

An aerial photograph of the BBVA Bancomer building in Mexico City. The building is a modern skyscraper with a distinctive blue and white facade. A large sign on the side of the building reads "BBVA Bancomer". Below the sign, there is a rooftop garden with green grass and some small trees. The building is surrounded by other skyscrapers in the city, and the sky is clear and blue.

**BBVA Bancomer**

# **BBVA Bancomer 1Q18 Results**

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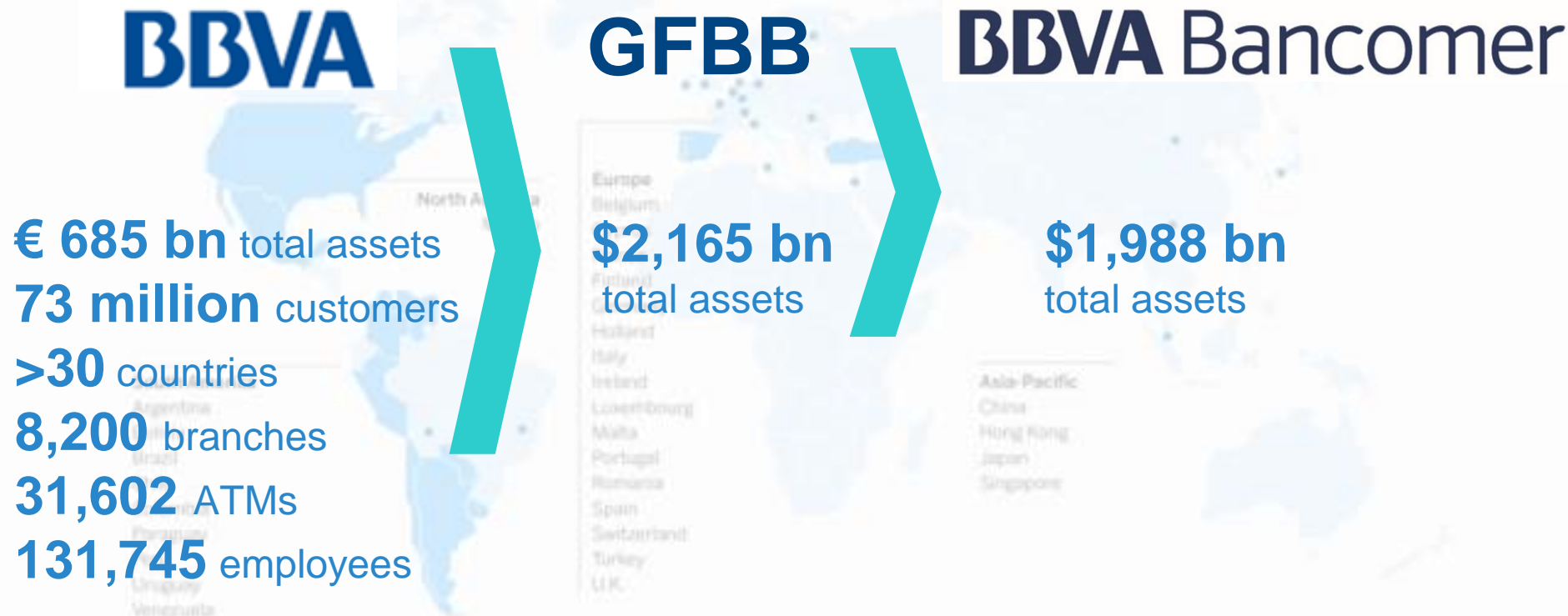
# AGENDA

- 01** About BBVA Bancomer
- 02** Strategy
- 03** Key Takeaways

# 01

## About BBVA Bancomer

## BBVA Bancomer is part of a global financial group...



## ..with more than 80 years of history...



**GFBB**

**BBVA Bancomer**



**Facileasing**

**1932**

Bancomer is founded

**1991**

Creation of Grupo Financiero Bancomer

**2000**

BBVA capitalizes GFB with 1.4 bn USD and Grupo Financiero BBVA Bancomer was born

GFBB acquires **bancapromex**

Afore Bancomer  
Seguros Bancomer  
Bancomer Pension Fund

**2005**

GFBB acquires Hipotecaria Nacional

**2011**

Incorporation of Facileasing Fleet & Equipment

**2013**

Sale of Afore BBVA Bancomer

**2017**

Incorporation of Hipotecaria Nacional and Bancomer USA

..and today is the largest bank in Mexico.




YoY

Performing Loans  5.3%

Capital Index  15.2%

Deposits  8.2%

NPL Ratio  2.1%

Net Income  12.4%

Cost of Risk  3.2%

**19 million** customers



**1,833** branches



**263,838** POS Terminals

**5 million** digital customers

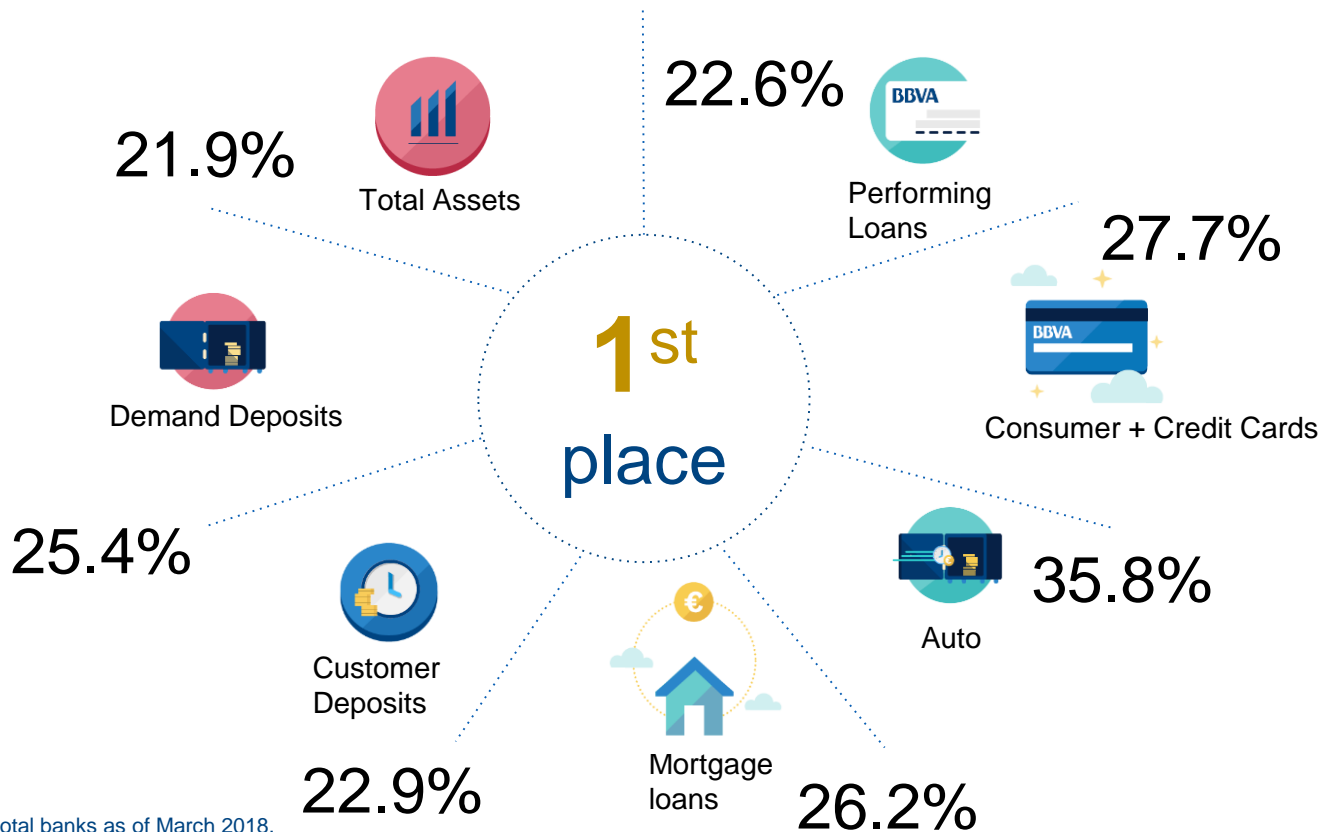


**11,798** ATMs



**34,286** Correspondents

## With a leadership position in the Mexican market<sup>(1)</sup>



Source: CNBV with total banks as of March 2018.

<sup>(1)</sup> Percentage of market share.



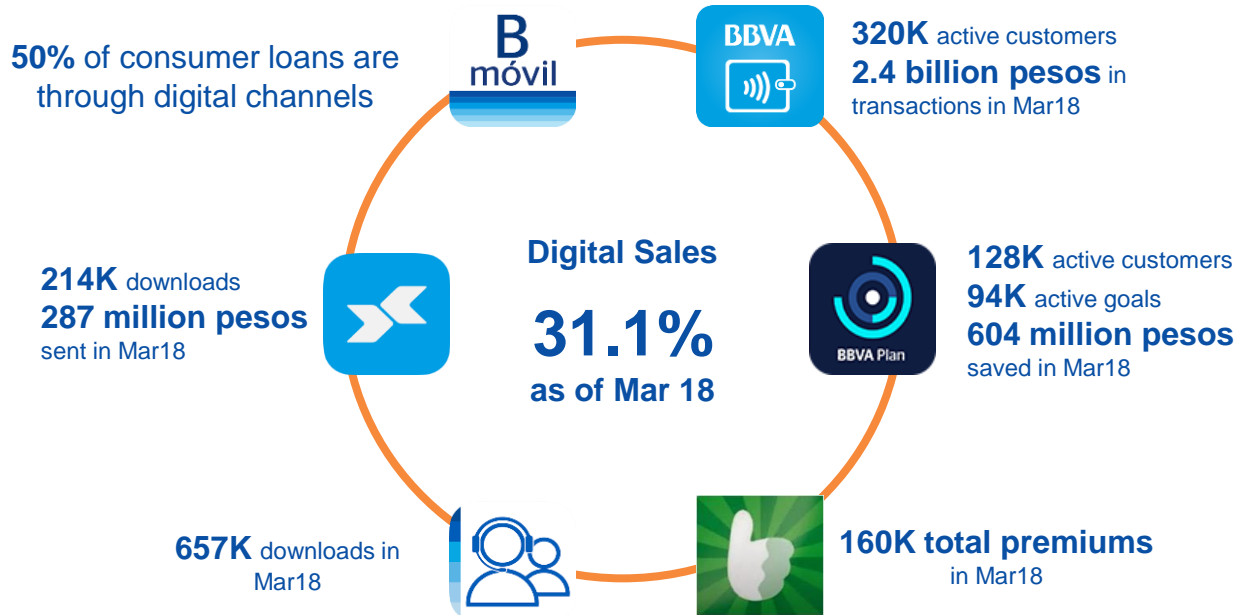
## And also a strong market position in digital products



### Mobile Banking

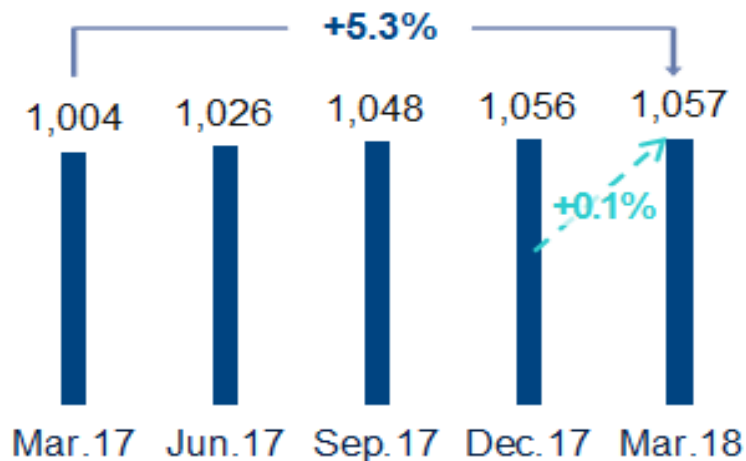
**5 million**  
mobile clients

**Best App**  
in Mobile Banking



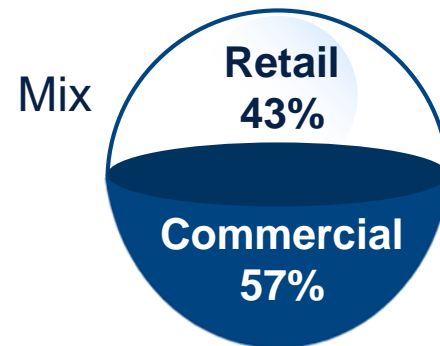
## There's a constant increase in lending activity

### Performing Loans (billion pesos)



Commercial portfolio ↑ 5.1% YoY

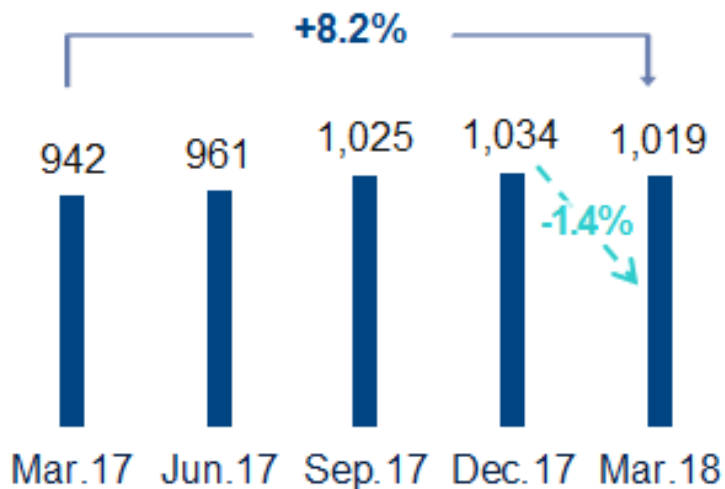
Retail portfolio ↑ 5.5% YoY



## Maintaining a profitable mix of the resources

### Bank Deposits

(end of period in billion pesos, annual growth in %)



Demand deposits



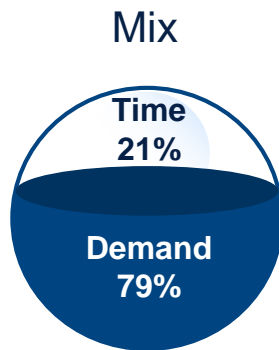
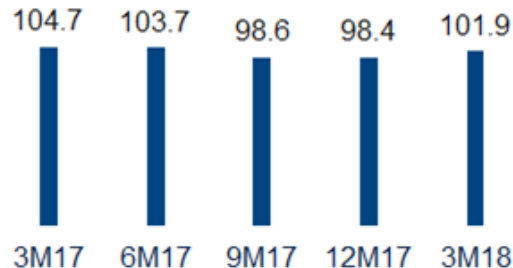
5.2% YoY

Time deposits (Customer deposits)



21.6% YoY

### Loans to Deposits

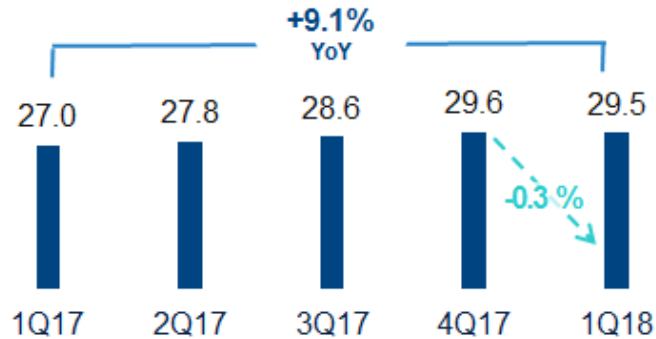


CCL (Local LCR)<sup>1</sup>  
**147.55%**

## In 1Q18 BBVA Bancomer had solid results; NII with a positive trend

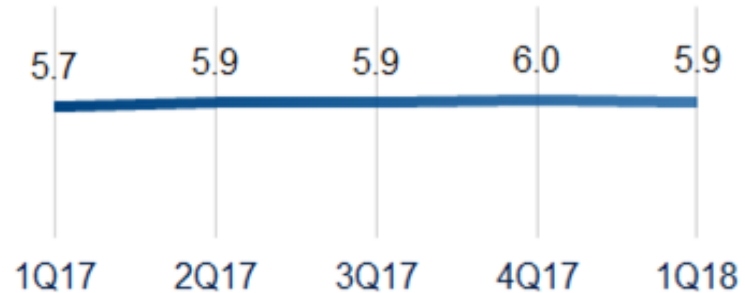
### Net Interest Income

(billion pesos)



### NIM

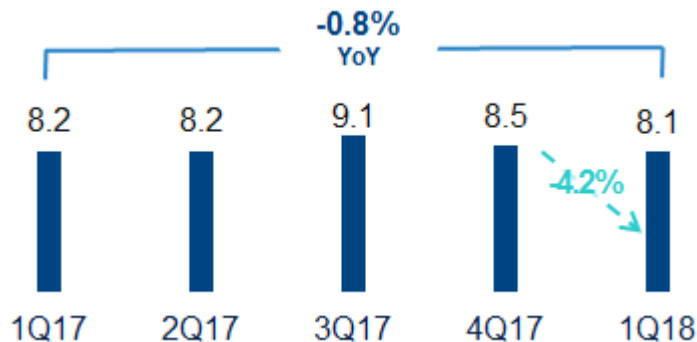
(Total Assets, %)



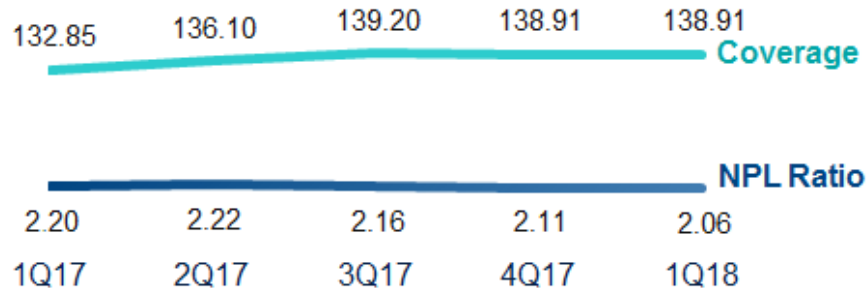
..driven by larger volumes in commercial activity (loans and deposits).

## Maintaining good asset quality indicators

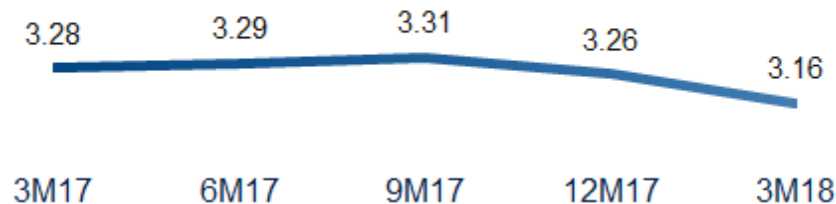
### Provisions (million pesos)



### NPL and Coverage Ratio (%)

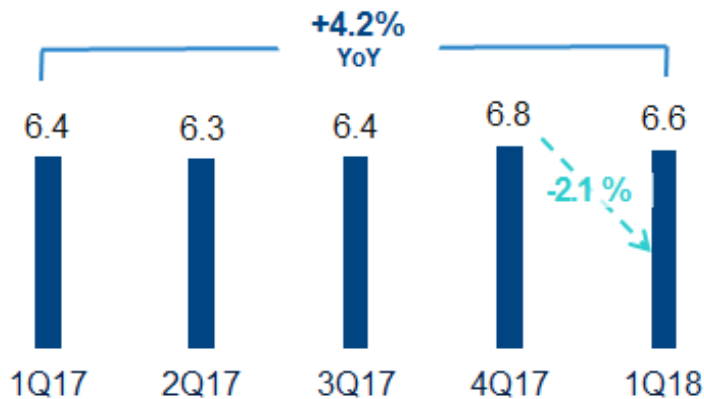


### Cost of Risk (accumulated ratio, %)



## Fees & commissions with good performance

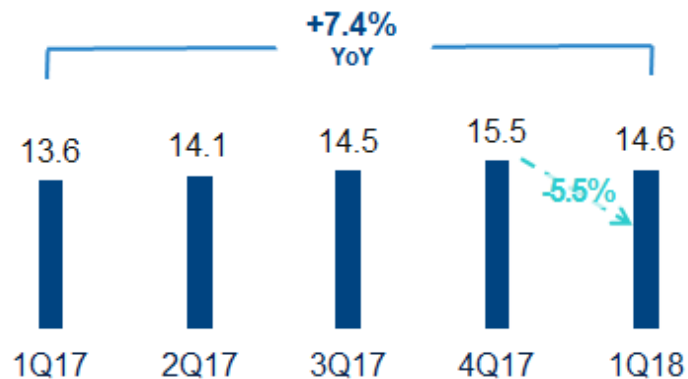
### Fees & Commissions



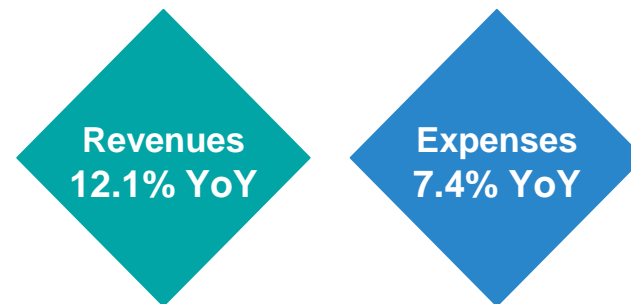
- Higher customer transactions (especially with Credit and debit card)
- Higher dynamism in electronic banking for the corporate and middle-market segments (cash management)

## Expenses grew below revenues and improving efficiency

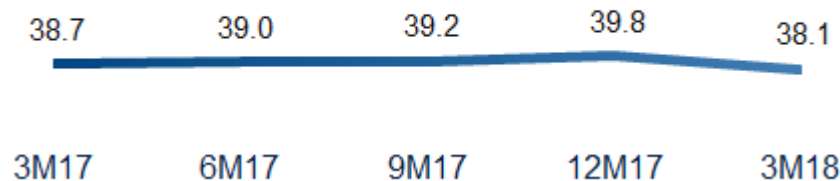
### Expenses (million pesos)



### Positive jaws (3M18, YoY % growth)



### Efficiency Ratio (%)



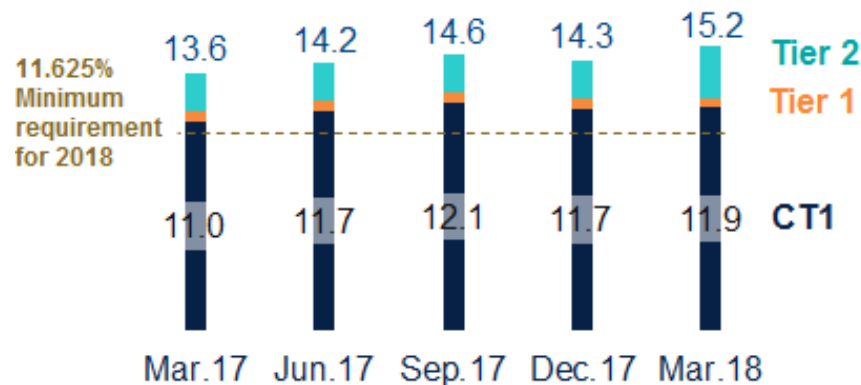
## Solid and resilient results with a complex environment

<b>BBVA Bancomer</b> (million pesos)	<b>1Q17</b>	<b>4Q17</b>	<b>1Q18</b>	<b>Q-o-Q</b> % change	<b>Y-o-Y</b> % change
Net Interest Income	27,026	29,562	29,485	(0.3)	9.1
Provisions for loan losses	(8,213)	(8,502)	(8,144)	(4.2)	(0.8)
Net Interest Income after provisions	18,813	21,060	21,341	1.3	13.4
Fees & Commissions	6,359	6,764	6,623	(2.1)	4.2
Trading Income	1,431	658	1,710	159.9	19.5
Other Income	325	145	513	n.a.	57.8
Expenses	(13,605)	(15,461)	(14,617)	(5.5)	7.4
Operating Income	13,323	13,166	15,569	18.3	16.9
Results of unconsolidated subsidiaries	(4)	8	(24)	n.a.	n.a.
Income Before Tax	13,319	13,174	15,545	18.0	16.7
Taxes	(3,349)	(3,374)	(4,333)	28.4	29.4
<b>Net Profit</b>	<b>9,971</b>	<b>9,800</b>	<b>11,212</b>	<b>14.4</b>	<b>12.4</b>



# Capital well above the minimum requirements

## Capital Index (%)



### Minimum requirement for 2019

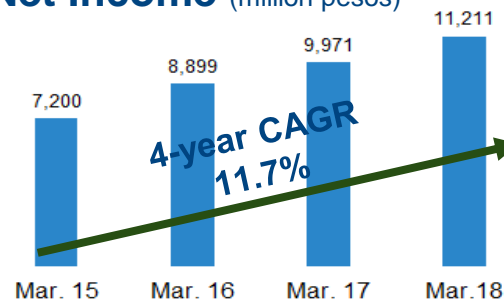
12.0% for Total Capital <sup>1</sup>  
8.5% for Core Capital

## Subordinated Debt

- Change in regulation
- Amount: USD 1,000 M (Tier 2)
- Tender: 15 NC 10
- Coupon rate: 5.13%
- Demand: 4x initial book



## Net Income (million pesos)



**Proven capacity to generate capital**

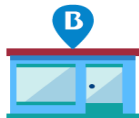
<sup>1</sup> The additional buffer of 1.5% will be phased in by 25% per year.

# 02 Strategy

# The evolution of our transformation plan



Ambitious investment plan  
**USD 3.5 bn**



- Ulises and Customer Experience
- Internal Control
- Digital Banking
- Business Model Transformation



New standard in customer experience



Drive digital sales



New business models



Optimize capital allocation



Unrivaled efficiency



A first class workforce

**2014**

**2015**

**Strategic Priorities**

**2013**

The best is yet to come:  
**Transformation Plan**



Our Purpose:

**“To bring the age of  
opportunity to everyone”**

**2016**

**2017**

Our new tagline:  
**Creating  
Opportunities**

**2018**

Productive Transformation Model:  
**Define a new standard in  
customer experience**

**Revenue streams:**

“Above the Glass”



Customer Experience



Digital Sales



Advisory

**Efficiencies:**

“Below the Glass”



Distribution Model



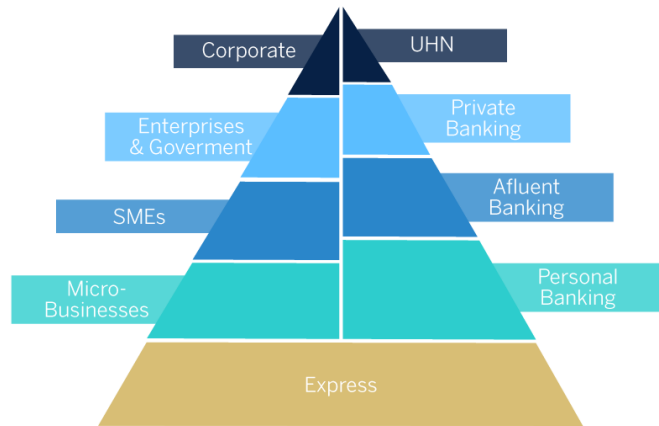
Operations



Technology

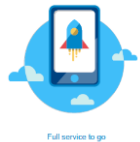


Agile Organization



# To create the best experience for our customers...

## Define a new standard in customer experience



Maximize self-service (*Do It Yourself*)



Automate processes with vision *End-to-End*



Technology as a lever ...



**First Place in  
NPS**



**We aim to be perceived as a  
customer-centric bank**



## ..supported in our corporate values

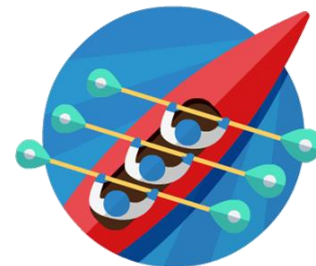
Define our identity and underpin our drive to make our Purpose a reality



**Customer comes first**



**We think big**



**We are one team**



**We are empathetic**



**We are ambitious**



**I am committed**



**We have integrity**



**We break the mold**



**I trust others**



**We meet their needs**



**We amaze our customers**



**I am BBVA**

## BBVA Bancomer was recognized by different institutions in 2017



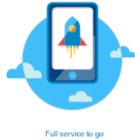
# 03 Key Takeaways



## Key Takeaways

BBVA Bancomer, well positioned in challenging times

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Delivering on our **leading transformation strategy** to support our customers in their life and business.



Leader in **Digital Banking** through advanced technology and interactive platforms with wide range of customized services.



**Sustained growth** in all P&L lines.



Strong **capital position** and sound **asset quality** metrics.

