2019 Annual Report

This report is the thirteenth Integrated Annual Report of Grupo Financiero BBVA Bancomer, S.A. de C.V.; it represents the result of the efforts and exceptional work of the Group's employees. The information and results presented correspond to the most important issues for stakeholders and the contribution of BBVA Mexico Group to a sustainable future. The Investor Relations Department and the Corporate Responsibility and Reputation Department are responsible for preparing the Annual Report.

Report from the Chairman of the **Board of Directors**

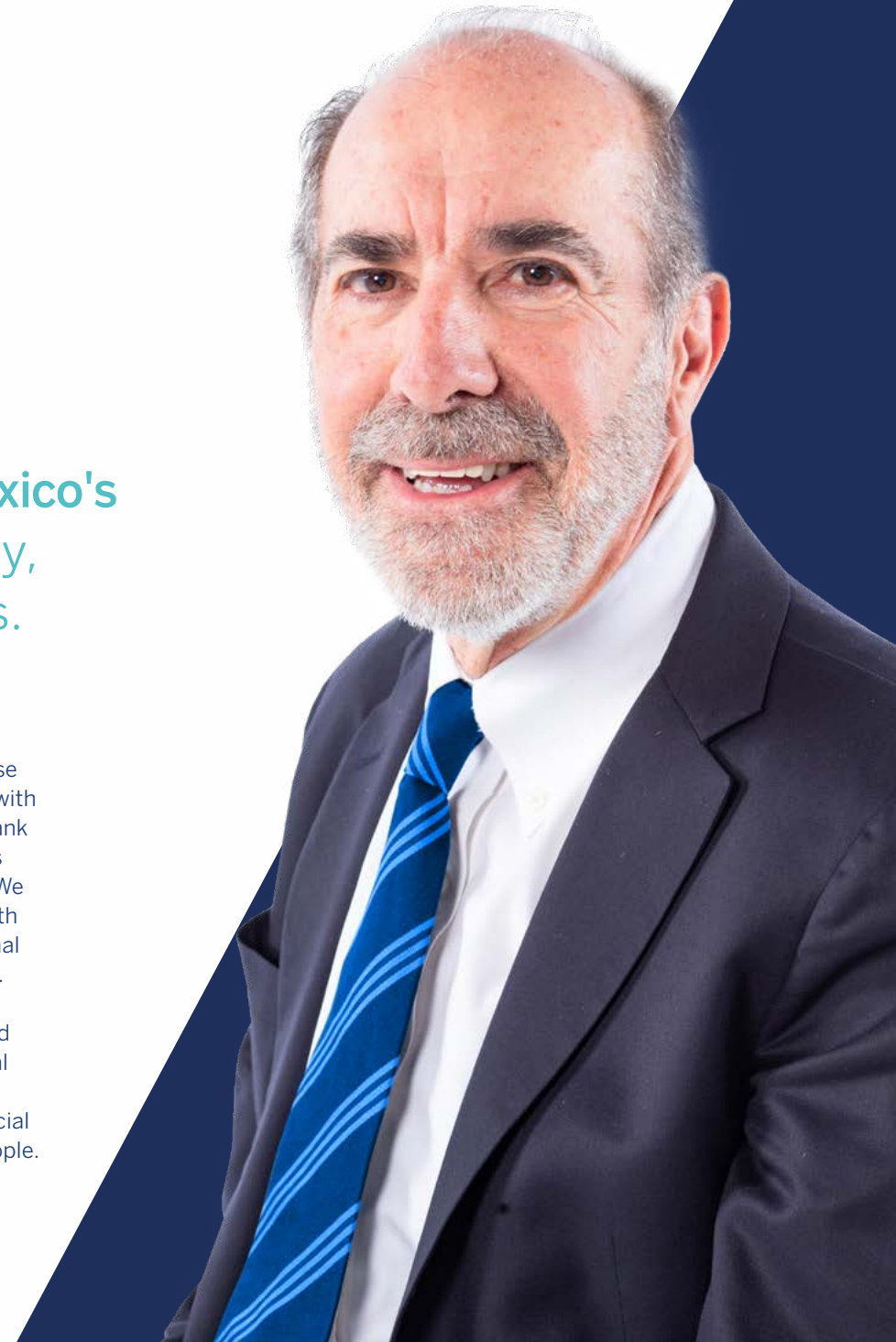
Dear Shareholders,

2019 was a year full of challenges and changes in our organization in addition to great results that have inspired and strengthened us as a team. Integrity and transparency are the values that define the sustainable growth of an organization. At BBVA Mexico, ethics are a fundamental part of our growth; we were ranked first in the IC500 (Corporate Integrity Index 500) by Expansión magazine, which recognizes the actions to increase the quality and control of our Integrity and Anti-Corruption Policies.

In 2019, BBVA Mexico signed up to the Responsible Banking Principles, joining 131 other global financial institutions; this membership forms part of the United Nations' Environment Programme Financial Initiative (UNEP FI), based on principles that define the role of the industry as being responsible for promoting and driving a sustainable future and aligning the banking sector with the UN's Sustainable Development Goals set out in the 2015 Paris Agreement. BBVA Mexico has distinguished itself on account of its efforts in sustainability, having signed up to the United Nations' Global Compact in 2003 and, by aligning our objectives, we participate in the achievement of the United Nations' Sustainable Development Goals.

**1st place in the IC500,
demonstrating BBVA Mexico's
commitment to integrity,
transparency and ethics.**

BBVA Mexico has pioneered the integration of the population into the digital age of financial services. Using our mobile application, we facilitate a way to use banking in Mexico, providing people and businesses with access from their mobile devices. We are a leading bank in terms of CoDI enrolments, having placed our focus on increasing financial inclusion across the country. We also promote strategies to improve the financial health of Mexicans, establishing modules to improve personal finances and to get the most out of financial services. In 2019, more than 41,000 people were attended face-to-face workshops, online workshops or received customized advice over the phone, known as financial coaching. Furthermore, we established agreements with the public and private sector to undertake financial literacy activities imparted to children and young people.



More than 41,000 people benefited from financial literacy initiatives in 2019.

We ended the year, with great pride and, at the same time, responsibility, consolidating our position with the best historical result with a rating of 9.1 for the User Service Performance Rating (IDATU). This rating provides information of the efficiency of financial institutions in response to the complaints that users file with CONDUSEF.

9.1 rating for the IDATU, BBVA Mexico's best result ever.

For the tenth consecutive year, we have been recognized as a Socially Responsible Company (ESR); we were named as a "Top of the industry" bank, as the best employer in the financial sector in Latin America by Universum and as the number one company in the Financial Sector for youth

employment (Employers for Youth). These results were made possible as part of a strategy consistent with our purpose: "place the opportunities of this new era within everyone's reach".

As the banking business transforms at a dizzying speed, we face the challenge of being recognized as the company that offers the best financial products and services; we are convinced that we have the highest standards in the industry. As a sign of our efforts to continue being recognized as a leading bank in Mexico, we obtained the following recognitions over the course of the year:

- Recognition as the "Best Bank in Mexico 2019" by Forbes.
- Recognized, once again, by the specialist World Finance magazine in its "World Finance Banking Awards" in the categories of "Best Digital Bank in Mexico 2019" and "Best Mobile Banking Application 2019".
- We were ranked 1st in the Best Place to Code survey.
- In the latest edition of "The Innovators" by Global Finance magazine, the BBVA Mexico Group's virtual assistant received an honorable mention.

BBVA Mexico was recognized as the "Best Bank in Mexico 2019" by Forbes.

And last but not least, reflecting our commitment to the environment and climate change, BBVA Tower was named "Building of the Year 2019" by Mexico Buildings.

BBVA Mexico has stood out on account of its sustainability efforts, having signed up to the United Nations Global Compact in 2003 and, having aligned our objectives, we are dedicated to the achievement of the United Nations' Sustainable Development Goals; therefore, this report is considered part of the "Communication of Progress" for 2019.

I invite you to read our Annual Report and to become agents of change that inspire us to become a better country. We believe that the future of Mexico is in all our hands.

Sincerely yours,

Jaime Serra Puche
Chairman of the Board of Directors
of BBVA Mexico

Report by the Deputy Chairman of the **Board of Directors and CEO**

Business in 2019

In a challenging context, characterized by a global economic slowdown, BBVA Mexico has reiterated its commitment to the country and its clients, boosting investment, employment and the welfare of families, thereby promoting banking penetration and financial inclusion across our nation.

In 2019, the decision was taken to unify the "BBVA" brand at a global level; this new identity reflects the Group's values globally and the commitment to provide specialized products to our clients with the best possible service. The goal is to create a trusted institution that continues to develop solutions that help customers make better decisions in their lives and in their businesses.

In this context, the institution's financial performance in 2019 was favorable. The performing loan portfolio ended the year with a balance of MXN 1,218,088, equivalent to an annual increase of 6.7%. With this performance, the bank became the market leader with a 23% market share at the end of December 2019, according to data published by the CNBV.

Results in 2019 allowed BBVA Mexico to position itself as a **market leader, with a 23% market share in performing loans, according to the CNBV.**

Analyzing the different segments of the portfolio, household credit (consumption) grew 9.9% during the year, highlighting the increases seen in payroll and personal loans, which combined grew 12.8% compared to the previous year, while car financing also achieved double-digit annual growth at 13.2%.



12.8% growth in payroll and personal loans; 13.2% increase in car financing.

Meanwhile, the continuous and powerful implementation of credit card campaigns has been reflected in an acceleration in credit, up 5.2% year-on-year, despite having a large customer base that pays off their full balance at the end of each month. Furthermore, billing continues to perform positively, increasing 14.4% in annual terms.

In the mortgage segment, BBVA Mexico holds a leadership position and continues to promote investing in the creation of wealth for households, extending mortgage loans, granting one in four new mortgages within the private sector.¹ Thus, mortgage loans grew by 10.9% year-on-year, with a balance of MXN 231.213 billion at the end of December 2019.

Finally, the commercial portfolio grew 3.9% in annual terms. In the breakdown, the highest dynamism was seen in the government portfolio, with a double-digit annual increase at the end of the year (+11.3%), while business activity recorded a balance that was 1.8% up on the previous year.

The growth in lending has been accompanied by strong risk quality indicators, which is attributable to an adequate risk management policy. At the end of 2019, the non-performing loans index stood at 2.2%, while the cost of risk (CoR) stood at 3.0%. The coverage ratio was 129.3% at year-end of 2019.

The government portfolio was the most dynamic in 2019, with an increase of 11.3%.

Considering clients resources, deposits that include demand and time deposits, issued credit securities and the global deposit account without movements, these amounted to MXN 1,262.023 billion, up 5.5% YoY. At BBVA Mexico we continue to promote and encourage customer savings, reflected in the annual growth of 6.7% in bank deposits (demand and time deposits of the general public), ending the year with a balance of MXN 1,153.902 billion. In the breakdown, demand deposits were 6.7% up year-on-year and accounted for 80% of bank deposits, while time deposits (of the general public) experienced an annual increase of 6.4%.

6.7% annual growth in bank deposits (demand and time deposits of the general public), ending the year with a balance of MXN 1,153.903 billion.

Assets managed in mutual funds stood at MXN 466.673 billion pesos at the end of December 2019, up 16.6% YoY. Thus, the Group's asset management remains one of the biggest of the market, with a market share of 21% according to the Mexican Association of Stock Market Intermediaries as per December 2019. Total deposits amounted to MXN 1,728.696 billion, equivalent to annual growth of 8.3%.

The Group's asset management remains one of the largest on the market, with a 21% share.

¹ Source: public information of National Banking and Securities Commission (CNBV) banks.

All of the foregoing is based on a solid capital base; BBVA Mexico has indicators that comfortably comply with regulatory minimums to continue driving the country's development through continuous loan granting. As a result, the total capital ratio at year end was 15.6%. Furthermore, BBVA has actively managed its levels of liquidity to respond to the growth of its business.

It should be noted that BBVA Mexico is an institution that also supports commitment to the country by continuously investing in transformation and innovation. This can be seen in the growth and maintenance of our extensive infrastructure network, as well as in the development, expansion and protection of our digital services. In 2019, we opened 27 branches (1.5%) and 693 ATMs (5.6%).

6.3% annual growth in total revenue at the end of 2019.

In terms of results, total revenues performed positively, showing annual growth of 6.3% year-on-year. This, coupled with the continuous management of expenditure, has allowed BBVA Mexico to consolidate

its position as one of the most efficient institutions in the financial system, with an efficiency ratio, measured as expenses divided by revenue, of 36.3% at the end of December 2019, down 65 basis points (bp) year-on-year. Net income ended the year at MXN 57.001 billion, with an annual growth of 8.3%.

It should be noted that one of the Group's main businesses, in addition to banking, is insurance, where very favorable results were also seen as net profit increased by 29% year-on-year.

The strategy pursued, is to focus on providing the customer with easy access to banking services through digital channels and on continuously improving customer service, which has allowed us, for the fifth year in a row,

55 out of 100 customers who decide to move their payroll to another bank choose BBVA Mexico; 83% do so digitally.

to position ourselves as the best bank in Net Promoter Score (NPS) in 2019.

As mentioned previously, we have been able to position ourselves as an attractive bank for new customers, which is seen in our leadership in payroll portability. Today, 55 out of every 100 customers who decide to change their payroll from one bank to another choose BBVA Mexico, and 83% do so digitally, satisfying our objective of offering the best solutions so that customers can use self-service.

The constant development and innovation of the financial services offered by the Institution has also been reflected in the growth of the customer base who use digital channels; by year-end, this figure came to 10.1 million customers, 41% up compared to last year. Furthermore, the percentage of digital sales divided by total sales rose from 44% in 2018 to 55% in 2019.

2019 was also a year of outstanding results, while at the same time maintain our focus on execution. The bank is constantly being transformed, with processes that are more efficient, improving robustness in our systems, more solid applications and products that are specially designed to meet the needs of each one of our customer segments. We will continue to invest so that we are always at the cutting edge, offering our customers the best services.

2019 was a year of excellent results, while maintaining focus on execution.

BBVA Mexico will continue to invest in our country: in 2019, we announced the 2019–2024 Investment Plan worth USD 3.3 billion dedicated to infrastructure, digitization, cybersecurity, educational scholarships, school reconstruction and financial literacy. As such, BBVA Mexico is a bank that will continue to evolve to offer the best service to its more than 21.4 million clients, as the client is at the center of our purpose, and this is the most relevant aspect of the Institution.

In addition, in 2019 we also announced that the Institution had doubled the contribution to the BBVA Mexico Foundation, underscoring our commitment not only to Mexico, but also to an issue that is key to economic growth and development: education. To date,

through the BBVA Mexico Foundation, we have awarded more than 315,000 scholarships benefiting 35,467 young people to continue with middle school, high school and university education. Regarding the school reconstruction program, more than 16,000 students benefited with the reconstruction and delivery of 25 schools and the intention is to continue to deliver four more schools per year.

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25 schools delivered and +16,000 students benefiting from the reconstruction program.

Before I finish, I would like to thank all BBVA Mexico employees for their efforts, commitment and profound dedication, because without this institution's magnificent human team, we would not have been able to achieve this result. I would also like to thank our customers for having chosen us, and their loyalty, and also the members of the Board of Directors for their concerted efforts to continue to strengthen our institution.

At BBVA Mexico, we continue to create opportunities.

Eduardo Osuna Osuna
Deputy Chairman of the Board of Directors
and CEO of BBVA Mexico

About this report

The 2019 Annual Report sets out the initiatives, activities and results of Grupo Financiero BBVA Bancomer, S.A. de C.V. The information we report covers the period running from January 1 through to December 31, 2019. The information addresses economic, social and environmental issues in line with BBVA Bancomer, S.A. de C.V. financial group's Responsible Banking strategy. The report is available for consultation on the website.

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 purposes of this report, the BBVA Bancomer, S.A. de C.V. financial group will be referred to as the BBVA Mexico Group and/or the institution. In the event

that the information reported does not correspond to all its subsidiaries, clarification will be made on the subsidiary to which the information is associated. In this report, the BBVA Group corresponds to the integration of Banco Bilbao Vizcaya Argentaria (BBVA) and all its international acquisitions.

13th Integrated Annual Report of Grupo Financiero BBVA Bancomer, S.A. de C.V.

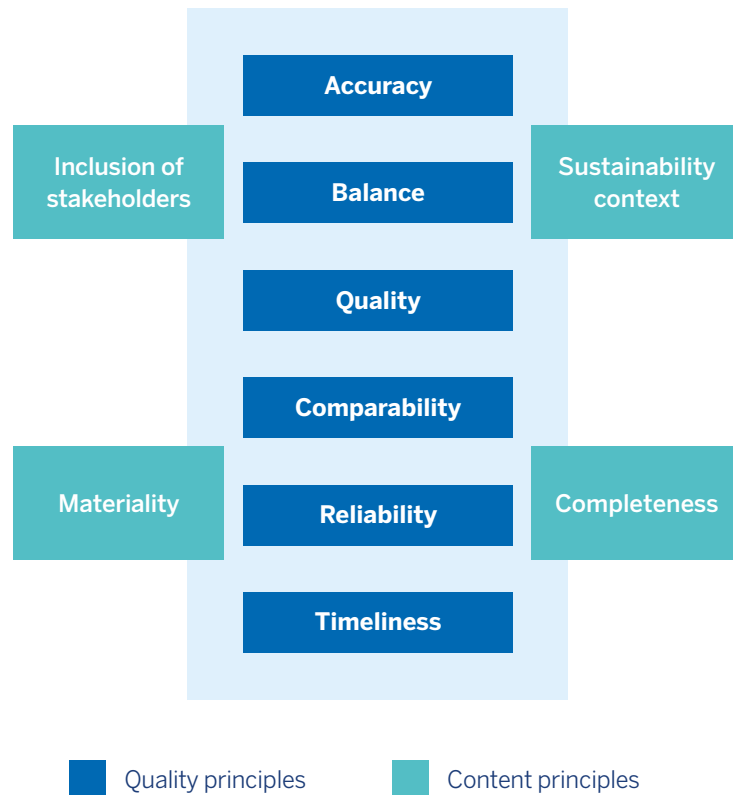
GRI 102-45, 102-46, 102-49, 102-50 and 102-54



Standards used in drawing up the report

Global Reporting Initiative (GRI)

The BBVA Mexico Group's Annual Report has been prepared in accordance with the exhaustive option of the GRI Standards and under the following reporting principles:



Independent Review

The 2019 BBVA Mexico Group Annual Report has been independently audited by KPMG. For the Content Index Service, GRI Services has confirmed that the GRI content index in the report is clear, and that the references for each type of content included correspond to the indicated sections of the report.



To learn more about GRI reporting principles, consult:
<https://www.globalreporting.org/standards/gri-standards-download-center/gri-101-foundation-containing-standard-interpretation-1/>.