

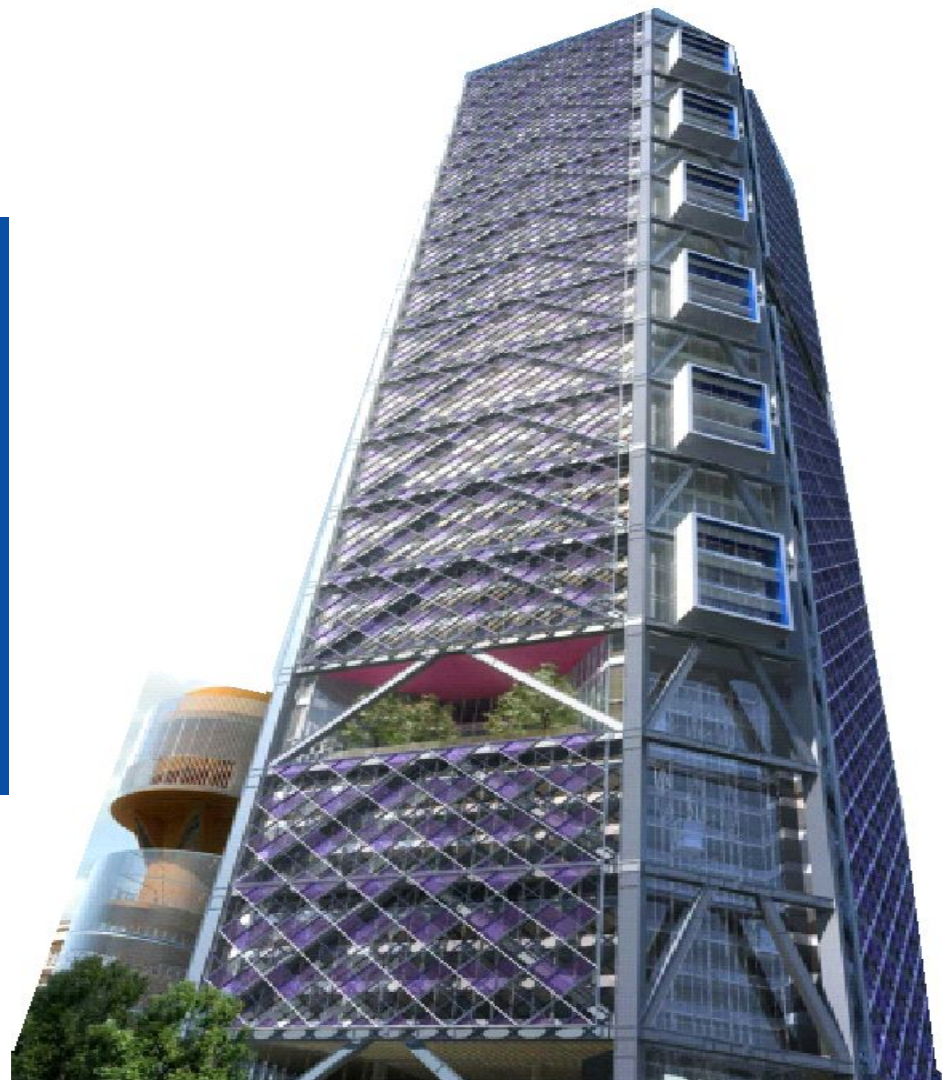


BBVA Bancomer Leading franchise

Javier Malagon
Chief Financial Officer

Barclays Global Financial Services Conference

New York, September 14th 2016



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Exchange rate used for end-of-period balances (commercial activity) is 20.6347 pesos per euros, and for average balances (income statement) is 20.1694 ppe.

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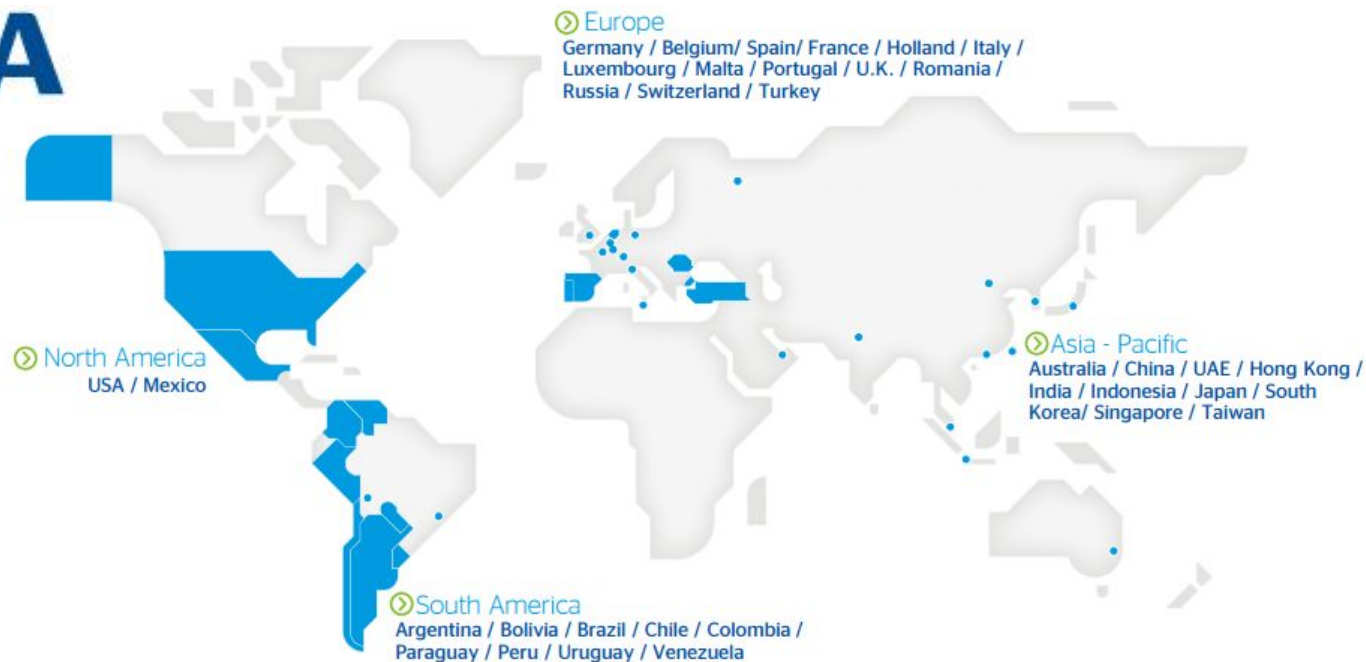
- 1. BBVA Group**
- 2. BBVA Bancomer: Strategy and activity**
- 3. BBVA Bancomer: Financial Results**
- 4. Conclusions**

1

BBVA Group

BBVA Bancomer is part of a global financial Group

BBVA



€ 746

billion in total Assets

67

million Customers

35

Countries

9,153

Branches

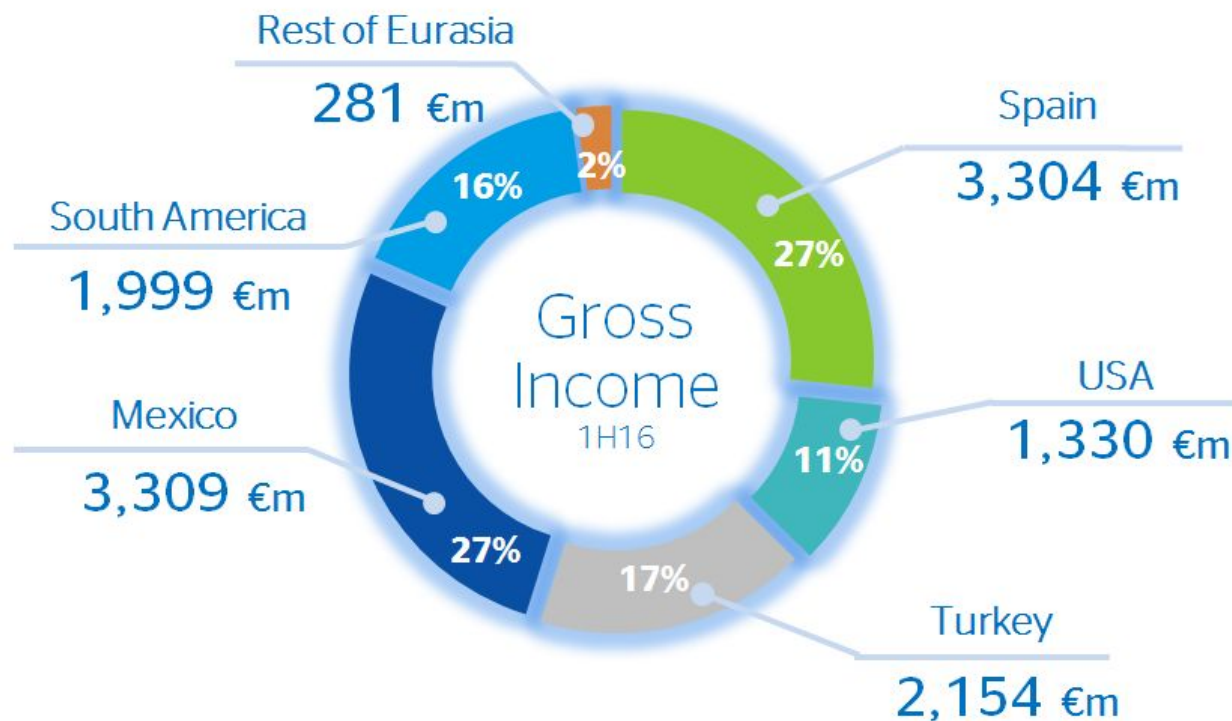
30,958

ATMs

137,310

employees

Gross income breakdown

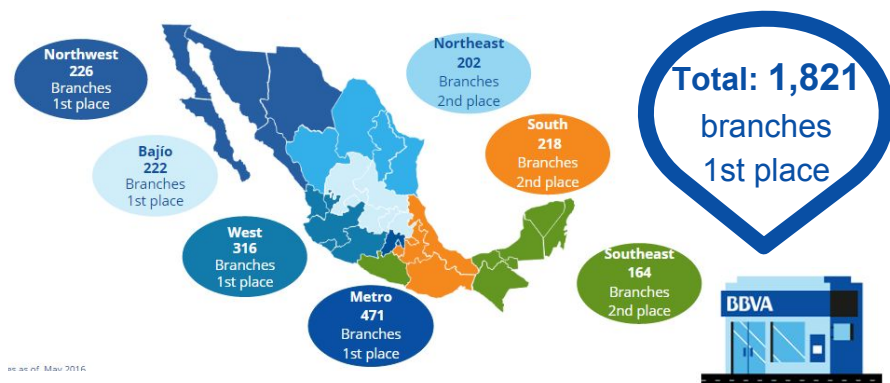


2

BBVA Bancomer: Strategy and activity

BBVA Bancomer is the leader franchise in Mexico

BBVA Bancomer has **presence** throughout Mexico



Largest banking infrastructure:

Branches	1,821	Correspondents	30,387
ATMs	11,133	POS Terminals	177,145

Information from CNBV with local accounting standards

Loans (Mkt Shr as of Jun 2016, %)



Deposits (Mkt Shr as of Jun 2016, %)



Net Income (Mkt Shr as of Jun 2016, %)

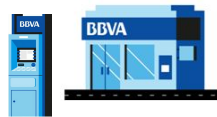


With a constant transformation to keep improving the service and the business performance

Investment 2013-2016: USD 3.5 bn

Branches

1,666 remodeled branches, with the most modern ATMs



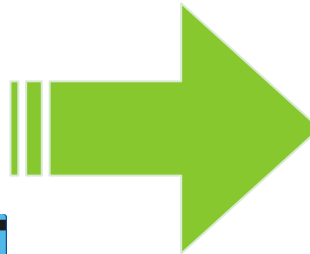
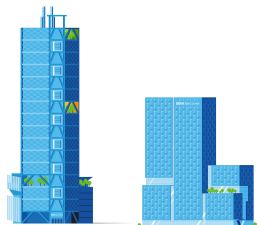
Technology

New apps
Robust operative and informational platforms



Corporate buildings

Sustainable LEED Certificate buildings

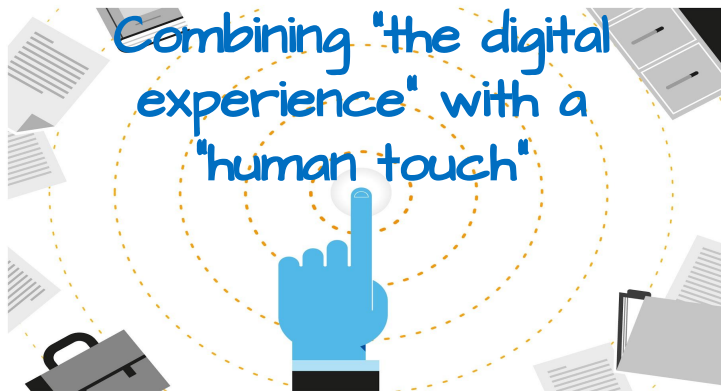


NPS

(Net Promoting Score)

- * Excellence in customer service
- * Franchise model in the branches
- * Specialized executives

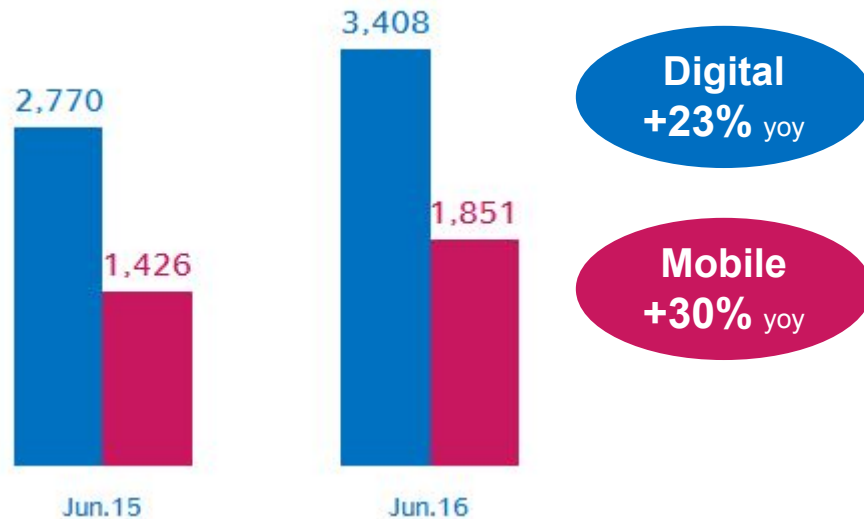
Being the reference in Mexico of digital banking with a business model focused in the customer



Adapting our strategy to the real needs of our customers

Digital and Mobile Customers

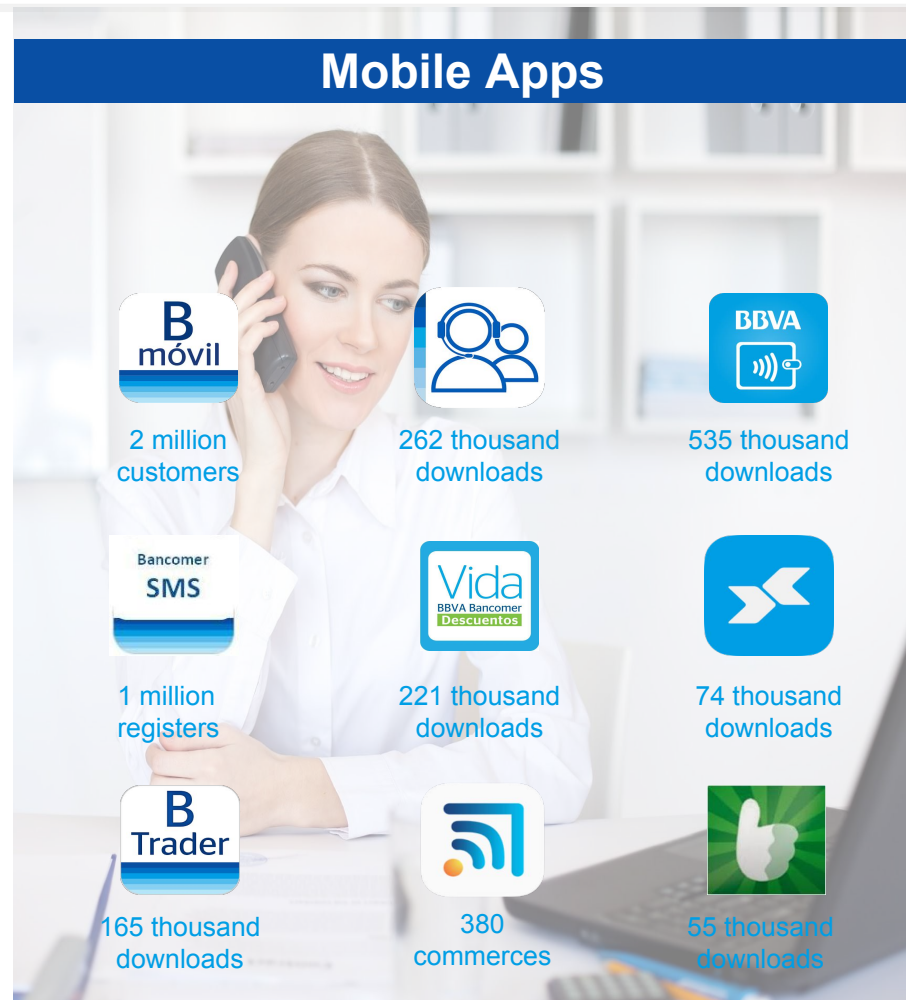
(Data in thousands)



In BBVA Bancomer we have designed easy-to-access products and services

Some of the benefits of the digital banking are:

- Improve **customer service** → Leaders in customer satisfaction
- **Customized products** to each segment
- **Extended banking service hours** thanks to mobile banking apps (capillarity 24/7)
- **Responsive apps** that offer a simple and efficient user interface



Our goal is to create a higher value for the customers



Payroll attraction **double** from **11 to 22** thousand per month.



79% of total payroll portability, meaning that **8 out of 10 employees** choose *Nómina Bancomer* (BBVA Bancomer payroll).



BBVA Bancomer leads the payroll market with a **34%** of market share (in number of contracts).

As a result of this strategy, we maintain a positive financial performance

Performing Loans

(End of period in billion euros and annual growth in %)



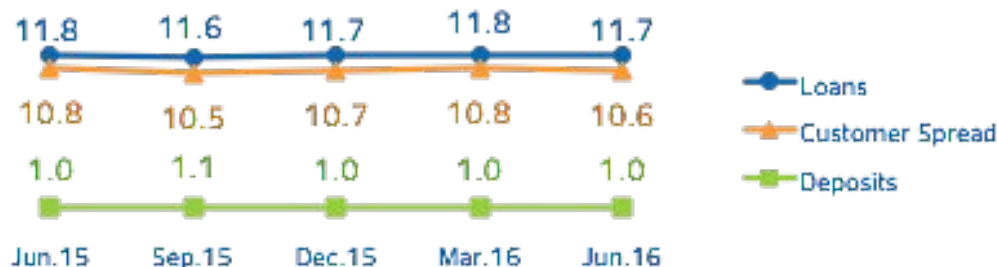
Bank Deposits

(End of period in billion euros and annual growth in %)



Rates & Customer Spread

(%)





Retail lending

Wholesale lending

Asset quality

Deposits

Retail growth driven by consumer lending and SMEs

Using digital channels to boost the segment



+13% annual growth in retail portfolio

SME loans: **+27%** yoy

- Specialized products, services and executives
- Support and advisory blog called "YoSoyPyme"

Consumer loans: **+22%** yoy

- 80% pre-approved loans
- 34% of consumer loans granted through digital channels

New mortgage loans:
+19% yoy

Billing with credit card:
+17% yoy

Retail lending

Wholesale lending

Asset quality

Deposits

Higher dynamism of the wholesale portfolio

Almost all segments increasing at double digit



+17% annual growth in wholesale portfolio

BBVA Bancomer has developed **digital solutions** to cater these segments.

We also have digital products such as:

- ✓ Net Cash (Cash management)
- ✓ BTrader
- ✓ Ecommerce



Retail lending

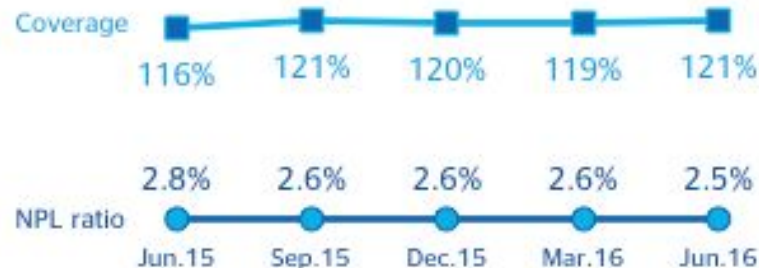
Wholesale lending

Asset quality

Deposits

Continue improvement in asset quality indicators

NPL & Coverage Ratio (%)



Cost of Risk (%)



Retail lending

Wholesale lending

Asset quality

Deposits

Stable deposit base maintaining a profitable funding mix

High dynamism of low cost deposits



+18% annual growth in banking deposits

Demand deposits: **+21%** yoy (81% of banking deposits)

Time deposits: **+8%** yoy (19% of banking deposits)



BBVA Send

BBVA Send: mobile app to send and receive money immediately using the phone number in the contacts (without the need to have the account number)

3

BBVA Bancomer: Financial Results

Good evolution in NII and Fees & Commissions

Net Interest Income

(million euros)

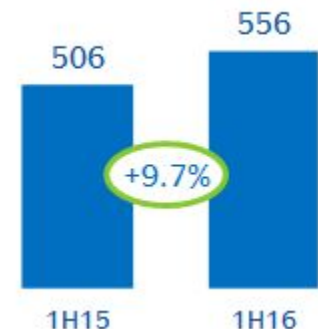
Driven by higher
loan volumes



Fees & Commissions

(million euros)

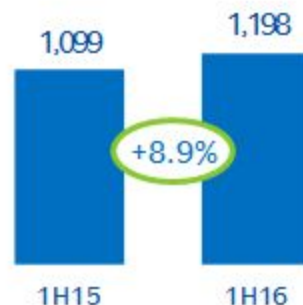
Growth in Credit card fees
(customer transactions) and
Electronic banking
(corporate segment)



Controlled expenses besides the ambitious investment plan

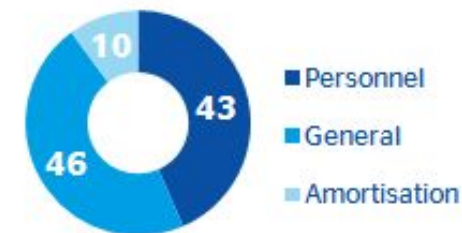
Expenses

(million euros)

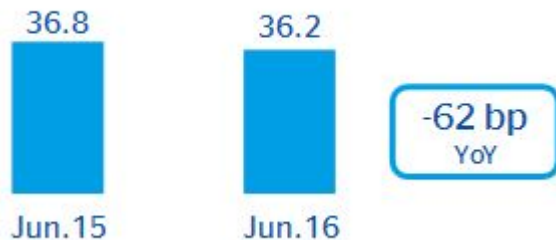


Expenses Mix

(%)



Efficiency Ratio (%)



Expenses breakdown

(end of period in million euros)

	1H16	YoY (% chng)
Personnel	519	6.7%
General	558	6.7%
Amortisation	121	33.7%
Expenses	1,198	8.9%

Solid set of results

BBVA Mexico (million euros)	2Q16	QoQ % change	YoY % change	1H16	YoY % change
Net Interest Income	1,284	0.9%	9.8%	2,556	11.8%
Fees & Commissions	287	6.6%	10.2%	556	9.7%
Trading Income	54	27.7%	12.5%	97	5.6%
Other Income	52	9.0%	24.4%	101	0.8%
Gross Income	1,678	2.8%	10.4%	3,309	10.9%
Expenses	(606)	2.5%	8.7%	(1,198)	8.9%
Operating Income	1,071	2.9%	11.3%	2,112	12.0%
Impairment on financial assets	(410)	8.3%	13.5%	(788)	10.5%
Provisions and other gains	(5)	-72.9%	-76.9%	(24)	76.7%
Income Before Tax	656	2.1%	13.4%	1,300	12.2%
Taxes	(171)	6.3%	20.2%	(331)	16.9%
Net Attributable Profit	486	0.7%	11.2%	968	10.6%

Sound capital and liquidity position

Capital ratio

(%)



Minimum requirement:

12% for Total Capital*

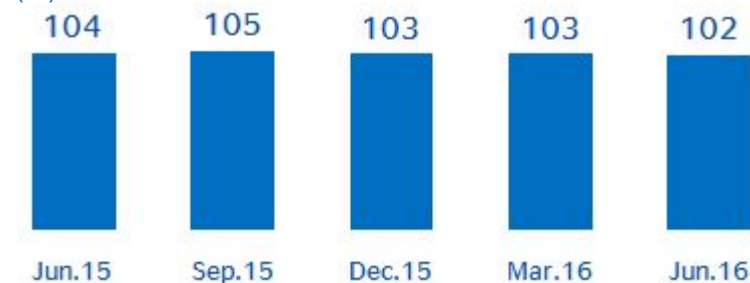
8.5% for Core Capital*

Minimum requirement:

70% as of 2016

Loans / Deposits

(%)



CCL

(Local LCR, %)



* The additional buffer of 1.5% will be phased in by 25% per year.
Figures under local accounting standards with BBVA Bancomer data.

4

Conclusions

BBVA Bancomer is the most profitable bank in Mexico

Local information (local accounting standards - Mexican GAAP)

JUNE 2016 NIM, ROA, ROE and Efficiency in % Net Income in million euros	NIM (total assets)	ROA	ROE	Efficiency	Net Income
Bancomer	5.7	2.1	22.9	39.0	1,021
Peer 1	5.7	1.6	11.4	52.1	510
Peer 2	4.3	1.5	13.0	45.6	451
Peer 3	3.8	1.2	12.5	42.6	359
Peer 4	4.9	1.6	13.2	59.2	147
Peer 5	4.4	0.7	7.8	66.6	102

Source: Quarterly Financial Groups Reports.
 Peers: GF Banamex, GF Banorte, GF HSBC, GF Santander and GF Scotiabank

Net Income double the amount of the second competitor



Ambitious investment plan to boost the business performance supported with a strategic focus in digital banking

Solid and high quality results with controlled expenses

Constant increase in commercial activity with a conservative approach to risk reflected in positive asset quality indicators

High solvency and liquidity levels

Leader franchise in Mexico increasing market share and improving profitability



BBVA Bancomer Leading franchise

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