

Group Profile

The BBVA Mexico Group is a controlling company authorized to establish and operate as a subsidiary financial group of Banco Bilbao Vizcaya Argentaria, a leading Spanish bank in Europe.

The BBVA Mexico Group consists of different financial institutions, through which it provides a wide variety of banking products and services, stock market brokerage, insurance, investment fund management, as well as other financial services.

Group Profile

The BBVA Mexico Group operates throughout the Mexican Republic. It serves its customers through an extensive branch network and other distribution channels such as ATMs, banking correspondents, POS terminals, Internet, cell phones, etc. It also has specialized executives who offer outstanding personalized service to individual customers, businesses and government agencies.

BBVA Mexico remains the largest bank in Mexico, according to Forbes.²

Our Aspiration

Building stronger customer relationships...

- Helping our customers to take the best financial decisions, providing relevant advice.
- Providing the best solutions which build trust: they are clear, simple, transparent and fair.
- Through an easy and convenient experience: autonomously (DIY), through digital channels or human interaction.

Redefining our value proposition focused on our customers' real needs.

Our Purpose

"To bring the age of opportunity to everyone".

Our Values

The Institution's values are reflected in the day-to-day life of all BBVA Mexico Group employees, influencing all its decisions.



Customer comes first

- We are empathetic
- We have integrity
- We solve their needs



We think big

- We are ambitious
- We break the mold
- We amaze our clients



We are one team

- I am committed
- I trust others
- I am BBVA

Strategic Priorities

Starting with the constant transformation of the BBVA Mexico Group to adapt to the major trends of the financial industry (such as the competitive environment, customer behavior and expectations, the pursuit of sustainability and data protection) it has developed three new blocks and six strategic priorities:



What defines us

- Improving our clients' financial health
- Helping our clients transition towards a sustainable future



Levers for outstanding performance

- Reaching more clients
- Operational excellence



Catalysts for achieving our goals

- The best and most engaged team
- Data and technology

²<https://www.forbes.com.mx/bbva-se-mantiene-como-el-banco-mas-grande-en-mexico/>.

Responsible Banking

The Responsible Banking Principles are part of the United Nations Environment Programme Financial Initiative (UNEP FI). The Principles provide the framework for a sustainable banking system and help the industry to demonstrate how they generate a positive contribution to society. The principles contribute to the financial sector's achievement of the Sustainable Development Goals and the Paris Agreement as part of the United Nations Convention on Climate Change.

The Principles for Responsible Banking, of which BBVA Mexico Group is a signatory, are as follows:

-  **Alignment**
Entities commit to aligning their respective business strategies with the objectives expressed in the SDGs and the Paris Agreement.
-  **Impact and establishment of targets**
Efforts will be made to continuously increase positive impacts by reducing negative impacts, concentrating efforts on areas where they are expected to have a more significant impact.



Clients

Organizations are willing to work responsibly with their clients to develop sustainable practices and generate shared prosperity for both the current and future generations.



"Stakeholders"

The signatories of these principles undertake to consult, engage and collaborate proactively with relevant stakeholders to achieve society's objectives.



Governance and culture

Entities will set public objectives and implement them through effective systems of governance and a culture of banking responsibility, thereby seeking to correct the most negative impacts arising from their activity.



Transparency and responsibility

The implementation of these principles will be reviewed on a regular basis, as part of a commitment to transparency and assuming full responsibility for both the positive and negative impacts.





Strategic Pillars of Responsible Banking of the BBVA Mexico Group

The BBVA Mexico Group's Responsible Banking model applies to all business and support areas at the Institution, with the aim of seeking profitability that adjusts to our principles, strict compliance with the law, good practices and the creation of long-term value for all stakeholders. The model has four strategic pillars:



1. Balanced relations with its customers, based on transparency, clarity and responsibility.



3. Responsible practices with employees, suppliers and other stakeholders.



2. Sustainable finance to combat climate change, respect human rights and achieve the UN Sustainable Development Goals (SDGs).



4. Community outreach to promote social change and create opportunities for all.

Business Model

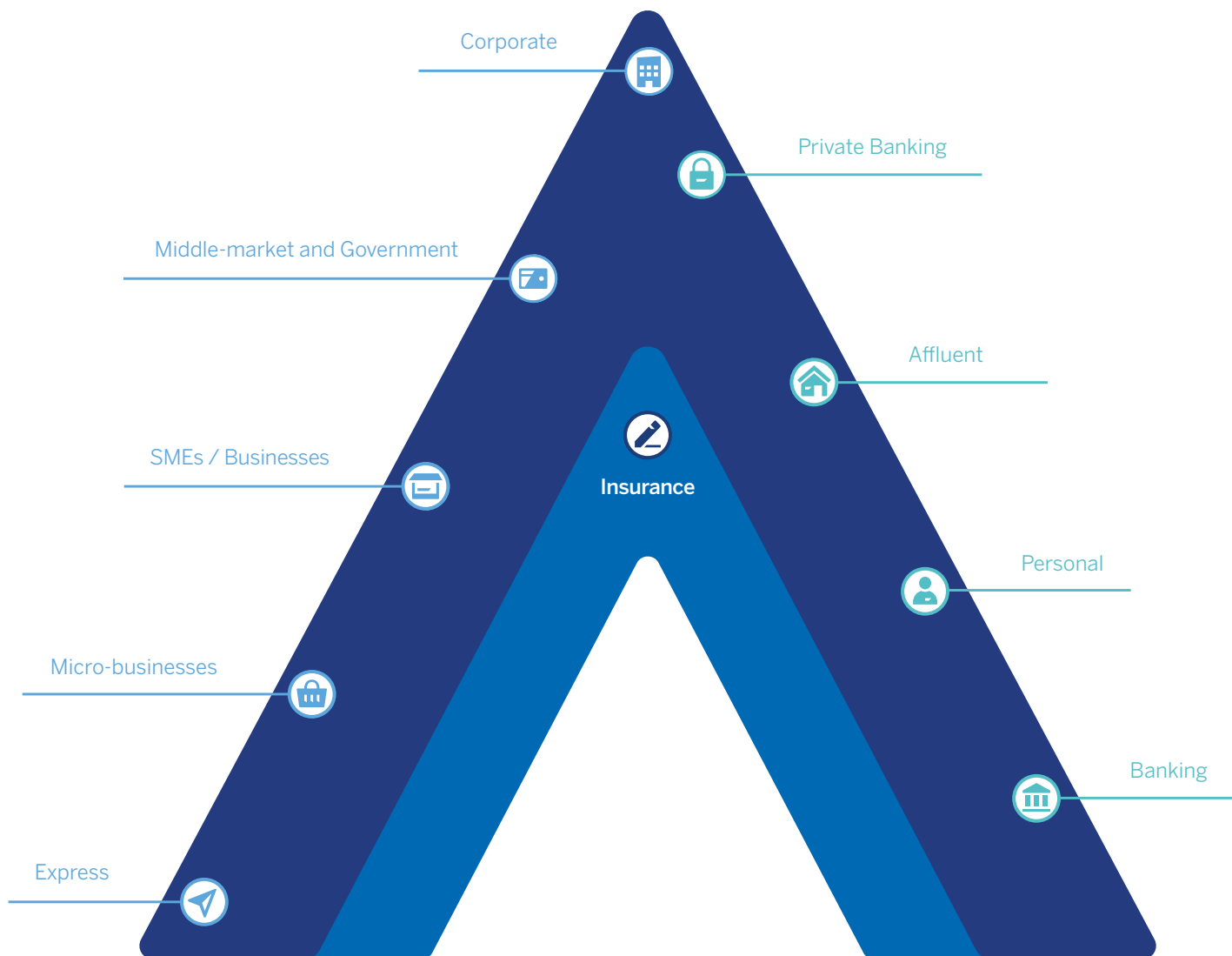
BBVA Mexico is a world-class group offering a wide range of services ranging from simple loans to international structured products.

Group BBVA Mexico's main subsidiary is the bank (BBVA Mexico), a multiple banking institution serving customers in a distinct manner through specialized products and services. The Bank is aware that much of its success as a financial institution is a product of customer satisfaction. That is why it is constantly changing in order to be able to offer the best banking services in Mexico and maintain a long-term relationship with customers.

The business model is based on serving each customer segment in a special and customized way, through networks of specialized executives that allow us to offer a high quality service.

The model is also based on an efficient distribution network with an extensive coverage, which is key for providing easy and secure access to financial services. Lastly, it is a business model firmly committed to major investments in technology, transformation and innovation projects.





Group BBVA Mexico's business models allows it to create opportunities and consolidate its leadership in Mexico.

This model has underpinned the recurrent nature of the BBVA Mexico's earnings and its strength through outstanding performance characterized by a clear philosophy of risk control with the aim of maintaining long-term profitability.

As a result, the BBVA Mexico consolidated its leadership in the country and is in an ideal position to face the future growth.

Business Units

BBVA Mexico is a bank in constant transformation, evolving every day to improve customer experience, the offer of traditional products and innovating through its digital offering. One of the main elements of the business model is customer segmentation, which allows the Group to provide specialized attention through each of the Business Units dedicated to the development of products and services focused on clients' needs. This, accompanied by the Support Units, which assist the businesses and all networks to generate the best experience for clients and that, in addition, aim to maintain the right recurrence in the business and integral management with synergies that allow continuous growth.



Retail Network

The Commercial Network serves all retail segments through the extensive infrastructure network. Furthermore, it works in conjunction with the Business Development area, responsible for the design of the business strategy, product development and implementation of the entire digital offering, thus complementing the product offering throughout the Network, inside and outside the branches, to enhance the added value offered to clients. In this sense, significant investments have been made to increase cross-selling opportunities while increasing the loyalty of our clients. This has been reflected in the number of customers using digital

channels over the past year increasing by 41%, coming to more than 10.1 million clients by December 31, 2019.

At a cross-cutting level, the insurance business drives the product offering throughout the Network, complementing the entire circuit and allowing BBVA Mexico to remain at the forefront as the reference bank in the sector.

This unit serves the following segments of individuals: ultra-high net-worth (UHN), private banking, equity banking, personal banking, as well as the banking and express segment. The branch network also serves micro and small companies. To this end, the Commercial Network serves more than 18 million customers.

Government & Business Banking



This Unit, through a network of 135 branches, serves medium-sized enterprises, government entities, housing developers and distributors in the automotive sector.

BBVA Mexico offers a wide range of products tailored to meet the needs of corporate clients in terms of cash management and collection solutions. As part of this segment and by using an integrated vision, the Strategy and Solutions unit is responsible for defining and designing cross-cutting product and services offering. As such, housing finance has been promoted through

agreements with developers and, in terms of the auto sector, there has been a positive evolution in loans (durable goods) through partnerships with manufacturers and distributors. As a result, BBVA Mexico has created an end-to-end value chain to meet the needs of all segments.

On the Government side, this unit has specialized offices to serve the Federal Government, States and Municipalities of Mexico and all other government entities. The wide variety of products offered to this segment include Multi-Payments and CIE online, for the collection of taxes.

This business unit also includes a wide range of products and services dedicated to leasing, foreign trade and factoring that complement the service provided to customers.

Corporate Banking



Corporate and Investment Banking (CIB) is a transversal business unit that brings together the wholesale businesses. This unit serves global customers such as institutional and large corporate investors, offering them a wide range of investment products. The unit also includes the Global Markets area, which together with the Brokerage House offer sophisticated products to individuals and businesses alike.

BBVA Mexico offers corporate and institutional customers loan products and services, mergers and acquisitions, market transactions (equity and fixed income), cash management, custody services, online banking and investment products.

Through the Global Markets division, BBVA Mexico has managed to position itself in first place in terms of Market Maker by SHCP and Banco de México since July 2012. Furthermore, it offers clients origination, structuring, distribution and market products risk management services, including rates and currencies (FX), equity with primary and secondary placements, derivative and structured products, whose profitability can be linked to stock markets or stock prices, private placements, portfolio trading, block trading and lending.

Staff Units

To ensure the positive performance of all Business Units, continuous support is received from the Support Units, which, through their advice and consultancy, maintain the proper recurrence of the business and generate the necessary synergies to drive continuous growth.

The Support Units at the Institution include:

Internal Audit



It is responsible for maintaining the integrity of the bank and its subsidiaries, continuously carrying out monitoring, follow-up and prevention activities to ensure an adequate business performance in terms of customer processes and internal procedures.

Regulation and Internal Control



It is responsible for ensuring that the institution maintains full compliance with the requirements of regulators and supervisors to operate under strict legal conditions.



Engineering



It supports all bank operations in terms of technology systems and platforms. It plays a key role in maintaining BBVA Mexico's position as the leader in Digital Banking in Mexico.

Experiencia Única [Unique Experience]



It is focused on satisfying the needs of customers, an essential pillar in the ongoing evolution of BBVA Mexico. The Unique Experience mission consists of putting the client at the center of all the Bank's actions; establishing a new standard in Customer and employee experience; and being a key part in the constant transformation of BBVA Mexico. It is not only customers who should enjoy the best experience; this should encompass all stakeholders: customers, employees, shareholders and society.

Finance



It is responsible, in addition to other functions, for monitoring the financial performance of the institution, the control of expenditures, capital management, liquidity and the relationship with investors. At BBVA Mexico, we have kept our capital ratios above the minimum levels required by the Mexican law, and have maintained comfortable liquidity levels to drive growth. The bank also achieved a solid income statement in 2019 based on recurrent revenue, control of costs and adequate risk management.

Risks



Our healthy and stable credit quality indicators are the result of an adequate risk management. BBVA Mexico is famed for being a cautious bank, which has a forward-looking approach to risks. This can be reflected in the non-performing loans ratio that ended the year at 2.2%, while the Cost of Risk (CoR) was 300 basis points.

Legal, Tax, Audit and Compliance Services



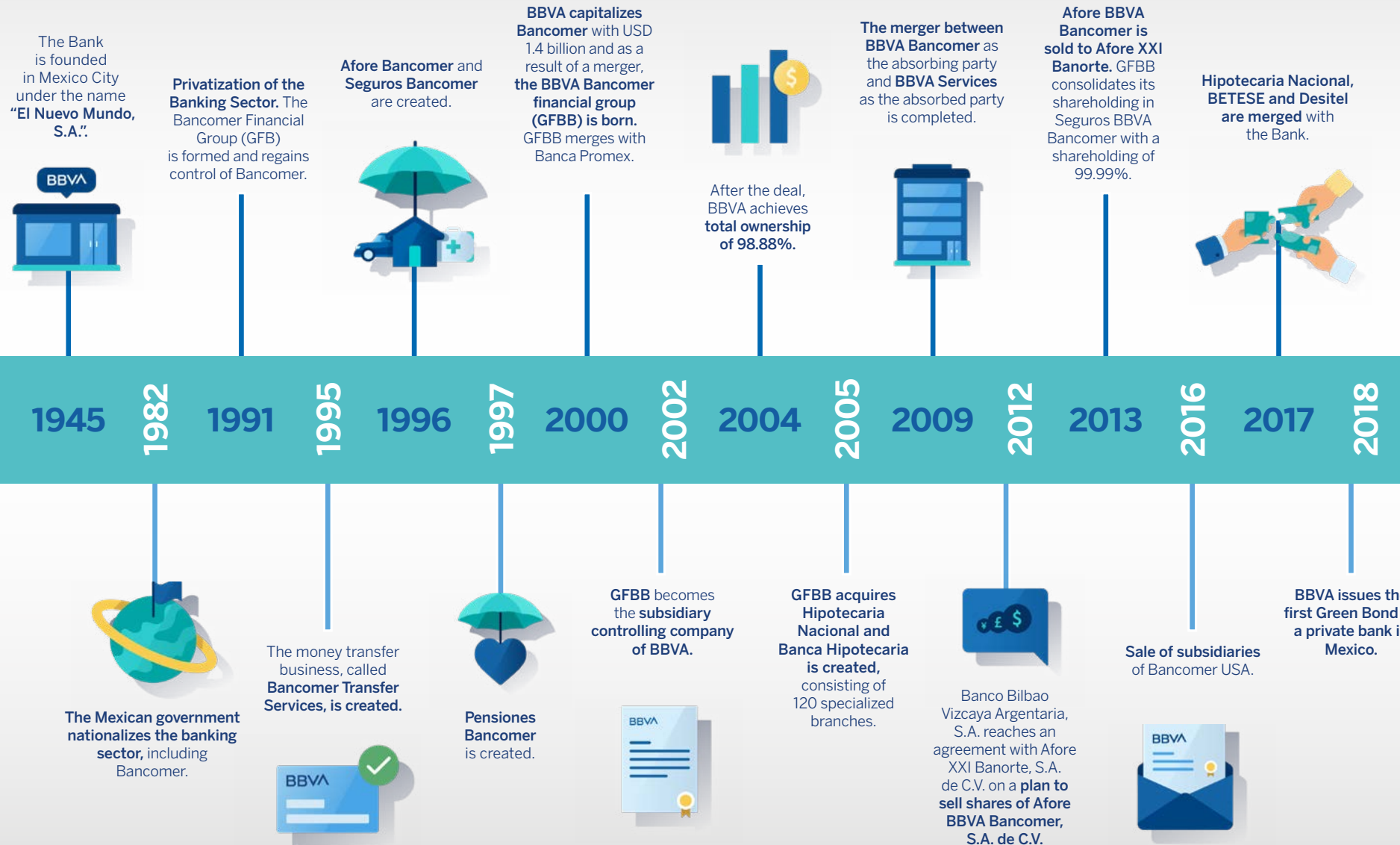
The Legal Services Unit provides general legal advice to the different divisions of BBVA Mexico in their respective activities, as well as support for the clear understanding and full compliance with the scope of banking regulations and modifications ; it supports the different processes before the competent authorities, addresses the specific legal issues that arise with respect to the Bank's activities, and generally provides legal certainty in the preparation and management of the necessary legal documentation. It is also primarily responsible for the management of complaints and legal claims before clients and third parties.

Talent & Culture



The excellent results of BBVA Mexico would not be possible without the commitment, motivation and capacity of the institution's excellent team. Therefore, the Talent and Culture unit is constantly looking to attract, develop and retain its labor force, maintaining a values-based corporate culture and a total balance between professional and personal development.

History



BBVA Bancomer converts its brand into

BBVA

2019

Leadership

BBVA Mexico
December 2019

Leader in infrastructure

14.4%



Branches

23.3%



ATMs

35.1%



POS
(point of sale terminal)

1st place

Leader in commercial activity



21.7%

Total Assets



23.0%

Performing loans

28.7%

Consumer + Credit Cards



25.9%

Mortgages



36.1%

Car financing



23.2%

Traditional deposits



20.9%

Mutual Funds



25.9%

Demand deposits



% market share
Sources: CNBV, AMIB.
CNBV information: Bank with Sofom
Mutual funds: assets under management in investment companies without duplication
Information as of December 2019.

Responsible Banking



SDG 1 No poverty

- BBVA Mexico has been recognized by the Excelsior newspaper as the bank having made the biggest contribution to financial literacy.

SDG 4 Quality education

- 35,467 beneficiaries of the "Chavos que Inspiran" scholarship program in 2019.
- In 2019, BBVA University awarded 433 scholarships for development programs, diplomas, bachelor's degrees and master's degrees.

SDG 16 Peace and justice strong institutions

- Number 1 in the Corporate Integrity Index 500 (IC500).
- 36,444 employees received training as part of the Money Laundering Prevention course.



SDG 5 Gender equality

- At year-end 2019, the BBVA Mexico Group's workforce comprised a total of 38,228 employees, 53% of whom were women.
- Blanca Cecilia Muñoz, General Risks Director at BBVA Mexico, named one of "26 Leaders" by "Mujer Ejecutiva" magazine.
- The BBVA Mexico Group celebrated Women's Day for a second year.

SDG 8 Decent Work and Economic Growth

- Named "Top of the industry" as the best employer in the financial sector in Latin America by Universum.
- Named by Employers for Youth as a No. 1 company in the Financial Sector.
- Increase of 11% in the number of suppliers to have undergone the approval process in comparison with 2018.
- MXN 202 million dedicated to Training, imparted to 38,210 employees.

SDG 10 Reduced inequality

- In 2019, the number of hours of human rights training increased by 147% year-on-year.
- In collaboration with the Secretariat of Public Education (SEP), school internships were offered to students with intellectual disabilities.



SDG 3 Good health and well-being

- Creation of a welfare committee and an Institutional Policy for the Prevention of Psychosocial Risks.
- There was a 39% increase in participation in the vaccination campaign compared to the previous year.

SDG 9 Industry, Innovation and Infrastructure

- In the 2019 edition of "The Innovators" by Global Finance magazine, the BBVA Mexico Group's virtual assistant received an honorable mention.
- The BBVA Mexico Group is 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".
- BBVA Tower is named the "Building of the Year 2019" by Edificios de México.

SDG 11 Sustainable cities and communities

- The "Mejora Mutualista" program benefited 10,000 families.
- The 99 social and environmental entrepreneurs on the BBVA Momentum program received 222 hours of mentoring.
- 19 years of being a Socially Responsible Company (SRC).

SDG 12 Responsible consumption and production

- The BBVA Mexico Group increased its renewable energy consumption by 14% year-on-year.

SDG 13 Climate action

- The BBVA Mexico Group has an ISO 14001-certified Environmental Policy in place.
- More than MXN 40 billion invested in projects that uphold the Equator Principles.

Presence



21.5 million
Total customers

1,860
Branches

13,170
ATMs

10.1 million
Digital clients

1,218,088 billion
Performing loans

463,644
POS

9.6 million
Mobile customers

1,153,902 billion
Bank deposits
(deposit and term)

35,726
Correspondents

2,363,030 billion
Assets

57,001 billion
Net profit

States	Branches	ATMs
Aguascalientes	21	173
Baja California	58	419
Baja California Sur	21	137
Campeche	14	114
Chiapas	37	262
Chihuahua	61	455
Mexico City	283	2,125
Coahuila	41	380
Colima	13	81
Durango	21	146
State of Mexico	185	1,488
Guanajuato	85	520

States	Branches	ATMs
Guerrero	35	213
Hidalgo	34	258
Jalisco	195	1,148
Michoacan	88	505
Morelos	29	192
Nayarit	23	140
Nuevo Leon	109	697
Oaxaca	26	215
Puebla	64	463
Queretaro	34	269
Quintana Roo	25	283
San Luis Potosi	34	190

States	Branches	ATMs
Sinaloa	39	254
Sonora	53	398
Tabasco	34	235
Tamaulipas	48	349
Tlaxcala	11	88
Veracruz	83	644
Yucatan	32	199
Zacatecas	24	130
*National	1,860	13,170

Scope: BBVA Mexico Group.
Figures at December 2019.

Corporate Governance

The corporate governance system of BBVA Bancomer, S.A., Institución de Banca Múltiple, BBVA Bancomer Financial Group, serves as the linchpin to its corporate integrity and the organization's ethical and efficient functioning. It comprises a set of principles, standards and elements that regulate and frame relations between the company, the institution's management, shareholders and other stakeholders.

The governance system is rooted into the following principles, in accordance with the Corporate Governance System of BBVA Mexico:

1. A suitable composition and structuring of governance bodies.
2. A clear distribution of functions between the Board of Directors and its committees, and between these and Senior Management.
3. A solid decision-making process and a robust reporting model.
4. Complete monitoring, oversight and control of the management of BBVA Mexico.

The Board of Directors is the body entrusted with overseeing the institution. Its members are designated at the Annual General Meeting of Shareholders.

The Annual General Meeting is entrusted with assessing the Board's performance by approving the Board's Annual Report and financial statements, as well as ratifying each director's membership of the Board.

The Board is responsible for approving objectives, guidelines and policies with regard to the origination and management of lending activity, all of which must be coherent and compatible with, as well as complementary to, those established for Integrated Risk Management.

The Board delegates authority to committees and, if applicable, to officers of the institution to design the aforementioned objectives, guidelines and policies. The Board hears and, as the case may be, approves a report from the Audit Committee on the objectives of the internal control system and guidelines for its implementation.

GRI 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-29, 102-30, 102-31, 102-33, 102-35, 102-36, 103-1, 103-2 and 103-3



Corporate Structure of the BBVA Bancomer S.A. de C.V. financial group and its subsidiaries

At December 31, 2019.

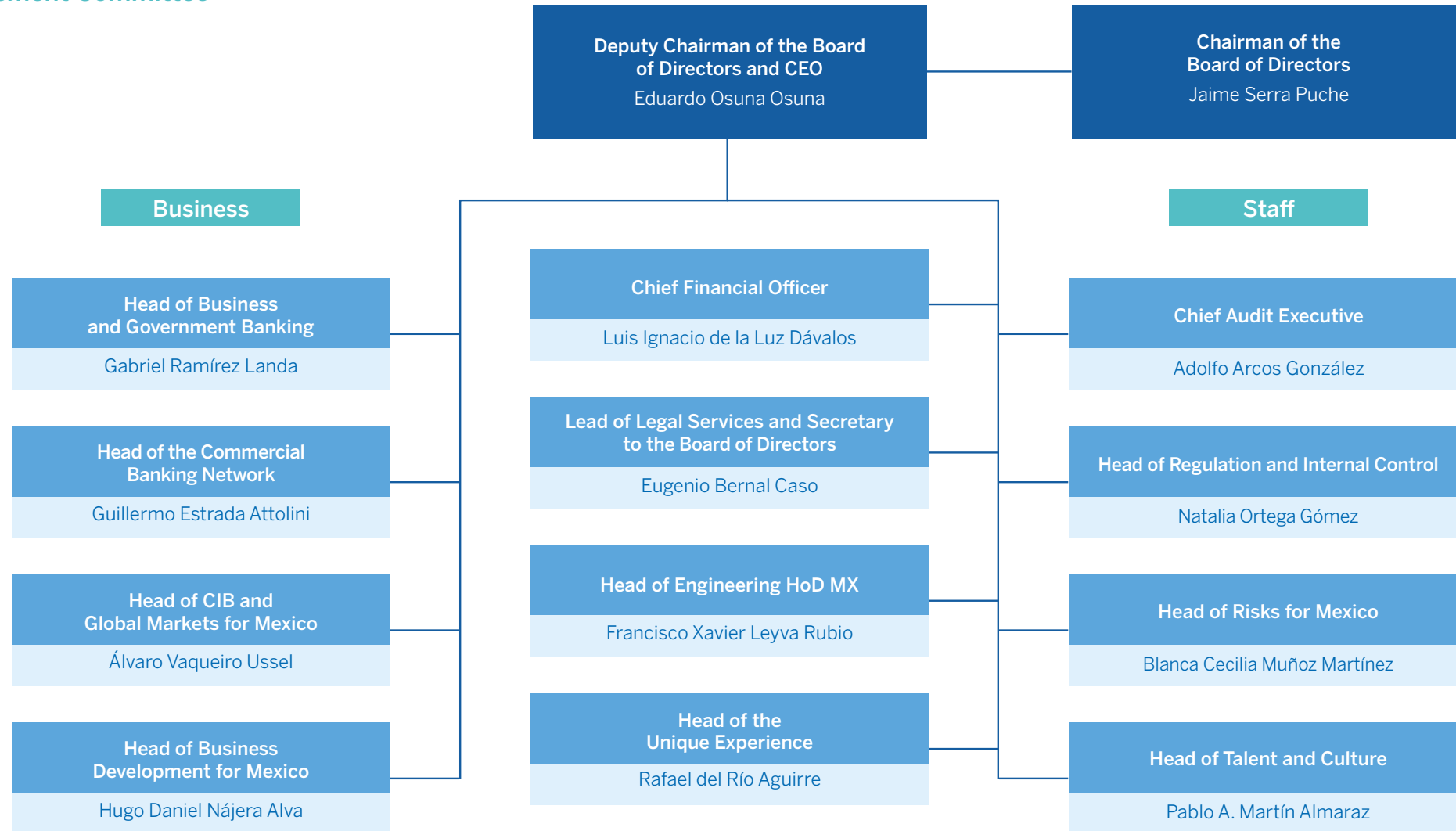


* Includes direct and indirect investment of the BBVA Mexico Group.

Management structure

At April 30, 2020.

Management Committee





Constitution of the Board of Directors of BBVA Mexico

The Annual General Meeting of Shareholders of BBVA Mexico is the governance body authorized to designate the individuals who are to sit on the Board of Directors at BBVA Mexico. Meanwhile, Board members are authorized, in accordance with applicable law and the bylaws of BBVA Bancomer, S.A. to designate the individuals who sit on its various committees.

In addition to the foregoing, the process for selecting and appointing members of the Board of Directors is set out in applicable law and in the institution's bylaws. The director appointment process is explained in article twenty-five, chapter V of the bylaws of BBVA Bancomer, S.A.

The Board of Directors ratifies the Bank's Code of Conduct on a proposal from the CEO of BBVA Bancomer. The Code is there to prevent conflicts of interest from arising among its employees, board members and executive officers. The Code also sets out the procedures to be followed in various situations in order to forestall any conduct that might harm the Bank's interests.

The Board of Directors may be able to establish the mechanisms to be followed by the relevant directors, to keep the Company apprised of the financial, administrative, operational and legal position of each of the financial entities and other legal parties controlled by the Company.

The requirements to be a director are described in article twenty-six, chapter V of the bylaws of the BBVA Mexico Group. These requirements are also set out in the applicable legislation.

Association	Alternates
Jaime Serra Puche* (Chairman)	Andrés Alejandro Aymes Blanchet*
Eduardo Osuna Osuna (Deputy Chairman and CEO)	Armando Garza Sada
Onur Genç	Juan Asúa Madariaga
Carlos Torres Vila	Fernando Gerardo Chico Pardo
Vicente María Rodero Rodero	Eduardo Javier Garza Fernández
Alberto Bailleres González	Alejandro Ramírez Magaña
Carlos Vicente Salazar Lomelín*	Arturo Manuel Fernández Pérez*
Ricardo Guajardo Touché*	José Francisco Gil Díaz*
Jorge Sáenz-Azcunaga Carranza	Enrique de Jesús Zambrano Benitez
Cristina de Parias Halcón	

Secretary: Eugenio Bernal Caso

Deputy secretary: José Arturo Sedas Valencia

Statutory examiner: José Manuel Canal Hernando

Alternate examiner: José Homero Cal y Mayor García

*Independent Directors
Composition at February 28, 2020.



Profile of directors

Full members

Jaime Serra Puche*

Chairman of the Board of Directors
Length of service on the Board: 12 years

- Director of SAI Consultores, S.C.
- Member of the Boards of Directors of Fondo México, Tenaris, Vitro and Alpek.
- Founding Partner and Director of SAI Consultores, S.C.
- PhD in Economics from Yale University.

Eduardo Osuna Osuna

Deputy Chairman of the Board of Directors
Chief Executive Officer of the BBVA Bancomer, S.A. de C.V. financial group

Length of service on the Board: 4 years

- MBA from the IPADE business school.

Onur Genç

BBVA CEO

Length of service on the Board: 1 year

- Chairman and CEO of BBVA Compass and BBVA Country Manager for the USA.
- CEO of Banco Bilbao Vizcaya Argentaria, S.A.
- Master's Degree in Business Management and Administration from Carnegie Mellon University.

Carlos Torres Vila

Time of service on the Board: 3 years

- Chairman of Banco Bilbao Vizcaya Argentaria, S.A.
- CEO of BBVA, S.A., until September 26, 2018.
- Master's Degree in Business Administration from the MIT.

Vicente María Rodero Rodero

Length of service on the Board: 7 years

- Independent consultant.
- Qualified Industrial Engineer from the Superior Technical School of Industrial Engineering of Bilbao.

Alberto Bailleres González

Length of service on the Board: 28 years

- Executive Group Chairman and Chairman of the Board of Directors at the BAL Group and its subsidiaries, including, Industrias Peñoles, Grupo Nacional Provincial, GNP Pensiones, Profuturo GNP, Aseguradora Porvenir GNP, Valores Mexicanos, Crédito Afianzador, Grupo Palacio de Hierro and Grupo de Agri-negocios BAL.
- Member of the Board of Directors of BBVA Bancomer, Fomento Económico Mexicano, Cerveza FEMSA and Grupo Televisa.
- Degree in Economics from the ITAM.

Carlos Vicente Salazar Lomelín*

Length of service on the Board: 14 years

- Independent consultant.
- Chairman of the Mexico Business Coordinating Council.
- MBA from the ITESM, post-graduate studies from the IPADE business school and foreign institutions.

Ricardo Guajardo Touché*

Length of service on the Board: 28 years

- Independent consultant.
- Member of the Board of Directors of BBVA Bancomer, ITESM, FEMSA, Grupo Bimbo, Coca Cola FEMSA and Grupo Coppel.
- MBA from the University of California, Berkeley.

Jorge Saenz-Azcunaga Carranza

Length of service on the Board: 3 years

- Country Monitoring at Banco Bilbao Vizcaya Argentaria, S.A.
- Degree in Economic and Business Sciences from the University of Deusto.

Cristina de Parias Halcón

Length of service on the Board: less than 1 year

- Independent consultant.
- BBVA Country Manager for Spain and Portugal.
- MBA from the IE Business School.

*Independent Directors
 Composition at February 28, 2020.

Alternate Directors

Andrés Alejandro Aymes Blanchet*

Length of service on the Board: 19 years

- Independent consultant.
- Founding Partner of Aymes y Asociados.
- MBA from the IPADE business school.

Armando Garza Sada

Length of service on the Board: 1 year

- Chairman of the Alfa Group and Nemak.
- Member of the Board of Directors at the following companies and institutions: Axtel, S.A.B. de C.V.; Fomento Económico Mexicano, S.A.B. de C.V.; Cemex, S.A.B. de C.V.; El Puerto de Liverpool, S.A.B. de C.V.; Grupo Lamosa, S.A.B. de C.V.; Proeza, S.A. de C.V.; and Instituto Tecnológico y de Estudios Superiores de Monterrey.
- MBA from Stanford University.

Juan Asúa Madariaga

Length of service on the Board: less than a year

- Global Head of Corporate & Investment Banking BBVA.
- Deputy to the Chairman of Banco Bilbao Vizcaya Argentaria, S.A.
- MBA from the IESE Business School.

Fernando Gerardo Chico Pardo

Length of service on the Board: 10 years

- Member of the Board and shareholder of CARRIX.
- Member of the United Nations Pension Investment Committee.
- Chairman of PROMECAP.
- MBA from the Northwestern University in Chicago.

Eduardo Javier Garza Fernández

Length of service on the Board: 1 year

- Chairman of the Board of Directors of the Frisa Group.
- Civil Engineer at the Monterrey Institute of Technology and Higher Education.

Alejandro Ramírez Magaña

Length of service on the Board: 6 years

- Managing Director of Cinépolis.
- Director of the Cinépolis Foundation.
- Master's Degrees in Business, in Economic Development and in Business Administration from Harvard and Oxford.

Arturo Manuel Fernández Pérez*

Length of service on the Board: 25 years

- Rector of Instituto Tecnológico Autónomo de México (ITAM).
- PhD in Economics from the University of Chicago.

José Francisco Gil Díaz*

Length of service on the Board: 9 years

- Independent director at BBVA Bancomer and the Mexican Stock Exchange.
- Chairman of the Avanzia Group.
- PhD in Economics from Chicago University.

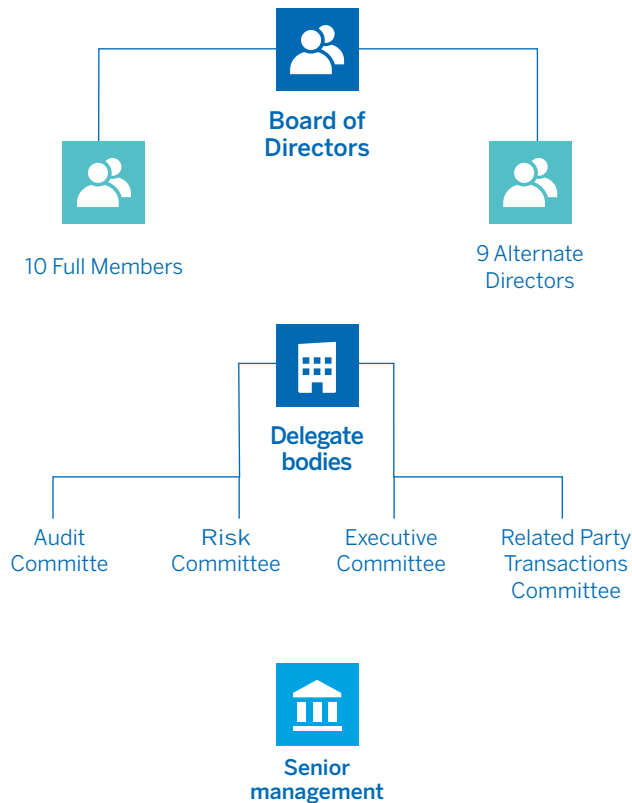
Enrique de Jesús Zambrano Benítez

Length of service on the Board: less than a year

- Director of Grupo Proeza and its subsidiaries.
- Director of Alpek and ITESM.
- Member of the Regional Advisory Council for the Bank of Mexico and chair of the Bancomex Regional Advisory Forum.
- Chair of COMCE Mexico-Japan Business Committee.
- MBA from Stanford University.

*Independent Directors
Composition at February 28, 2020.

Corporate governance structure at BBVA Bancomer, S.A.



Board meetings

The Board meets at least once a quarter and also whenever convened by the Chairman or by the Secretary or Deputy Secretary, or by at least one quarter of Board members, or by one of the institution's examiners. For a meeting to be legally convened, at least 51% of Board members must be in attendance, one of whom must be independent.

The meetings in 2019 were held on the following dates:



Remuneration

For their attendance to each meeting of the Board of Directors of BBVA Bancomer, S.A., the Company's directors receive the amount obtained by multiplying the price of two \$50 pesos gold bullion coin (called "Centenario") by 1.53846, applicable to Mexican residents or, where applicable, by 1.33333 for residents abroad, as remuneration for the performance of their duties.

Senior management corporate responsibility and reputation monitoring sessions.

The CEO is directly involved in assessing and monitoring progress and strategies under the corporate responsibility initiatives and reputation activities in place both within and outside the institution. These assessments conducted by senior management and the Chairman's Office help Grupo Financiero BBVA Bancomer to identify and manage any economic, environmental and social risks that may emerge.

The consultation of stakeholders on economic, environmental and social issues is delegated through stakeholder identification actions and the materiality analysis prepared by the Corporate Responsibility and Reputation division.

Regional Boards

Since their inception, the Regional Boards have been one of the main pillars underpinning the development of the BBVA Mexico Group. This is because they comprise businessmen of strong moral fiber and with leadership qualities in each region, who are charged with actively promoting the Bank's interests over time.

535 regional board members in total.

One of the main purposes of the Regional Boards is to serve as forums for:

- Feedback on banking activity and service levels.
- Business referencng.
- Providing a link for BBVA Mexico Group officials with the community and local authorities.
- Feedback on local business culture.
- Providing a link to and actively working with BBVA Foundation.

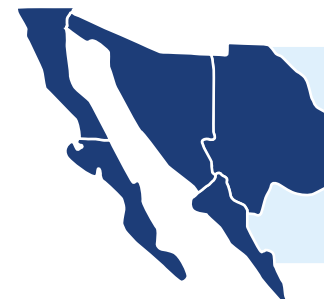
Likewise, each board is structured as follows:

- They comprise a minimum of 10 members, depending on the size of the region. The Secretary or Coordinator of the Board is the BBVA Mexico official designated to coordinate the Board for each region.
- The Honorary title applies only to Chairmen and Deputy Chairmen.



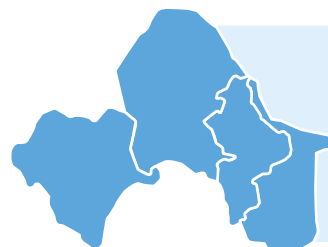
Metropolitan area

Toluca
Metropolitana



North-west

Baja California
Chihuahua
Ciudad Juárez
Sinaloa
Sonora



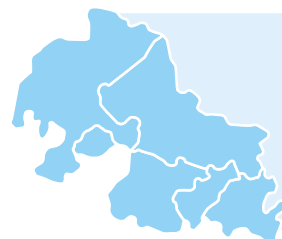
North-east

Tamaulipas
La Laguna
Nuevo León



South

Morelos
Puebla
Guerrero
Oaxaca
Veracruz



Bajío

Guanajuato
Aguascalientes
San Luis Potosí
Querétaro
Hidalgo



West

Colima
Jalisco
Michoacán
Nayarit



South-east

Chiapas
Peninsular
Quintana Roo
Tabasco

Calendar of regional board members - 2019

- Meetings of Chairmen: January 31, May 8 and September 11.
- National Meeting: June 10 and 11.
- Multi-regional Meeting: November 21-23.
- First Local Meetings: February and March.
- Second Local Meetings: September and October.
- Divisional Meetings: May and June.

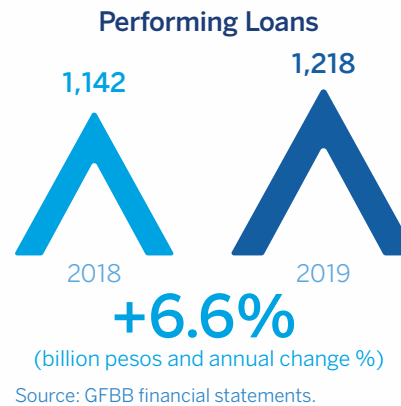
Economic Impact

Analysis and Discussion of Results

Commercial Activity Evolution

At the end of December 2019, performing loans amounted to MXN 1,218.088 billion, an annual growth of 6.6%. This positive development has not only allowed BBVA Mexico to continue positioned as a market leader with a share of 23% at the end of December 2019 (according to public information released by the National Banking and Securities Commission [CNBV]), but also by being the bank with the largest increase in its loan portfolio balance over the past twelve months.

MXN 1,218.088 billion in performing loans, **up by 6.6%** compared to 2018.

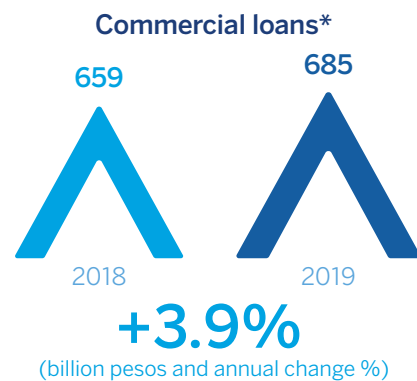


The 2019 results allowed **BBVA Mexico** to consolidate its position as a **market leader**, with a **23% share** at year-end.

GRI 103-1, 103-2, 103-3 and 201-1

BBVA Mexico is the bank that has seen the largest increase in its loan portfolio balance over the past twelve months, according to information published by the CNBV.

Commercial loans were up 3.9% in the year to MXN 684.509 billion. Within this portfolio, the greatest level of dynamism can be seen in government loans, rising 11.3% compared to 12M18. In turn, business activity (which includes corporate, medium-sized enterprises, developers and SMEs) grew by 1.8% over the past twelve months.



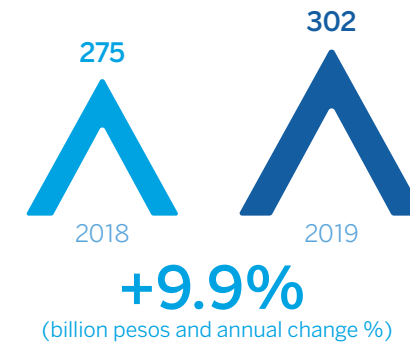
* Includes bridge loans.
Source: GFBB financial statements.

The consumer and credit card portfolio reported exceptional performance, growing by 9.9% during the year to reach MXN 302.366 billion. The largest growth in this portfolio came from consumer portfolio, which includes payroll, personal and car loans, and which grew 12.9% compared to the previous year, ending the year with a balance of MXN 189.722 billion. The positive trend of payroll and personal loans has been mainly supported by granting pre-approved loans to our existing customer base, which not only makes it possible to continue increasing volumes but also to grow with stable quality in these portfolios. The credit cards portfolio, meanwhile, improved at the end of December 2019, reaching MXN 112.643 billion, 5.2% up year-on-year.

The total consumer and credit card balance totaled MXN 302.366 billion, up by 9.9% year-on-year.

Mortgages were up 10.9% at the close of December 2019 to MXN 231.213 billion. BBVA Mexico is still the leading bank in mortgage loans; according to the CNBV it grants one out of every four new mortgages in the private sector.

Consumer Loans + Credit Cards



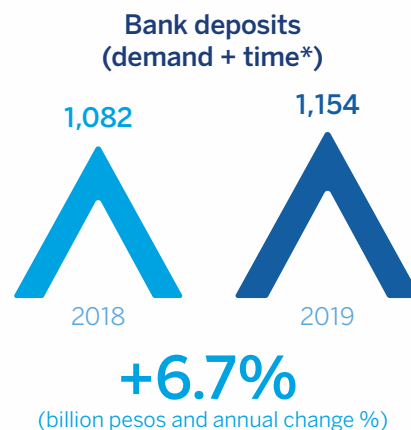
Source: GFBB financial statements.

10.9% growth in mortgage loans, totaling MXN 231.213 billion.

On December 2019, bank deposits (demand and time) rose by 6.7% during the year. If we include bonds and the global deposits account without movements, traditional deposits climbed to MXN 1,262.023 billion, an annual increase of 5.5%. Demand deposits were up 6.7% in the year to close December 2019 at MXN 922.792 billion. Meanwhile, public time deposits reported a 6.4% growth compared to December 2018. This maintained a profitable funding mix, with a greater relative weight of demand deposits.

6.7% growth
in bank deposits (demand
and time) at the end of 2019.

5.5% increase
in traditional deposits,
to MXN 1,262.023 billion.



* Public time.
Source: GFBB financial statements.

Assets managed in mutual funds stood at MXN 466.673 billion at the end of December 2019, up 16.6% in the year. Thus, BBVA Bancomer Gestión, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, BBVA Bancomer financial group has achieved a position as one of the largest mutual fund managers operating in the market, with a market share of 21% according to information released by the Mexican Association of Stock Market Intermediaries (AMIB) on December 2019. As such, total deposits amounted to MXN 1.7 trillion, equivalent to annual growth of 8.3%.

MXN 466.673
billion in assets managed
in mutual funds, an increase
of 16.6% year-on-year.





Earnings

When analyzing the components of net interest income, income coming from banking operations had an annual growth of 3.3%, driven mainly by the volume of lending activity. When adding financial income from net repos and income from premiums and net reserves, the annual growth of the financial margin was 3.4%.

This performance allows GFBB to maintain high profitability indicators, with a net interest margin (NIM) of 5.9% at December 2019, while NIM adjusted for credit risk stood at 4.7%.

3.4% increase
in net interest income
at the end of 2019.

Commissions experienced an increase of 2.2% compared to December 2018. This reflects a constant improvement in customer experience when using digital channels, as no fees are charged for basic financial transactions.

Credit and debit card fees have experienced an annual growth, because of higher customer transactions involving these type of products.

Net interest income



+3.4%

(billion pesos and annual change %)

Source: GFBB financial statements.

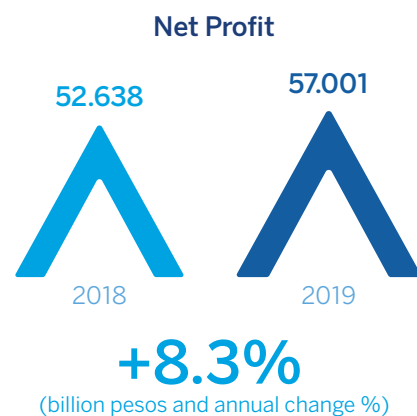
Net trading income experienced an increase of 120%, mainly driven by capital gains recognized in the purchase and sale of securities and derivative financial instruments.

In 2019, other income of MXN 1.143 billion was recognized, comparing unfavorably against income in 2018 (-22.6%), explained by the sale of real estate that occurred in that year.

Expenses grew by 5.2% as a result of an increase in administration and operating expenses. It should be noted that BBVA Mexico has a clear focus on the continuous improvement of customer service and experience. In this connection, at the end of December 2019, efforts continued to strengthen the branch and digital banking infrastructure, with 1,860 branches and 13,170 ATMs, in addition to the wide range of digital applications and services that serve the customer base.

The adequate control and management of expenses 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 profit was MXN 57.001 billion in 2019, up 8.3% (MXN 4.363 billion).



Source: GFBB financial statements.

MXN 57.001
billion in net income,
up by 8.3% year-on-year.

Ratios (%)	GFBB	Market*
Return on equity (ROE)	25.0	16.2
Net Interest Margin (NIM)	5.9	5.0
Cost-to-income ratio	36.3	48.4
NPL Ratio	2.2	2.1

* Market made up of 5 Groups at December 2019 (Citibanamex, Santander, Banorte, HSBC and Scotiabank).
Source: Financial Groups Quarterly Report.

Key information

Millions of pesos

General Indicators of multiple banking in Mexico

	Dec 2017	Dec 2018	Dec 2019
Total multiple banking institutions	48	50	51
Branches	12,744	12,792	12,860
Employees	240,667	253,845	264,073
Total banking assets (million pesos)	9,061,660	9,567,234	10,057,556
Constant GDP (million pesos)	18,770,647	19,037,446	18,348,246
% of GDP	48.3%	50.3%	54.8%
Aggregate gross banking loan portfolio (million pesos)	4,783,965	5,185,153	5,396,909
% of GDP	25.5%	27.2%	29.4%
Traditional deposits (million pesos)	5,005,013	5,367,277	5,599,113

Source: CNBV, Bank of Mexico.
Millions of pesos

Importance of BBVA Bancomer Financial Group to the Mexican economy

	Dec 2017	Dec 2018	Dec 2019
Total assets (million pesos)	2,168,837	2,267,466	2,363,030
Share of total assets	23.9%	23.7%	23.5%
Traditional deposits (million pesos)	1,158,700	1,195,889	1,262,023
Traditional deposits / Total assets	53.4%	52.7%	53.4%

Traditional deposits: demand, term, credit instruments issued and global non-movement deposits account.
Information prepared using figures from financial groups.
Millions of pesos

Breakdown of Economic Value Added (EVA) by stakeholder

	Dec 2017	Dec 2018	Dec 2019
Personnel expenses	22,080	24,009	24,868
Interest expenses	54,361	65,346	71,667
Administration and operating expenses	16,078	16,100	17,202
Taxes	16,568	20,243	21,058
Contribution to the community: funds allocated	109,087	125,698	134,795

Figures in millions of pesos

Economic value generated and distributed

	Dec 2017	Dec 2018	Dec 2019
Economic value generated	153,903	166,814	178,616
Net interest income	122,627	132,536	136,994
Net fees and commissions	24,826	26,727	27,316
Other ordinary revenue	6,450	7,551	14,306
Economic value distributed (EVD)	104,883	108,828	117,306
Dividend	34,586	31,922	36,846
General administrative expenses	31,649	32,654	34,534
Taxes	16,568	20,243	21,058
Personnel expenses	22,080	24,009	24,868
Economic Value Retained	49,020	57,986	61,310
Loan loss provisions	33,207	32,310	35,716
Reserves	15,813	25,676	25,594

Source: BBVA Bancomer financial group.
Figures in millions of pesos



Stakeholders and materiality analysis

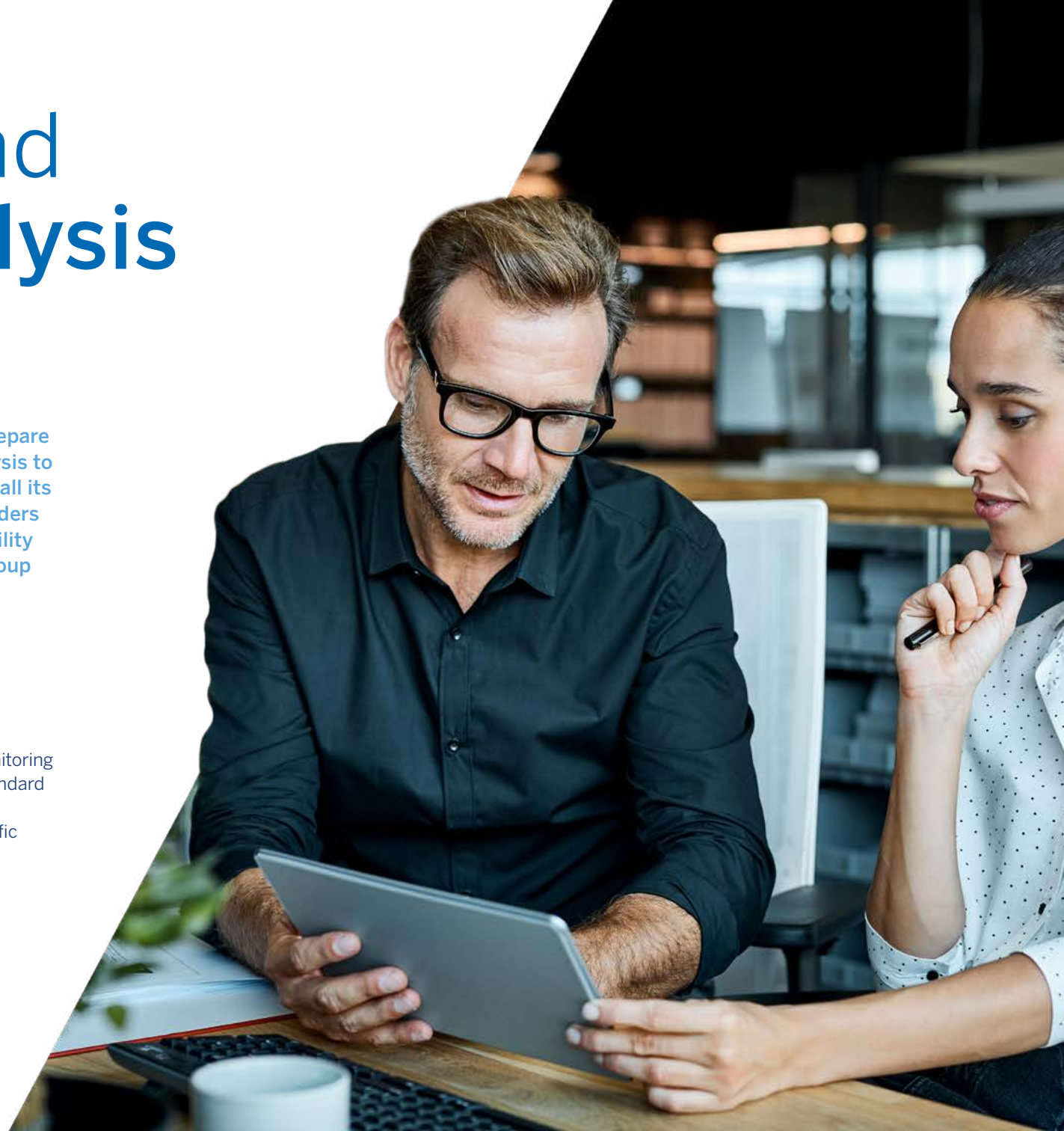
Using the methodology employed by the BBVA Mexico Group to prepare its Annual Reports, since 2009 it has developed a materiality analysis to identify the relevant economic, environmental and social issues of all its stakeholders to report its results. The connection with its stakeholders is a fundamental pillar within the Institution's corporate responsibility strategy, as its actions impact the capacity of the BBVA Mexico Group to successfully carry out its strategies and achieve its objectives.

Stakeholders







To identify its stakeholders, the BBVA Mexico Group performs analyses and monitoring based on the criteria established by the AA1000 Stakeholder Engagement Standard Guide.³ The Corporate Responsibility and Reputation division is committed to generating this connection through the following channels of dialogue specific to each stakeholder:

³ See Glossary.

GRI 102-21, 102-29, 102-31, 102-40, 102-42, 102-43, 102-44 and 102-47



Stakeholders and channels of dialog

Stakeholder	Dialog channel	Area responsible	Frequency
 Shareholders	<ul style="list-style-type: none"> ■ Annual General Meeting ■ Annual report ■ Quarterly Financial Information 	<ul style="list-style-type: none"> • Investor information 	<div style="background-color: #0056b3; color: white; padding: 2px; text-align: center;">Daily</div> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">Monthly</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">Quarterly</div> <div style="background-color: #1abc9c; color: white; padding: 2px; text-align: center;">Annual</div> <div style="background-color: #f1c40f; color: white; padding: 2px; text-align: center;">Every two years</div> <div style="background-color: #6b344a; color: white; padding: 2px; text-align: center;">Periodic</div>
 Clients	<ul style="list-style-type: none"> ■ Branches ■ Línea BBVA https://www.bbva.mx/personas/servicios-digitales/linea-bbva.html ■ Website (https://www.bbva.mx/) ■ Press channels (newspapers, magazines, flyers, direct mails, TV and radio, and others) ■ Satisfaction survey ■ Social media ■ Opinion studies 	<ul style="list-style-type: none"> • Wholesale and Investment Banking • Business Development • Retail Network 	
 Partners	<ul style="list-style-type: none"> ■ We are BBVA ■ Email (employee whistle-blower channel) ■ Work Climate Survey ■ Internal reputation study 	<ul style="list-style-type: none"> • Talent & Culture • Corporate Responsibility and Reputation 	
 Suppliers	<ul style="list-style-type: none"> ■ Adquira website (www.suppliers.bbva.com) ■ Complaints and suggestions mailbox (https://bbva-suppliers.appspot.com/presencia-bbva/) ■ Email ■ Satisfaction survey 	<ul style="list-style-type: none"> • Purchasing 	
 Regulators	<ul style="list-style-type: none"> ■ Committees ■ TD Support ■ Meetings ■ Messages 	<ul style="list-style-type: none"> • Talent & Culture • Corporate Responsibility and Reputation • Risks • Compliance 	
 Company	<ul style="list-style-type: none"> ■ BBVA Foundation website www.fundacionbbva.mx/ ■ Social media ■ Opinion studies 	<ul style="list-style-type: none"> • BBVA Foundation • Quality • Corporate Responsibility and Reputation 	<p>For further information on the stakeholder selection process, please see Bancomer's Annual Report for 2009 and the 2010 Annual Report</p>

Materiality

In 2017, the BBVA Mexico Group updated its methodology for the identification of relevant issues; since then, it has worked with the aim of accurately reporting the most important topics for its stakeholders.

Methodology



New methodology implemented and stakeholders identified to determine relevant topics were: employees, clients and the sector, based on public studies by recognized institutions and internal studies of the BBVA Mexico Group. The process identified 15 relevant topics.

IA17: <https://www.bbva.mx/personas/negocio-responsable.html>



- The update of materiality followed this methodology:
- a. Validation and review of relevant topics reported in 2018.
 - b. Analysis and update of internal studies used previously with the latest results.
 - c. Analysis of studies focusing on the relevant topics of the sector by institutions such as the World Economic Forum, Carbon Disclosure Project (CDP), SAM, among others.
 - d. Analysis the information compiled and integration of it within the materiality tool for updating.
 - e. Update, validate and review the material topics obtained for the 2019 Annual Report.

2017

2018

2019



Liaisons with suppliers and opinion leaders to identify relevant topics from both stakeholder groups; the results were added to the tool along with the Responsible Banking strategy and the materiality developed by the BBVA Group for the BBVA Mexico Group. The 12 previously identified relevant topics were updated.

IA18: https://accionistaseinversores.bbva.com/wp-content/uploads/2019/05/BBVA_BANCOMER-IA2018_17042019-VF.pdf

Top 15 relevant issues

BBVA 2019 relevant issues	GRI standard content
 Quality of customer care/service	N/A
 Corporate Governance	GRI 102-18 to 102-39
 Risk management	GRI 102-18, 102-29 and 102-30
 Communication and commercialization practices (including transparency)	GRI 417
 Job quality	GRI 401
 Social and environmentally responsible finance	FS7, FS8 and FS11
 Environmental footprint	GRI 301, 302, 303, 305, 306 and 307
 Products with good value for money	N/A
 Contribution to the development of local communities	GRI 413
 Financial solvency and management	N/A
 Customer security, privacy and protection	GRI 418
 Compliance system	GRI 205
 Diversity	GRI 405
 Talent attraction, development and retention	GRI 404
 Digital transformation	N/A



Global Compact and Sustainable Development Goals

Faced with rising temperatures on our planet, the scarcity of resources, social problems and the growing quest for a sustainable future for everybody, BBVA Mexico Group has been unwavering in its commitment having joined the United Nations Global Compact since 2004.

In 2018, the BBVA Group announced its climate change and sustainable development strategy with a view to contributing to the SDGs and the Paris Agreement. This

strategy focuses on the mobilization of capital aimed at curbing climate change and contributing to the specific goals of the SDGs. To mitigate and eradicate the different problems identified as part of each Sustainable Development Goal (SDG) and based on the 2019 materiality study, the BBVA Mexico Group has identified the most important SDGs for the institution along with its level of contribution to achieving these goals. The percentages shown below correspond to the contribution

made by BBVA Mexico Group to the specific goals for the implementation of each SDG:

The Sustainable Development Goals were established to address the universal challenges facing humanity, to protect the environment and to overcome social and economic problems. The SDGs comprise 17 goals and 169 specific targets to be met before the end of the 2030 agenda.

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

