THESE LISTING PARTICULARS HAVE BEEN PREPARED SOLELY FOR THE PURPOSES OF ADMITTING THE SECURITIES TO THE OFFICIAL LIST AND TRADING ON THE GLOBAL EXCHANGE MARKET OF EURONEXT DUBLIN

LISTING PARTICULARS

dated 8 May 2020 of

BANCO SANTANDER MÉXICO, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER MÉXICO

relating to its

$1,750,000,000 5.375% Senior Notes due 2025

On 17 April 2020 Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México (the "Issuer"), a *sociedad anónima* organized under the laws of Mexico (RFC No. BSM970519DU8), issued its $1,750,000,000 5.375% Senior Note due 2025 (the "Notes").

The Notes were issued pursuant to an indenture entered into on 17 April 2020 (the "Indenture"). The Notes will bear interest from (and including) 17 April 2020 (the "Issue Date") to (but excluding) 17 April 2025 (the "Maturity Date"), at a fixed rate per annum equal to 5.375%, payable semi-annually in arrears on 17 April and 17 October of each year (each an "Interest Payment Date"), commencing on 17 October 2020.

This document supplements, and should be read in conjunction with the Issuer's final Offering Memorandum dated 14 April 2020 (the "Offering Memorandum"), attached hereto as Annex A, provided, however, that any future documents filed with the SEC that are incorporated by reference in the Offering Memorandum will not form a part of the Listing Particulars for purposes of listing on the Irish Stock Exchange plc trading as Euronext Dublin.

Capitalized terms used in this document and not defined herein shall have the meanings ascribed to them in the Offering Memorandum.

Application has been made to the Irish Stock Exchange Plc, trading as Euronext Dublin ("Euronext Dublin") for the approval of this document as Listing Particulars (as defined below). Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and Directive 2014/65/EU ("MiFID II").

This document, together with the Offering Memorandum, dated 14 April 2020 and the documents herein incorporated by reference, constitutes the listing particulars (the "Listing Particulars") in respect of the admission of the Notes to the Official List and to trading on the Global Exchange Market of Euronext Dublin.

The Listing Particulars have been approved by Euronext Dublin.

If the information in the Listing Particulars differs from the information contained in the Offering Memorandum and the documents therein incorporated by reference or any of the documents incorporated by reference herein you should rely on the information in the Listing Particulars .

The Issuer accepts responsibility for the information contained in the Listing Particulars and to the best of the knowledge and belief of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in the Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information included on the Offering Memorandum relating to the Issuer's market position has been sourced from reports prepared by the *Comisión Nacional Bancaria y de Valores* (the "CNBV"). The Issuer accepts responsibility for accurately reproducing the information and as far as the Issuer is aware and is able to ascertain from information published by CNBV, no facts have been omitted which would render such reproduced information inaccurate or misleading"

The offer and sale of the Notes has not been registered under the U.S. Securities Act of 1933, as amended, and the Notes are subject to restrictions on transfer and resale. See "Transfer Restrictions" in the Offering Memorandum.

The Listing Particulars do not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of the Prospectus Regulation. The Listing Particulars have been prepared solely with regard to the Notes that are (i) not to be admitted to listing or trading on any regulated market for the purposes of MiFID II and (ii) not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Regulation). The Listing Particulars have not been approved or reviewed by any regulator, which is a competent authority under the Prospectus Regulation.

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1. SUMMARY

The Notes were issued under the Indenture. The Notes are in the form of one or more global notes registered in the name of the nominee for, and deposited with, The Depository Trust Company (the "Global Securities").

The terms of the Notes are summarized in the Offering Memorandum. Such summary is subject to, and is qualified in its entirety by reference to, all the terms and conditions of the Notes as set out in the Indenture and the Global Securities.

2. INCORPORATION BY REFERENCE

The following documents have been filed with the SEC and Euronext Dublin and are incorporated by reference in the Offering Memorandum and form part of the Listing Particulars:

(a) the Issuer's annual report on Form 20-F for the year ended 31 December 2019, filed with the SEC on 23 March 2020 (File No. 000-55899) (the "2019 Annual Report"), which includes the consolidated financial statements of the Issuer and its subsidiaries (including the consolidated balance sheet as of 31 December 2019 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity, for the year ended 31 December 2019); and

(b) the section titled "*Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations for the Year Ended December 31, 2018 Compared to December 31, 2017*", included in the Issuer's annual report on Form 20-F for the year ended 31 December 2018, which was filed with the SEC on 30 April 2019 (File No. 000-55899). The remaining sections of the Issuer's annual report on Form 20-F for the year ended December 31, 2018 is not incorporated by reference herein.

Any website referred to in the Listing Particulars, including in any document incorporated by reference herein or in the Offering Memorandum, does not form part of the Listing Particulars.

3. DOCUMENTS AVAILABLE FOR INSPECTION

For as long as the securities are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, a copy of the Issuer's bylaws will be available in Spanish at the Issuer's website: https://www.santander.com.mx/ir/estatutos/. An English translation thereof was filed with the SEC on 16 January 2018 on Form 6-K by the Issuer's former parent company, Grupo Financiero Santander Mexico, S.A. de C.V., and incorporated by reference as Exhibit 1.1 to the 2019 Annual Report and is available to the public on the SEC's internet site at http://www.sec.gov.

Documents incorporated by reference in the Offering Memorandum and filed with the SEC, including the 2019 Annual Report, are available to the public on the SEC's internet site at http://www.sec.gov.

4. NO MATERIAL ADVERSE CHANGE

Save as disclosed in the Listing Particulars, there has been no material adverse change in the prospects of the Issuer since 31 December 2019 (the date of the last published audited consolidated financial statements of the Issuer) and there has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 31 December 2019.

5. DESCRIPTION OF THE ISSUER

Introduction

The Issuer was incorporated in Mexico as a *sociedad anónima* on 16 November 1932, under the name Banco Mexicano. The Issuer obtained shareholder approval on 12 September 2012 to change its name to Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, and such name change was subsequently authorized by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or CNBV). On 30 April 2018, the Issuer obtained shareholder approval to change its name to Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, and such name

change was subsequently authorized by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or CNBV) on 10 October 2018.

The Issuer is the second-largest bank in Mexico based on total assets, the third-largest bank in Mexico based on total loans and net income and the fourth-largest based on deposits as of 31 December 2019, in each case as determined in accordance with Mexican Banking GAAP, according to information published by the CNBV. As a bank and through its subsidiaries, the Issuer provides a wide range of financial and related services, principally in Mexico, including retail and commercial banking and securities underwriting. The Issuer's principal subsidiaries are Santander Consumo, S.A. de C.V. SOFOM, ER, and Santander Vivienda, S.A de C.V. SOFOM, ER.

Directors

The name, functions and principal activities performed outside duties to the Issuer (where significant to the Issuer) of the Issuer's directors are set forth on pages 210 to 218 of the 2019 Annual Report.

All of the directors of the Issuer have their business address at the Issuer's registered office.

Other than as disclosed under "*Our controlling shareholder has a great deal of influence over our business and its interests could conflict with yours*" on pages 51 and 52 of the 2019 Annual Report, there are no existing or potential conflicts of interest between any duties owed to the Issuer by the directors of the Issuer and the private interests and/or external duties owed by the directors of the Issuer.

Major Shareholders

The Issuer is an indirect subsidiary of Banco Santander, S.A. ("Santander España"). As of the date of the Offering Memorandum, Santander España indirectly owned 91.65% of the Issuer's capital stock. Further information relating to major shareholders is set forth in the 2019 Annual Report under "*Item 7. Major Shareholders and Related Party Transactions*". See also "*Our controlling shareholder has a great deal of influence over our business and its interests could conflict with yours*" on pages 51 and 52 of the 2019 Annual Report.

Auditors

PricewaterhouseCoopers, S.C. ("PwC") performed an audit of the condensed consolidated financial statements for the year ended 31 December 2019. PwC is a public accounting firm registered with the Public Company Accounting Oversight Board, under which standards it conducts the audit of the Issuer's condensed consolidated financial statements.

Legal and Arbitration Proceedings

The Issuer is subject to certain claims and is party to certain legal proceedings in the normal course of its business. Except as disclosed in the 2019 Annual Report under "*Item 8. Consolidated Statements and Other Financial Information. Legal Proceedings*" on pages 30 and 31 of the 2019 Annual Report, we have not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer aware) over the past 12 months, which may have, or have had in the recent past, significant effects on our financial position or profitability.

Credit Ratings

The Issuer is rated Baa1 by Moody's and BBB+ by Fitch Ratings, both with a negative outlook.

6. RISK FACTORS

You are advised to carefully read the risk factors set out in the 2019 Annual Report, including the section entitled "*Risk Factors*" on pages 22 to 68, and the section entitled "*Risk Factors*" in the Offering Memorandum.

7. GENERAL INFORMATION

7.1 The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market of the Euronext Dublin.

7.2 The issuance of the Notes has been authorized by resolutions of the Issuer's board of directors, dated 8 April 2020.

7.3 The Bank of New York Mellon is acting as registrar for the Notes and its principal office is 240 Greenwich Street, Floor 7-East, New York, New York 10286.

7.4 For the Rule 144A Global Note, the ISIN number is US05969BAD55 and the CUSIP number is 05969BAD5. For the Regulation S Global Note, the ISIN number is USP1507SAH06 and the CUSIP number is P1507SAH0.

ANNEX A

Offering Memorandum

[*See attached*.]

Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México

U.S.$ 1,750,000,000

5.375% Senior Notes due 2025

Interest payable on April 17 and October 17

Issue Price: 100.000%

We are offering U.S.$1,750,000,000 of our 5.375% Senior Notes due 2025 (the "Notes"). The Notes will mature on April 17, 2025, or the "Maturity Date," unless previously redeemed as described in this offering memorandum. We may redeem the Notes, in whole but not in part, if there are specified changes in Mexican laws affecting the withholding tax applicable to payments under the Notes. We may also redeem the Notes, in whole or in part, at the greater of 100% of their principal amount outstanding and a make-whole amount described in this offering memorandum, in each case, plus Additional Interest, if any, and any accrued and unpaid interest up to the date of redemption. See "Description of Notes—Redemption—Withholding Tax Redemption" and "Description of Notes—Redemption—Optional Redemption" in this offering memorandum.

The Notes are denominated in U.S. dollars and will bear interest from (and including) April 17, 2020, or the "Issue Date," to (but excluding) the Maturity Date at a fixed rate per annum equal to 5.375%, payable semi-annually in arrears on April 17 and October 17 of each year (each an "Interest Payment Date"), commencing on October 17, 2020.

The Notes will be our direct, unconditional and unsecured general obligations and will, other than as set forth below, at all times rank pari passu in right of payment with all of our other unsecured obligations other than obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of our secured indebtedness with respect and up to the value of our assets securing that indebtedness, (ii) certain direct, unconditional and unsecured general obligations that in case of our insolvency are granted preferential treatment pursuant to Mexican law (such as tax, social security and labor obligations) and (iii) all of the existing and future liabilities of our subsidiaries, including trade payables. See "Description of Notes—Ranking." The Notes will be unsecured and are not guaranteed by the Mexican Savings Protection Agency (*Instituto para la Protección al Ahorro Bancario*, or IPAB) or any other Mexican government agency or by any of our subsidiaries or affiliates, including by Grupo Financiero Santander Mexico, S.A. de C.V., our Mexican holding company.

We will apply to list the Notes on the Official List of the Euronext Dublin, or "ISE," and for trading on the Global Exchange Market. However, no assurance can be given that this application will be approved.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 32.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR THE RNV) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISION NACIONAL BANCARIA Y DE VALORES*, OR THE CNBV), AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO.THE NOTES MAY BE OFFERED TO INVESTORS IN MEXICO, ON A PRIVATE PLACEMENT BASIS, IF SUCH INVESTORS QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS, PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO, TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY, AND THE DELIVERY OF SUCH NOTICE TO AND THE RECEIPT THEREOF BY THE CNBV IS NOT A REQUIREMENT FOR THE VALIDITY OF THE NOTES AND DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE MADE UNDER SUCH INVESTOR'S OWN RESPONSIBILITY.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), any state securities laws or the securities laws of any other jurisdiction. Therefore, we may not offer or sell the Notes within the United States or to, or for the account or benefit of, any U.S. person, unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws. Accordingly, we are only offering the Notes (i) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (ii) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. See "Plan of Distribution" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

None of the CNBV, the U.S. Securities and Exchange Commission (the "SEC"), or any U.S. state or foreign securities commission has approved or disapproved of these securities or determined if this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

We expect that delivery of the Notes will be made to investors in book-entry form through the facilities of The Depository Trust Company ("DTC") on or about April 17, 2020.

Joint Book-Running Managers

Santander **Morgan Stanley** **J.P. Morgan**

April 14, 2020.

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We and the initial purchasers listed on the cover page of this offering memorandum have not authorized anyone to provide any information other than that contained or incorporated by reference in this offering memorandum. We and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained in this offering memorandum or in any document incorporated by reference is accurate as of any date other than the respective dates of such documents. Our business, financial condition, results of operations and prospects may have changed since those dates. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this offering memorandum.

IMPORTANT NOTICES TO READERS

THE NOTES ARE NOT DEPOSITS WITH US AND ARE NOT INSURED OR GUARANTEED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER UNITED STATES GOVERNMENTAL AGENCY OR ANY MEXICAN GOVERNMENTAL AGENCY, INCLUDING, WITHOUT LIMITATION, THE IPAB OR BY ANY OTHER ENTITY THAT IS PART OF THE SANTANDER GROUP.

For the sale of the Notes in the United States, we are relying upon an exemption from registration under the Securities Act for an offer and sale of securities that do not involve a public offering. By accepting delivery of this offering memorandum or purchasing Notes, you will be deemed to have made certain acknowledgments, representations, restrictions and agreements as set forth under "Transfer Restrictions" in this offering memorandum. Neither we nor any initial purchasers are making an offer to sell the Notes in any jurisdiction except where such an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment.

We are submitting this offering memorandum solely to a limited number of qualified institutional buyers in the United States and in offshore transactions to persons other than U.S. persons so they can consider a purchase of the Notes. This offering memorandum has been prepared solely for use in connection with the placement of the Notes, for the listing of the Notes on the Official List of the Euronext Dublin, or "ISE," and for trading on the Global Exchange Market. This offering memorandum may not be copied or reproduced in whole or in part. This offering memorandum may be distributed and its contents disclosed only to prospective investors to whom it is provided and, if you do not purchase the Notes, or the offering is terminated for any reason, this offering memorandum and other related offering materials must be returned to the initial purchasers. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this offering memorandum to any person other than the offeree and any person retained to advise such offeree is unauthorized, and any disclosure of any of the contents hereof without our prior written consent is prohibited. By accepting delivery of this offering memorandum, you are deemed to have agreed to these restrictions.

By your purchase of the Notes, you will also be deemed to have acknowledged that (i) neither we nor any person representing us, including the initial purchasers, has made any representation to you with respect to us or the offering and sale of the Notes other than the information contained in this offering memorandum and, if given or made, any such other information or representation must not be relied upon as having been authorized by us or any person representing us, including the initial purchasers, (ii) you have received a copy of this offering memorandum and have had access to such financial and other information, including the information in this offering memorandum, and have been offered the opportunity to ask us questions and received answers thereto, as you deemed necessary in connection with the decision to purchase the Notes, and (iii) you are relying only on the information contained in this offering memorandum in making your investment decision with respect to the Notes. In making an investment decision, you must rely on your own examination of us and the terms of the offering and the Notes, including the merits and risks involved.

While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4)(i) under the Securities Act, during any period in which we are not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," or exempt from the requirements of the Exchange Act pursuant to Rule 12g3-2(b) thereunder.

This offering memorandum is based on information provided by us and other sources that we believe to be reliable. Neither we nor the initial purchasers can assure you that such information provided is accurate or complete. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering memorandum.

We are not making any representation to any purchaser regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, tax, business and financial advice regarding any investment in the Notes.

You should contact us or the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in this offering memorandum.

This offering memorandum does not constitute an offer of, or an invitation by or on behalf of, us or the initial purchasers or any of our or their respective directors, officers or affiliates to subscribe for or purchase any securities in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

The Notes will be issued under an indenture to be entered into among Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, as issuer, and The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar (the "indenture").

The Notes may not be offered or sold, directly or indirectly, in Mexico or to any resident of Mexico, except as permitted by applicable Mexican law, on a private placement basis.

This offering memorandum contains some of our trademarks, trade names and service marks, including our logos. Each trademark, trade name or service mark of any company appearing in this offering memorandum belongs to its respective holder.

We reserve the right to withdraw this offering of the Notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part, for any reason, and to allot to any prospective investor less than the full amount of Notes sought by that investor. The initial purchasers and certain related entities may acquire for their own account a portion of the Notes.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA or in the UK will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for the offer of the Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant

persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes which, if commenced, may be discontinued. Specifically, the initial purchasers may over-allot in connection with this offering and may bid for and purchase Notes in the open market. For a description of these activities, see "Plan of Distribution."

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Definitions

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to "Banco Santander Mexico," the "Bank," "we," "our," "ours," "us" or similar terms, refer to Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México, together with its consolidated subsidiaries.

When we refer to "Banco Santander Parent" or the "Parent," we refer to our controlling shareholder, Banco Santander, S.A., a Spanish bank.

When we refer to "Former Holding Company," we refer to Grupo Financiero Santander México, S.A.B. de C.V., our former parent company.

When we refer to "Grupo Financiero Santander Mexico" we refer to Grupo Financiero Santander México, S.A. de C.V., our parent company as of January 1, 2018, which is not a public company and is a wholly-owned subsidiary of Banco Santander Parent.

When we refer to Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander México, a Mexican broker-dealer (*casa de bolsa*), we refer to the Former Holding Company's brokerage subsidiary, which is now owned by Grupo Financiero Santander México.

When we refer to "Gestión Santander," we refer to SAM Asset Management, S.A. de C.V., Sociedad Operadora de Sociedades de Inversión (formerly known as Gestión Santander, S.A. de C.V., Grupo Financiero Santander México) (entity sold in December 2013).

When we refer to "Seguros Santander" we refer to Zurich Santander Seguros México, S.A. (formerly known as Seguros Santander, S.A., Grupo Financiero Santander) (entity sold in November 2011).

When we refer to the "Santander Group," we refer to the worldwide Banco Santander Parent conglomerate and its consolidated subsidiaries.

Unless otherwise indicated, all references in this offering memorandum to "initial purchasers" refer to, Santander Investment Securities Inc., Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC.

References in this offering memorandum to certain financial terms have the following meanings:

- References to "IFRS" are to the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee.
- References to "Mexican Banking GAAP" are to the accounting standards and regulations prescribed by the CNBV for credit institutions, as amended.
- References to our "audited financial statements" are to the audited consolidated financial statements of Banco Santander México as of December 31, 2018 and 2019, and for each of the fiscal years ended December 31, 2017, 2018 and 2019, together with the notes thereto. The audited financial statements were prepared in accordance with IFRS and are contained in our annual report on Form 20-F for the year ended December 31, 2019, which is incorporated by reference into this offering memorandum.
- References herein to "UDIs" are to *Unidades de Inversión*, a peso-equivalent unit of account indexed for Mexican inflation. UDIs are units of account created by the Mexican Central Bank on April 4, 1995, the value of which in pesos is indexed to inflation on a daily basis, as measured by the change in the Mexican National Consumer Price Index (*Índice Nacional de Precios al Consumidor*). Under a UDI-based loan or financial instrument, the borrower's nominal peso principal balance is converted either at origination or upon restructuring to a UDI principal balance and interest on the loan or financial instrument is calculated on the outstanding UDI balance of the loan or financial instrument. Principal and interest payments are

made by the borrower in an amount of pesos equivalent to the amount due in UDIs at the stated value of UDIs on the day of payment. As of December 31, 2019, one UDI was equal to Ps.6.39902 (U.S.$0.3392).

As used in this offering memorandum, the following terms relating to our capital adequacy have the meanings set forth below, unless otherwise indicated.

- "Capital Ratio" refers to the ratio of the total net capital (*capital neto*) to risk-weighted assets calculated in accordance with the methodology established or adopted from time to time by the CNBV pursuant to the Mexican Capitalization Requirements.

- "General Rules Applicable to Mexican Banks" means the General Provisions Applicable to Credit Institutions (*Disposiciones de Carácter General Aplicables a las Instituciones de Crédito*) issued by the CNBV.

- "Mexican Capitalization Requirements" refers to the capitalization requirements for commercial banks, including Banco Santander México, set forth in the Mexican Banking Law (*Ley de Instituciones de Crédito*) and in the General Rules Applicable to Mexican Banks, as such laws and regulations may be amended from time to time or superseded.

- "Tier 1 capital *(capital básico)*" means the basic capital *(capital básico)* of the Total Net Capital *(capital neto),* as such term is determined based on the Mexican Capitalization Requirements, as such determination may be amended from time to time, which is comprised of Fundamental Capital *(capital fundamental)* and Additional Tier 1 Capital *(capital básico no fundamental)*.

- "Tier 2 capital *(capital complementario)*" means the additional capital *(capital complementario)* of the Total Net Capital *(capital neto),* as such term is determined based on the Mexican Capitalization Requirements, as such determination may be amended from time to time.

As used in this offering memorandum, the term "billion" means one thousand million (1,000,000,000).

In this offering memorandum, the term "Mexico" refers to the United Mexican States. The terms "Mexican government" or the "government" refer to the federal government of Mexico, and the term "Mexican Central Bank" refers to *Banco de México*. References to "U.S.$," "U.S. dollars" and "dollars" are to United States dollars, and references to "Mexican pesos," "pesos," or "Ps." are to Mexican pesos. References to "euros" or "€" are to the common legal currency of the member states participating in the European Economic and Monetary Union.

Financial and Other Information

Market position. We make statements in this offering memorandum and in the documents incorporated by reference herein about our competitive position and market share in the Mexican financial services industry and the size of the Mexican financial services industry. We have made these statements on the basis of statistics and other information from third-party sources, primarily the CNBV, that we believe are reliable.

Currency and accounting standards. We maintain our financial books and records in pesos. Our consolidated income statement data for each of the years ended December 31, 2015, 2016, 2017, 2018 and 2019 and our consolidated balance sheet data as of December 31, 2015, 2016, 2017, 2018 and 2019, incorporated by reference in this offering memorandum, have been audited under the standards of the Public Company Accounting Oversight Board ("PCAOB"), and are prepared in accordance with IFRS. For regulatory purposes, including Mexican Central Bank regulations and the reporting requirements of the CNBV, we concurrently prepare and will continue to prepare and make available to our shareholders, statutory financial statements in accordance with Mexican Banking GAAP, which prescribes generally accepted accounting criteria for all financial institutions in Mexico.

IFRS differs in certain significant aspects from Mexican Banking GAAP. We adopted IFRS in 2014. While we have prepared our consolidated financial data as of and for the years ended December 31, 2015, 2016, 2017, 2018 and 2019 in accordance with IFRS, data reported by the CNBV for the Mexican financial sector as a whole as well as individual financial institutions in Mexico, including our own, is prepared in accordance with Mexican Banking GAAP and, thus, may not be comparable to our results prepared in accordance with IFRS. All statements in this

offering memorandum and the documents incorporated by reference herein regarding our relative market position and financial performance vis-à-vis the financial services sector in Mexico, including financial information as to net income, return-on-average equity and non-performing loans, among others, are based, out of necessity, on information obtained from CNBV reports, and accordingly are presented in accordance with Mexican Banking GAAP. Unless otherwise indicated, all financial information provided, or incorporated by reference, in this offering memorandum has been prepared in accordance with IFRS.

Effect of rounding. Certain amounts and percentages included, or incorporated by reference, in this offering memorandum and in our audited financial statements have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts may vary from those obtained by performing the same calculations using the figures in our audited financial statements. Certain other amounts may not sum due to rounding.

Exchange rates and translation into U.S. dollars. This offering memorandum and the documents incorporated by reference herein contain translations of certain peso amounts into U.S. dollars at specified rates solely for your convenience. These translations should not be interpreted as representations by us that the peso amounts actually represent such U.S. dollar amounts or could, at this time, be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated peso amounts into U.S. dollars at an exchange rate of Ps.18.8642 per U.S.$1.00, the rate calculated on December 31, 2019 (the last business day in December) and published on January 2, 2020 in the Federal Official Gazette by the Mexican Central Bank, as the exchange rate for the payment of obligations denominated in currencies other than pesos and payable within Mexico (*tipo de cambio para solventar obligaciones denominadas en moneda extranjera*). The translation of income statement transactions expressed in pesos using such rates may result in presentation of dollar amounts that differ from the U.S. dollar amounts that would have been obtained by translating Mexican pesos into U.S. dollars at the exchange rate prevailing when such transactions were recorded. See "Item 3. Key Information—A. Selected Financial Data—Exchange Rates" included in our annual report on Form 20-F for the year ended December 31, 2019 incorporated by reference herein for information regarding exchange rates between the peso and the U.S. dollar for the periods specified therein.

New impairment model. IFRS 9, *Financial instruments* establishes new recognition and measurement requirements for financial instruments and became mandatory for financial statement periods commencing January 1, 2018. As of January 1, 2018, the Bank began classifying its financial assets in the following measurement categories: (i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and (ii) those to be measured at amortized cost. The Bank determines the applicable category of a financial asset based on the business model for managing that financial asset. We applied IFRS 9 in a retrospective manner, by adjusting the opening balance of affected financial instruments at January 1, 2018, without restating prior period amounts. Regarding the recognition of credit risk impairment, the most important change is that the new accounting standard introduces the concept of expected loss, whereas the previous model was based on incurred loss. The adoption of IFRS 9 as of January 1, 2018 led to a one-time increase in the allowance for impairment losses and provisions for off-balance sheet risk from Ps.17,961 million to Ps.21,217 million. Because the Bank applied these requirements in a retrospective manner by adjusting the opening balance at January 1, 2018 without restating comparative financial statements, there was no income statement impact. Since the Bank did not restate prior period amounts upon adoption of IFRS 9, financial information for periods prior to January 1, 2018 may not be comparable.

Accounting for leases. IFRS 16, *Leases* establishes the principles for the recognition, measurement, presentation and disclosure of the lease arrangements, in order to ensure that both lessee and lessor provide relevant information that faithfully represents these transactions. In addition, the standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current Standard – i.e., lessors continue to classify leases as finance or operating leases.

Because the Bank applied IFRS 16 on January 1, 2019 using the modified retrospective approach where the asset for right-of-use and the leases liability are the same on the transition date, there was no cumulative effect of

adopting IFRS 16 recognized as an adjustment to the opening balance of Accumulated reserves as of January 1, 2019. Since the Bank did not restate prior period amounts upon adoption of IFRS 16, financial information for periods prior to January 1, 2019 may not be comparable.

See Notes 1.b, 2.h, 2.l and 15 to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019 incorporated by reference herein.

Reclassifications on consolidated balance sheets and consolidated statement of cash flows from prior years. Since December 31, 2019, the Bank decided to present the sale of financial assets acquired under reverse repurchase agreements and pledged in repurchase agreement transactions as Other financial liabilities at fair value through profit or loss in the consolidated balance sheet. Pledged financial assets acquired under reverse repurchase agreements were presented as Financial liabilities held for trading for the years 2015 and 2016 and as Financial liabilities at fair value through profit or loss for the years 2017 and 2018. This reclassification is considered by the Bank to provide a preferable presentation with the purpose of grouping in a single item of the consolidated balance sheet all the financial liabilities related to reverse repurchase agreements. See Note 2.ae to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019 incorporated by reference herein.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file with, or furnish to, the SEC reports and other information, including annual reports on Form 20-F and other reports on Form 6-K. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. The reports and other information we file with, or furnish to, the SEC are also available on our www.santander.com.mx. None of the information contained on our website is incorporated by reference into, or forms part of, this offering memorandum.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

Application will be made to list the Notes on the ISE. However, we cannot assure you that the application will be approved.

INCORPORATION BY REFERENCE

We incorporate herein by reference:

- our annual report on Form 20-F for the year ended December 31, 2019, which was filed with the SEC on March 23, 2020; and

- the section titled "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations for the Year Ended December 31, 2018 Compared to December 31, 2017", included in our annual report on Form 20-F for the year ended December 31, 2018, which was filed with the SEC on April 30, 2019.

The documents incorporated by reference in this offering memorandum are available on the SEC's website, http://www.sec.gov. All information contained in this offering memorandum is qualified in its entirety by the information contained in the documents incorporated by reference in this offering memorandum.

You may obtain a copy of the documents incorporated by reference in this offering memorandum at no cost by writing or calling us at the following address:

Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México
Attn: Departamento de Relación con Inversionistas
Avenida Prolongación Paseo de la Reforma 500
Colonia Lomas de Santa Fe
Alcaldía Álvaro Obregón
01219 Mexico City
México
Email: investor@santander.com.mx

ENFORCEMENT OF JUDGMENTS

We are a variable stock corporation (*sociedad anónima*) incorporated in accordance with the laws of Mexico. All of our directors and officers and experts named herein are non-residents of the United States, and all or substantially all of the assets of such persons and substantially all of our assets are located outside the United States. As a result, it may not be possible for holders of the Notes to effect service of process within the United States upon such persons or to enforce against them or us in United States courts judgments predicated upon the civil liability provisions of United States federal securities laws.

We have been advised by our special counsel, Ritch, Mueller, Heather y Nicolau, S.C,. as to Mexican law, that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of United States courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

We have been advised by such special Mexican counsel, that no bilateral treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of civil foreign judgments. In the past, Mexican courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the United States judgment, in order to ascertain, among other matters, whether Mexican legal principles of due process and the non-violation of Mexican law and/or the Mexican public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case, provided that U.S. courts would grant reciprocal treatment to Mexican judgments. See "Risk Factors – Risks Relating to Our Notes – Holders of Notes may find it difficult to enforce civil liabilities against us or our directors, officers and controlling persons. We will appoint CT Corporation System as our authorized agent upon which process may be served in any action which may be instituted in any United States federal or state court having subject-matter jurisdiction in the Borough of Manhattan, the City of New York, New York, United States arising out of or based upon the Notes or the Indenture governing the Notes. See "Description of Notes."

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made statements in this offering memorandum and in documents incorporated by reference that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear throughout this offering memorandum and include statements regarding our intent, belief or current expectations in connection with:

- asset growth and sources of funding;
- growth of our fee-based business;
- expansion of our distribution network;
- financing plans;
- competition;
- impact of regulation and the interpretation thereof;
- action to modify or revoke our banking license;
- exposure to market risks including interest rate risk, foreign exchange risk and equity price risk;
- exposure to credit risks including credit default risk and settlement risk;
- projected capital expenditures;
- capitalization requirements and level of reserves, especially in light of the current COVID-19 pandemic;
- the impact of the COVID-19 pandemic on our loan portfolio, specifically, and our business generally;
- investment in our information technology platform;
- liquidity;
- trends affecting the economy generally; and
- trends affecting our financial condition and our results of operations.

Many important factors, in addition to those discussed in "Risk Factors" in this offering memorandum and incorporated herein by reference to our annual report on Form 20-F for the year ended December 31, 2019, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other things:

- changes in capital markets in general that may affect policies or attitudes towards lending to Mexico or Mexican companies;
- changes and/or uncertainty in economic conditions, in Mexico, in the United States, or globally; including as a result of the COVID-19 pandemic;
- changes in government policy in response to the COVID-19 pandemic, such as programs providing for the deferral of loans or other support impacting lending and fee and commission income;
- the monetary, foreign exchange, liquidity and interest rate policies of the Mexican Central Bank;

- inflation;
- deflation;
- unemployment;
- unanticipated turbulence in interest rates;
- the entry into force of the United States-Mexico-Canada Agreement (the "USMCA") or the deterioration of the terms of trade between Mexico, the United States and Canada;
- the implementation of new economic policy by the administration in Mexico;
- movements in foreign exchange rates;
- movements in equity prices or other rates or prices;
- changes in Mexican and foreign policies, legislation and regulations;
- changes in requirements to make contributions to, for the receipt of support from programs organized by or requiring deposits to be made or assessments observed or imposed by, the Mexican government;
- changes in taxes and tax laws;
- competition, changes in competition and pricing environments;
- our inability to hedge certain risks economically;
- limitations on our ability to freely determine interest rates, fees and other charges;
- actions taken by the Mexican Antitrust Commission (*Comisión Federal de Competencia Económica*) with respect to our business and the Mexican banking industry generally, by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) ("SHCP") with respect to our lending to certain sectors, and by the Mexican Central Bank with respect to our banking activies;
- economic conditions that affect consumer spending and the ability of customers to comply with obligations;
- the adequacy of allowance for impairment losses and other losses;
- increased default by borrowers;
- our inability to successfully and effectively integrate acquisitions or to evaluate risks arising from asset acquisitions;
- technological changes;
- changes in consumer spending and saving habits;
- increased costs;
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms;
- terrorist and organized criminal activities as well as geopolitical events;

- cyber-attacks and their impact on our reputation, operations and results;
- changes in, or failure to comply with, banking regulations or their interpretation; and
- the other risk factors discussed under “Risk Factors” in this offering memorandum.

The words “believe,” “may,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “forecast” and similar words are intended to identify forward-looking statements. You should not place undue reliance on such statements, which speak only as of the date they were made. We undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this offering memorandum because of new information, future events or other factors. Our independent public accountants have neither examined nor compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. In light of the risks and uncertainties described above, the future events and circumstances discussed in this offering memorandum might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these estimates and forward-looking statements.

SUMMARY

This summary highlights selected information appearing elsewhere, or incorporated by reference, in this offering memorandum. While this summary highlights what we consider to be the most important information about us, you should carefully read this offering memorandum in its entirety before making an investment decision, including the "Risk Factors" section included elsewhere in this offering memorandum, as well as the documents incorporated by reference, including our annual report on Form 20-F for the year ended December 31, 2019 and our audited financial statements and related notes included therein.

Overview

Our Business

We are the second-largest bank in Mexico based on total assets, the third-largest based on total loans and net income and the fourth-largest based on deposits, as of December 31, 2019, in each case as determined in accordance with Mexican Banking GAAP, according to information published by the CNBV. As a bank and through our subsidiaries, we provide a wide range of financial and related services, principally in Mexico, including retail and commercial banking, and securities underwriting.

As of December 31, 2019, we had total assets of Ps.1,467,548 million (U.S.$77,795 million), total equity of Ps.134,798 million (U.S.$7,145 million), and a market capitalization of Ps.175,308 million (U.S.$9,293 million), and for the year ended December 31, 2019, we had net income of Ps.20,381 million (U.S.$1,080 million), which represented a return-on-average equity, or ROAE, of 15.73% for that period. As of December 31, 2019, we had total loans, net of allowance for impairment losses, of Ps.702,546 million (U.S.$37,242 million), total deposits of Ps.973,503 million (U.S.$51,606 million) and 1,402 offices located throughout Mexico.

We offer a differentiated financial services platform in Mexico focused on the client segments that we believe are most profitable, such as high- and mid-income individuals, small and medium-sized enterprises ("SMEs"), and middle-market and large corporations in Mexico, while also providing integrated financial services to low-income individuals. We developed our client segmentation strategy in 2008 with clearly defined client segments: high- and mid-income individuals, SMEs and middle-market corporations. Since then, we have focused our efforts on further refining our client segmentation, developing our product offerings, information technology systems and internal practices, as well as enhancing our distribution channels in order to maximize service in our key client segments.

The following chart sets forth our Retail Banking and Global Corporate Banking operating segments and their main focus.

Retail Banking	Global Corporate Banking
Focusing on the following categories of clients:	Offering our largest clients (mainly Mexican and multinational corporations, financial groups and large institutional clients) financial services and products such as:
• *Individuals,* for individuals with net worth of less than Ps.8 million, categorized as classic, preferred or select.	• *Global transaction banking (GTB),* which includes cash management, working capital solutions and trade finance solutions.
• *Private banking,* for individuals with net worth in excess of Ps.15 million.	• *Global debt finance (GDF),* which includes origination, structuring and distribution of structured loan products, project finance and asset based finance.

- *Individuals*, with a net worth between Ps.8 million and Ps.15 million are attended to by either the Individuals segment or the Private Banking segment described above, depending on the product offering that suits them best.
- *SMEs*, with annual gross revenues of less than Ps.250 million.
- *Middle-market corporations*, with annual gross revenues of more than Ps.250 million that are not clients of Corporate and Investment Banking.
- *Government institutions*, comprised of Mexican government agencies, state agencies and municipalities, as well as Mexican public universities.
- *Banking and Corporate Finance*, which includes mergers and acquisitions, and equity capital markets.
- *Markets*, which includes "plain vanilla" and tailored fixed income, foreign exchange and hedging solutions.
- *Corporate and Investment Banking products and solutions for retail customers*, which offers retail segment clients tailor-made corporate banking products and solutions in order to meet specific needs

In addition, we have a Corporate Activities operating segment comprised of all other operational and administrative activities that are not assigned to a specific segment or product listed above. These activities include the centralized management of our financial investments, the financial management of our structural interest rate risk and foreign exchange position and the management of our liquidity and equity through securities offerings and the management of assets and liabilities.

Grupo Financiero Santander México directly owns 74.96% of our capital stock. Banco Santander Parent owns 100% of the capital stock of Grupo Financiero Santander México. In addition, Banco Santander Parent also directly owns 16.69% of our Series B shares. With aggregate ownership of 91.65% of our share capital, Banco Santander Parent is our controlling shareholder. We believe that our relationship with Banco Santander Parent and the Santander Group as a whole offers us significant competitive advantages over other banks in Mexico. As of December 31, 2019, the Santander Group had total assets of €1,522.7 billion (U.S.$1,709.2 billion), equity of €110,659 million (U.S.$124,214.9 million) and a market capitalization of €61,986 million (U.S.$69,579.4 million). It also generated an attributable profit of €6,515 million (U.S.$7,313.1 million) in the year ended December 31, 2019. We represented approximately 9% of the Santander Group's attributable profit in the year ended December 31, 2019, making us the fourth largest contributor of attributable profits to the Santander Group. We also represented approximately 5% of the Santander Group's assets in the year ended December 31, 2019, according to the annual report of the Santander Group for 2019.

For a discussion of Banco Santander México's competitive strengths and strategy, please see "Item 4. Information on the Company—B. Business Overview—Our Competitive Strengths" and "—Our Strategy" in our annual report on Form 20-F for the year ended December 31, 2019, which is incorporated herein by reference.

Recent Developments

Preliminary Results for First Quarter 2020

We expect to report results for the first quarter of 2020 by late April showing a modest increase in net income from that reported during the comparable period in 2019, in line with the 2020 guidance previously announced, together with our fourth quarter 2019 results, which were reported on January 30, 2020. While the impact of the COVID-19 pandemic during this period has been significant in general, we believe that the first quarter 2020 results

will not yet significantly reflect the impact of the COVID-19 pandemic given that the quarantine in Mexico only began after the second week of March 2020.

We expect that our results in the remainder of 2020 will likely be materially adversely affected by the COVID-19 pandemic, with the extent of the pandemic's impact dependent in part on how long quarantine and social distancing requirements and practices and resulting restrictions on the Mexican and international global economy remain in place. Since we believe the pandemic will have a continuing negative impact on us for 2020, we do not expect to be able to achieve the 2020 financial results targeted in guidance we provided in January of 2020. See "Risk Factors— Our operations and results have been negatively impacted by the coronavirus outbreak, which we expect will have a continued and likely material adverse effect on us."

Recent measures adopted by the Mexican Government related to the COVID-19 pandemic

With the purpose of further strengthening banking institutions in Mexico, facilitating their operations in a volatile environment, maintaining the flow of credit in the economy and assisting debtors, the National Banking and Securities Commission (CNBV), has issued a series of measures in recent weeks:

- On March 25, 2020, the CNBV issued temporary special accounting principles applicable to financial institutions relating to the treatment of mortgages, automotive loans, personal loans, payroll loans, credit cards, microcredits and SME loans. In general terms, the temporary special accounting principles allow financial institutions (i) to permit borrowers to partially or fully defer principal and/or interest payments on their loans for a period of four months, with the possibility of extending such period for two additional months, and (ii) to freeze the balances of existing loans that were in good standing as of February 28, 2020, without interest charges, in each case without considering such loans to be non-performing. Financial institutions that take advantage of these temporary special accounting principles would not be required to constitute reserves for such loans. We have taken advantage of these temporary accounting principles and launched debtor relief programs to support individuals and SMEs with qualifying loans under these CNBV principles.

- On March 31, 2020, the CNBV issued a recommendation that financial institutions abstain from paying dividends, repurchasing shares and granting other benefits to our shareholders for the fiscal years ended December 31, 2019 and 2020. The purpose is to enhance the financial position of financial institutions against potential losses due to the COVID-19 pandemic and to ensure that the system has more resources to support the local economy. These measures are consistent with those taken by other central banks and regulatory authorities around the world, such as the European Central Bank. More specifically, the recommendation establishes that financial institutions shall refrain from: (i) paying dividends to their shareholders, as well as from implementing any other mechanism that results in a transfer of economic benefits to the shareholders or assuming the irrevocable commitment to pay them any such benefits with respect the fiscal years of 2019 and 2020, including the distribution of reserves, and (ii) repurchasing stock or implementing any other mechanism the intention of which is to compensate the shareholders. For financial institutions that are part of a larger financial group, the recommendation to refrain from paying dividends or implementing other similar mechanisms also applies to such institution's controlling entity as well as our affiliates and other entities of the group. At our Annual General Ordinary Shareholders' Meeting called for April 28, 2020, our shareholders will decide on any potential dividend taking into consideration the CNBV's recommendation.

- On April 8, 2020, the CNBV issued a number of temporary regulatory flexibility measures aimed at ensuring that financial institutions are able to continue supplying credit to their customers in a high volatility environment and mitigating the impact of the COVID-19 pandemic on the local credit markets. The temporary measures will be effective from April 1, 2020 to March 31, 2021 and will allow financial institutions such as us to use their capital conservation buffer of 2.5% without triggering any regulatory corrective measures. As of December 31, 2019, our common equity tier 1 (CET1) ratio stood at 11.9%,

which is significantly in excess of the minimum requirement established for financial institutions of our size.

- On April 8, 2020, the Banking Liquidity Regulatory Committee, comprised of the Mexican Central Bank, the Mexican Ministry of Finance and the CNBV issued a series of exceptions to the "Liquidity Requirements" regulation (*Disposiciones de Carácter General sobre los Requerimientos de Liquidez para las Instituciones de Banca Múltiple*) in order to avoid amplifying constraints in market conditions described above. In general terms, these exceptions permit the following: (i) assets that were eligible as liquid assets as of February 28, 2020 may continue to be considered as such, even if they would otherwise no longer be eligible as a result of the volatility in financial markets in recent weeks and (ii) the liquidity reserves calculation for potential margin calls and valuation changes of portfolios of derivatives may exclude data for March 2020. In addition, no corrective actions will be taken for financial institutions whose Liquidity Coverage Ratio (*Coeficiente de Cobertura de Liquidez*) falls below 100%. These temporary measures will be in place for six months starting on February 28, 2020 and could be extended by another six months.

- The CNBV also published additional measures on April 8, 2020. These include, among others, (i) an extension of the reporting deadlines for a variety of information reported by financial institutions to the CNBV, including the deadline for first quarter financial information which has been extended to July 3, 2020 and (ii) a deferral of the implementation of amendments to IFRS 9 until January 1, 2022, which would otherwise have been applicable beginning on January 1 2020.

Measures we have taken to ensure the safety and health of our employees and customers

We have implemented a series of measures focused on ensuring the safety and health of our employees and customers, guaranteeing our continued operation and refocusing our communication and Santander Universidades programs to support our employees, customers and beneficiaries.

- Safeguard the Well-Being of Employees and Customers: Starting on February 28, 2020, we began implementing our business continuity plan to safeguard the health of our employees and support our business continuity amid the COVID-19 pandemic. Global and local protocols were triggered to prevent contagion; stop non-essential travels; limit gatherings and group events; divide and assign teams to alternate work schedules or sites and establish work-from-home protocols; protect service from critical suppliers; enhance sanitization measures in branches, corporate offices, ATMs and contact centers; and promote customers' use of digital channels, among others. As of the date of this offering memorandum, approximately 79% of corporate employees are working from home and critical personnel is either working remotely or split into teams working on alternative schedules or at alternate work sites. Branch employees are split into teams (50% on branch / 50% home) and will remain so for as long as the national health emergency is ongoing. Additional IT resources have been channeled into remote operating tools and cybersecurity. Approximately 25% of our branches and 9% of our ATMs are closed due to their location. We expect to have 50% of our branches closed if an escalation of containment measures in Mexico are declared. However, all of our digital channels and contact centers have been operating normally, servicing our customers.

- Awareness, Support and Funding Campaigns: We have launched internal and external media and communication campaigns to continuously update our employees of the protocols and measures we are implementing as well to encourage the general population to stay at home (#*YoMeQuedoEnCasa*) together with an appreciation campaign aimed at health professionals (#*HéroesConBata*) and the launch of the support website as a resource guide to face the COVID-19 pandemic. More than Ps.55 million from our Santander Universidades program have been channeled to support digital learning platforms at universities, scholarships for students attending on-line university programs and emergency research initiatives to develop ventilators and emergency equipment. We have launched a fund to collect resources from our

employees to aid those in need and will double the amount collected to make donations of medical equipment to fight the COVID-19 pandemic.

- Participate in Federal Program to Support Small Businesses: Together with two other financial institutions in Mexico, we will participate in the federal government's small business lending program. In connection with this program, the federal government will, through us and the other participating institutions, disburse one million loans for Ps.25,000, each with a 6.5% interest rate and no fees. The loans will be funded by NAFIN. We will leverage the expertise of our financial inclusion program, Tuiio, to assist the government in administering this program.

- Launch of Debtor Relief Program for Individuals and SMEs: On March 26, 2020, we launched a debtor relief program for individuals and SMEs, offering them the possibility of deferring payment of their loan installments for up to four months, to support our customers with liquidity problems. Since the program was launched, close to 379 thousand clients have registered for the program, Individuals represent 97% of clients participating in the program, with SMEs representing the remaining 3%. The period to register for this relief program ends on April 30, 2020.

- Offers Zero Interest Payments Credit Cards: We also offered our credit card customers zero interest payments for 3 months for purchases at on-line supermarkets and 5 to 10 months of zero interest on purchases at pharmacies, laboratories and hospitals, while our health insurance products offer coverage for the COVID-19 pandemic.

THE OFFERING

Issuer	Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.
The Offering	We are offering our 5.375% senior notes due 2025, which we refer to as the "Notes."
Terms of the Notes	
Principal Amount	U.S.$1,750,000,000 aggregate principal amount of Notes.
Interest and Principal	The Notes will bear interest from (and including) April 17, 2020, or the "Issue Date," to (but excluding) April 17, 2025, or the "Maturity Date," at a fixed rate per annum equal to 5.375%, payable semi-annually in arrears on April 17 and October 17 of each year (each an "Interest Payment Date"), commencing on October 17, 2020. If any Interest Payment Date would otherwise fall on a date that is not a Business Day (as defined below), the required payment of interest shall be made on the next succeeding Business Day, with the same force and effect as if made on such Interest Payment Date, and no further interest shall accrue as a result of the delay. Principal will be paid on the Maturity Date unless the Notes have been redeemed prior thereto, as provided in this offering memorandum. "Business Day" shall mean any day other than a Saturday or a Sunday, or a day on which banking institutions in the City of New York, New York, United States or Mexico City, Mexico are authorized or required by law or executive order to remain closed.
Issue Price	100.000% of the principal amount.
Issue Date	April 17, 2020.
Maturity Date	April 17, 2025.
Additional Terms of the Notes	
Indenture	The Notes will be issued pursuant to an indenture dated as of April 17, 2020 between The Bank of New York Mellon, as trustee, registrar, paying agent and transfer agent, and us.
Unsecured; Not Guaranteed	The Notes will not be secured or guaranteed by any of our affiliated companies, by the IPAB or any other

	Mexican governmental agency, or by any other entity that is part of the Santander Group, and the Notes are not convertible, by their terms, into our shares or equity capital.
Ranking.....	The Notes will be our direct, unconditional and unsecured general obligations and will, other than as set forth below, at all times rank *pari passu* in right of payment with all of our other unsecured obligations other than obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of our secured indebtedness with respect and up to the value of our assets securing that indebtedness, (ii) certain direct, unconditional and unsecured general obligations that in case of our insolvency are granted preferential treatment pursuant to Mexican law (such as tax, social security and labor obligations), and (iii) all of the existing and future liabilities of our subsidiaries, including trade payables. As of December 31, 2019, in addition to derivative transactions, we had secured indebtedness for Ps.5,048 million (approximately U.S.$268 million), primarily consisting of loans with Mexican development banks. As of December 31, 2019, we had approximately Ps.158,748 million (approximately U.S.$8,415 million) aggregate principal amount of outstanding senior indebtedness that would rank pari passu with the Notes. The indenture does not limit the amount of senior, secured or other additional indebtedness or other obligations that we may incur.
Original Issue Discount	The Notes may be issued with original issue discount for U.S. federal income tax purposes. In that event, for U.S. federal income tax purposes, a holder of a Note subject to U.S. federal income taxation generally would be required to include the original issue discount in gross income (as ordinary income) as it accrues on a constant-yield basis, in advance of the receipt of the cash payment to which such income is attributable (regardless of whether such holder uses the cash or accrual method of tax accounting). For a summary of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes, see "Taxation—Certain U.S. Federal Income Tax Considerations." Under Mexican tax law, original issue discount will be deemed as interest and will be subject to the treatment specified under "Taxation—Certain Mexican Federal Income Tax Considerations."
Redemption.....	We may not redeem the Notes, in whole or in part,

	other than as described below under "Optional Redemption" and "Withholding Tax Redemption."
Optional Redemption.....	We may redeem the Notes, in whole or in part, at the greater of 100% of their principal amount outstanding and a make-whole amount described in this offering memorandum, in each case, plus Additional Interest, if any, and any accrued and unpaid interest up to the date of redemption. See "Description of Notes—Redemption—Optional Redemption."
Withholding Tax Redemption	We have the option under the indenture for the Notes to redeem the Notes at any time prior to the Maturity Date, in whole but not in part, at par plus accrued and unpaid interest due on, or with respect to, the Notes upon the occurrence of certain specified changes in Mexican laws affecting the withholding tax applicable to payments under the Notes. See "Description of Notes—Redemption—Withholding tax redemption."
Events of Default; Acceleration.....	For a discussion of certain events of default that will permit or require acceleration of the principal of all outstanding Notes and the interest accrued thereon, if any, see "Description of Notes—Events of Default."
Voting Rights.....	None.
Use of Proceeds	Our net proceeds from the issuance and sale of the Notes, after paying initial purchasers' fees and commissions and expenses related to the offering, are estimated to be approximately U.S.$1,744.8 million. We intend to use the net proceeds from the offering for general corporate purposes.
Additional Interest	Payments of interest on the Notes to investors that are non-residents of Mexico for tax purposes, will be subject to Mexican withholding taxes at a rate of 4.9%. Subject to certain specified exceptions, we will pay such additional interest as may be required so that the net amount received by the holders of the Notes in respect of principal, interest or other payments on the Notes, after any such withholding or deduction, will not be less than the amount that each holder of the Notes would have received in respect of the Notes in the absence of any such withholding or deduction. See "Description of Notes—Payment of Additional Interest."
Transfer Restrictions.....	The Notes have not been registered under the Securities Act and are subject to restrictions on transfer and resale. See "Transfer Restrictions" and "Plan of Distribution."

	The Notes have not been and will not be registered with the RNV and may not be offered or sold publicly in Mexico, as part of the initial distribution.The Notes may be offered to investors in Mexico, on a private placement basis, if such investors qualify as institutional and qualified investors pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law and the regulations thereunder. As required under the Mexican Securities Market Law, we will notify the CNBV of the offering of the Notes outside of Mexico
Listing.....	We will apply to list the Notes on the Official List of Euronext Dublin and to trade them on the Global Exchange Market. No assurance can be given that the Notes will be approved for admission to listing on Euronext Dublin and trading on the Global Exchange Market.
Benefit Plan Investor Considerations	Sales of the Notes to specified types of employee benefit plans and affiliates are subject to certain conditions. See "Benefit Plan Investor Considerations."
Governing Law.....	The indenture and the Notes will be governed by, and will be construed in accordance with, the laws of the State of New York.
Form and Denomination.....	We will issue the Notes in minimum denominations of U.S.$150,000 and integral multiples of U.S.$1,000 in excess thereof and the Notes will, once issued, be represented by one or more global notes. The global notes representing the Notes will be deposited with a custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. DTC will act as depositary.
Securities Identification Numbers	144A ISIN: US05969BAD55 144A CUSIP: 05969B AD5 Reg S ISIN: USP1507SAH06 Reg S CUSIP: P1507S AH0

We urge you to carefully review the risk factors beginning on page 32 for a discussion of factors you should consider before purchasing the Notes.

SUMMARY CONSOLIDATED FINANCIAL DATA

The tables below present summary financial data from our financial statements for each of the periods indicated and should be read in conjunction with, and are qualified in their entirety by, our audited financial statements and related notes included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

We have derived our selected consolidated income statement data for the years ended December 31, 2015, 2016, 2017, 2018 and 2019 and our selected consolidated balance sheet data as of December 31, 2015, 2016, 2017, 2018 and 2019 from our audited financial statements, which have been prepared in accordance with IFRS.

	For the year ended December 31,					
	2015	2016	2017	2018 (5)	2019 (3)	2019 (5)
	(Millions of pesos)(1)					(Millions of U.S. dollars) (1)(2)
Interest income	Ps. 64,230	Ps. 77,453	Ps. 98,002	Ps. 99,537	Ps. 108,846	U.S. 5,770
Interest income from financial assets at fair value through profit or loss	—	—	—	14,049	15,384	816
Interest expenses and similar charges(6)	(21,242)	(28,323)	(42,158)	(51,589)	(58,074)	(3,079)
Net interest income	**42,988**	**49,130**	**55,844**	**61,997**	**66,156**	**3,507**
Dividend income	104	94	150	210	235	12
Fee and commission income (net)	13,632	13,940	14,813	15,722	16,424	871
Gains/(losses) on financial assets and liabilities (net)	2,504	3,760	3,458	1,484	2,854	151
Exchange differences (net)	6	2	6	—	—	—
Other operating income	472	486	669	748	1,553	82
Other operating expenses	(3,010)	(3,361)	(3,614)	(4,393)	(5,145)	(273)
Total income	**56,696**	**64,051**	**71,326**	**75,768**	**82,077**	**4,350**
Administrative expenses	(20,780)	(22,655)	(25,437)	(28,649)	(29,258)	(1,551)
Personnel expenses	*(10,625)*	*(11,472)*	*(12,748)*	*(14,354)*	*(15,428)*	*(818)*
Other general administrative expenses(6)	*(10,155)*	*(11,183)*	*(12,689)*	*(14,295)*	*(13,830)*	*(733)*
Depreciation and amortization(6)	(1,863)	(2,058)	(2,533)	(2,973)	(5,222)	(277)
Impairment losses on financial assets (net)	(16,041)	(16,661)	(18,820)	(18,810)	(19,220)	(1,019)
Loans and receivables(3)	*(16,041)*	*(16,661)*	*(18,820)*	—	—	—
Financial assets at amortized cost(3)	—	—	—	*(18,806)*	*(19,220)*	*(1,019)*
Financial assets at fair value through other comprehensive income	—	—	—	*(4)*	—	—
Impairment losses on other assets (net)	—	—	—	(5)	(370)	(20)
Other intangible assets	—	—	—	—	—	—
Non-current assets held for sale	—	—	—	(5)	(370)	(20)
Provisions (net)(4)	258	(881)	(437)	(562)	(775)	(40)
Gains/(losses) on disposal of assets not classified as non-current assets held for sale	7	20	6	7	16	1
Gains/(losses) on disposal of non-current assets held for sale not classified as discontinued operations	91	71	69	38	42	2
Operating profit before tax	**18,368**	**21,887**	**24,174**	**24,814**	**27,290**	**1,446**
Income tax	(4,304)	(5,351)	(5,496)	(5,458)	(6,909)	(366)

	For the year ended December 31,					
	2015	2016	2017	2018 (5)	2019 (3)	2019 (5)
	(Millions of pesos)(1)					(Millions of U.S. dollars) (1)(2)
Profit from continuing operations	**14,064**	**16,536**	**18,678**	**19,356**	**20,381**	**1,080**
Profit from discontinued operations (net)	—	—	—	—	—	—
Consolidated profit for the year	**Ps. 14,064**	**Ps. 16,536**	**Ps. 18,678**	**Ps. 19,356**	**Ps. 20,381**	**U.S. 1,080**
Profit attributable to the Parent	14,051	16,536	18,678	19,353	20,381	1,080
Profit attributable to non-controlling interests	13	—	—	3	—	—
Earnings per share from continuing and discontinued operations:						
Basic earnings per share	2.07	2.44	2.76	2.86	3.01	0.16
Diluted earnings per share(7)	2.07	2.44	2.75	2.85	3.00	0.16
Earnings per share from continuing operations:						
Basic earnings per share	2.08	2.44	2.76	2.86	3.01	0.16
Diluted earnings per share(7)	2.07	2.44	2.75	2.85	3.00	0.16
Cash dividend per share(8)	1.00	2.58	1.31	1.36	1.52	0.08
Weighted average shares outstanding	6,777,381,551	6,777,381,551	6,777,381,551	6,776,220,369	6,775,455,458	6,775,455,458
Dilutive effect of rights on shares(7)	9,612,806	9,612,806	9,612,806	10,773,988	11,538,899	11,538,899
Adjusted number of shares	6,786,994,357	6,786,994,357	6,786,994,357	6,786,994,357	6,786,994,357	6,786,994,357
Dividend paid	6,760	17,468	8,910	9,228	10,293	524
Basic earnings per share	2.07	2.44	2.76	2.86	3.01	0.16
Diluted earnings per share	2.07	2.44	2.75	2.85	3.00	0.16
Dividend pay-out ratio	48.18%	105.64%	47.77%	47.76%	50.59%	48.60%

(1) Except share and per share amounts.

(2) Results for the year ended December 31, 2019 have been translated into U.S. dollars, for convenience purposes only, using the exchange rate of Ps.18.8642 per U.S.$1.00 as calculated on December 31, 2019 and reported by the Mexican Central Bank in the Federal Official Gazette on January 2, 2020 as the exchange rate for the payment of obligations denominated in currencies other than pesos and payable within Mexico. These translations should not be construed as representations that the pesos amounts represent, have been or could have been converted into, U.S. dollars at such or at any other exchange rate.

(3) Impairment losses less recoveries of previously written-off loans (net of legal expenses).

(4) Principally includes provisions for off-balance sheet risk and provisions for tax and legal matters. See “Item 5. Operating and Financial Review and Prospects” in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(5) Amounts prepared in accordance with IFRS 9. Periods prior to January 1, 2018 have not been restated. See Note 2.h to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum, for more details on our change in accounting estimates in connection with the initial adoption of IFRS 9.

(6) Amounts for 2019 prepared in accordance with IFRS 16. Since the Bank did not restate prior period amounts upon adoption of IFRS 16, financial information for periods prior to January 1, 2019 may not be comparable. See Notes 1.b, 2.h, 2.l and 15 to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(7) To calculate diluted earnings per share, the amount of profit attributable to the Parent and the weighted average number of shares issued, excluding the average number of treasury shares, are adjusted to consider all the dilutive effects inherent to potential shares. For additional information on earnings per share, see Note 4.2.ii to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(8) On May 29, 2015, we paid a dividend of Ps.3,534 million, equal to Ps.0.0437 per share. On December 22, 2015, we paid a dividend of Ps.3,226 million, equal to Ps.0.0399 per share. On May 26, 2016, we paid a dividend of Ps.3,844 million, equal to Ps.0.0475 per share. On December 30, 2016, we paid a dividend of Ps.13,624 million, equal to Ps.0.1685 per share. On May 30, 2017 we paid a dividend of Ps.4,234 million, equal to Ps.0.0524 per share. On December 27, 2017, we paid a dividend of Ps.4,676 million, equal to Ps.0.0578 per share. On June 29, 2018, we paid a dividend of Ps.4,279 million, equal to Ps.0.6304 per share. On December 28, 2018, we paid a dividend of Ps.4,949 million, equal to Ps.0.7292 per share. On May 28, 2019, we paid a dividend of Ps.4,843 million, equal to Ps.0.7135 per share. On December 27, 2019 we paid a dividend of Ps.5,450 million, equal to Ps.0.8030 per share.

	As of December 31,					
	2015	2016	2017	2018 (1)	2019	2019
	(Millions of pesos)					(Millions of U.S. dollars)(2)
Assets						
Cash and balances with Mexican Central Bank	Ps. 59,788	Ps. 78,663	Ps. 57,687	Ps. 55,310	Ps. 65,207	U.S. 3,457
Financial assets at fair value through profit or loss	—	—	—	267,524	268,127	14,214
Financial assets held for trading	326,872	342,582	315,570	—	—	—
Other financial assets at fair value through profit or loss	28,437	42,340	51,705	107,425	79,927	4,237
Financial assets at fair value through other comprehensive income	—	—	—	155,789	236,980	12,562
Available-for-sale financial assets	113,873	154,644	165,742	—	—	—
Financial assets at amortized cost	—	—	—	766,225	747,823	39,642
Loans and receivables	598,712	675,498	679,300	—	—	—
Hedging derivatives	12,121	15,003	15,116	9,285	9,256	491
Non-current assets held for sale	1,101	1,107	1,295	1,277	935	50
Tangible assets	5,547	5,692	6,498	8,714	10,542	559
Right-of-use assets(5)	—	—	—	—	5,611	297
Intangible assets	4,877	5,772	6,960	8,044	8,832	468
Tax assets	18,659	23,301	20,209	21,968	23,135	1,226
Other assets	5,847	6,335	9,109	7,163	11,173	592
Total assets	**Ps. 1,175,834**	**Ps. 1,350,937**	**Ps. 1,329,191**	**Ps. 1,408,724**	**Ps. 1,467,548**	**U.S. 77,795**
Liabilities						
Financial liabilities at fair value through profit or loss(3)	Ps. —	Ps. —	Ps. —	Ps. 182,646	Ps. 153,600	U.S. 8,142
Financial liabilities held for trading(3)	149,324	226,215	193,492	—	—	—
Other financial liabilities at fair value through profit or loss(3)	231,590	177,473	166,886	178,265	273,725	14,510
Financial liabilities at amortized cost	659,209	806,091	820,431	890,284	864,266	45,815
Hedging derivatives	9,568	14,287	11,091	8,393	7,523	399
Provisions(4)	6,580	7,202	6,730	6,800	9,104	483
Lease liabilities(5)	—	—	—	—	5,919	314
Tax liabilities	643	44	71	194	322	17
Other liabilities	11,162	14,398	15,080	18,855	18,291	970
Total liabilities	**Ps. 1,068,076**	**Ps. 1,245,710**	**Ps. 1,213,781**	**Ps. 1,285,437**	**Ps. 1,332,750**	**U.S. 70,650**
Shareholders' equity	Ps. 107,328	Ps. 106,768	Ps. 116,558	Ps. 124,240	Ps. 132,715	U.S. 7,035
Share capital	8,086	8,086	8,086	25,660	25,660	1,360
Share premium	16,956	16,956	16,956	—	—	—
Accumulated reserves	68,235	65,190	72,838	79,227	86,674	4,595

	As of December 31,					
	2015	2016	2017	2018 (1)	2019	2019
	(Millions of pesos)					(Millions of U.S. dollars)(2)
Profit for the year attributable to the Parent	14,051	16,536	18,678	19,353	20,381	1,080
Valuation adjustments	372	(1,596)	(1,177)	(985)	2,043	108
Non-controlling interests	58	55	29	32	40	2
Total equity	**107,758**	**105,227**	**115,410**	**123,287**	**134,798**	**7,145**
Total liabilities and equity	**Ps. 1,175,834**	**Ps. 1,350,937**	**Ps. 1,329,191**	**Ps. 1,408,724**	**Ps. 1,467,548**	**U.S. 77,795**

(1) Amounts prepared in accordance with IFRS 9. Periods prior to January 1, 2018 have not been restated. See Note 2.h to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum, for more details on our change in accounting estimates in connection with the initial adoption of IFRS 9.

(2) The balance as of December 31, 2019 has been translated into U.S. dollars, for convenience purposes only, using the exchange rate of Ps.18.8642 per U.S.$1.00 as calculated on December 31, 2019 and reported by the Mexican Central Bank in the Federal Official Gazette on January 2, 2020 as the exchange rate for the payment of obligations denominated in currencies other than pesos and payable within Mexico. These translations should not be interpreted as representations that the pesos amounts represent, have been or could have been converted into, U.S. dollars at such or at any other exchange rate.

(3) As of December 31, 2019, the Bank began presenting the sale of financial assets acquired under reverse repurchase agreements and pledged in repurchase agreement transactions as Other financial liabilities at fair value through profit or loss. Pledged financial assets acquired under reverse repurchase agreements were presented as Financial liabilities held for trading for the years 2015 and 2016 and as Financial liabilities at fair value through profit or loss for the years 2017 and 2018. See Note 2.ae to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(4) Includes provisions for pensions and similar obligations, provisions for off-balance sheet risk and provisions for tax and legal matters. See “Item 5. Operating and Financial Review and Prospects” in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(5) Amounts prepared in accordance with IFRS 16. Periods prior to January 1, 2019 have not been restated. See Notes 1.b, 2.h, 2.l and 15 to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum, for more details on the initial adoption of IFRS 16.

Selected Ratios and Other Data

The selected financial data and ratios presented below have been derived from and should be read in conjunction with our audited financial statements incorporated by reference in this offering memorandum and the other financial information contained or incorporated by reference in this offering memorandum.

	As of and for the year ended December 31,				
	2015	2016	2017	2018	2019
	(Millions of pesos or percentages, except per share, offices and employee data)				
Profitability and performance					
Net interest margin(1)	4.88%	4.97%	5.34%	5.55%	5.59%
Total margin(2)	6.42%	6.38%	6.76%	6.96%	6.98%
Return on average total assets (ROAA)(3)	1.36%	1.50%	1.57%	1.49%	1.47%
Return on average equity (ROAE)(4)	13.71%	14.89%	16.93%	16.27%	15.73%
Efficiency ratio(5)	39.94%	38.58%	39.21%	41.74%	42.01%
Net fee and commission income as a percentage of operating expenses(6)	60.20%	56.41%	52.96%	49.72%	49.75%
Gross yield on average interest earning-assets	7.27%	7.82%	9.35%	10.14%	10.47%
Average cost of interest bearing liabilities	2.60%	3.17%	4.52%	5.20%	5.50%
Net interest spread	4.67%	4.65%	4.83%	4.94%	4.97%
Common stock dividend payout ratio (annual)(7)	48.18%	105.64%	47.77%	47.76%	50.59%
Average interest-earning assets(8)	883,735	989,857	1,047,976	1,120,323	1,187,076
Average interest-bearing liabilities(8)	815,902	893,128	932,380	991,805	1,056,356
Capital adequacy					
Net tangible book value	102,881	99,455	108,450	115,243	125,966
Net tangible book value per share	15.18	14.67	16.00	17.01	18.59
Average equity as a percentage of average total assets	9.94%	10.10%	9.28%	9.17%	9.35%
Total capital (Mexican Banking GAAP)(9)	103,639	109,238	115,321	121,454	125,083
Tier 1 capital (Mexican Banking GAAP)(9)	80,328	81,785	89,267	94,035	100,236
Tier 1 capital to risk-weighted assets (Mexican Banking GAAP)	12.10%	11.79%	12.18%	12.32%	13.12%
Total capital to risk-weighted assets (Mexican Banking GAAP)(10)	15.61%	15.74%	15.73%	15.91%	16.37%
Asset quality					
Non-performing loans as a percentage of total loans(11)	3.56%	2.93%	2.89%	2.67%	2.48%
Non-performing loans as a percentage of computable credit risk(11)(12)	3.32%	2.66%	2.57%	2.35%	2.23%
Written-off loans as a percentage of average total loans	2.85%	3.48%	3.63%	3.00%	2.97%
Written-off loans as a percentage of computable credit risk(12)	2.42%	3.03%	3.08%	2.51%	2.63%

	As of and for the year ended December 31,				
	2015	2016	2017	2018	2019
	(Millions of pesos or percentages, except per share, offices and employee data)				
Allowance for impairment losses as a percentage of average total loans(13)	3.70%	3.10%	2.83%	3.28%	3.08%
Allowance for impairment losses as a percentage of non-performing loans(11)(13)	94.97%	101.64%	93.37%	116.75%	122.38%
Allowance for impairment losses as a percentage of written-off loans(13)	129.98%	89.21%	77.90%	109.34%	103.86%
Allowance for impairment losses as a percentage of total loans(13)	3.38%	2.98%	2.70%	3.12%	3.03%
Liquidity					
Liquid assets as a percentage of deposits(14)(18)	46.05%	38.72%	33.47%	33.78%	34.79%
Total Loans, net of allowances, as a percentage of deposits(15)	71.98%	73.08%	72.41%	73.00%	72.17%
Total loans as a percentage of total funding(16)(18)	63.16%	62.19%	64.32%	65.33%	64.56%
Deposits as a percentage of total funding(15)(16)(18)	87.43%	86.77%	86.43%	86.70%	86.75%
Operations					
Offices(17)	1,354	1,364	1,375	1,393	1,402
Employees (full-time equivalent)	17,208	16,976	17,826	18,979	19,975

(1) Net interest margin is defined as net interest income (including dividend income) divided by average interest-earning assets, which are loans and advances, debt instruments and other financial assets which, yield interest or similar income.

(2) Total margin is defined as net interest income (including dividend income) plus fee and commission income (net) divided by average interest-earning assets.

(3) Calculated based upon the average daily balance of total assets.

(4) Calculated based upon the average daily balance of equity.

(5) Efficiency ratio is defined as administrative expenses plus depreciation and amortization, divided by total income.

(6) Net fee and commission income divided by administrative expenses plus depreciation and amortization.

(7) Dividends paid per share divided by net income per share.

(8) Average balance sheet data has been calculated based upon the sum of the daily average for each month in the applicable period.

(9) "Total capital" and "Tier 1 capital" are calculated in accordance with the methodology established or adopted from time to time by the CNBV pursuant to the Mexican Capitalization Requirements.

(10) Tier 1 capital plus Tier 2 capital divided by total risk-weighted assets, calculated according to the Mexican Capitalization Requirements.

(11) See Note 2.g to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum, for more details on the classification of credit-impaired or non-performing loans.

(12) Computable credit risk is the sum of the face amounts of loans (including non-performing loans) plus guarantees and documentary credits. At December 31, 2019, total loans were Ps.804,684 million and total guarantees and documentary credits were Ps.80,168 million. When guarantees or documentary credits are contracted, we record them as off-balance sheet accounts. We present the off-balance sheet information to better demonstrate our total managed credit risk.

(13) Allowance for impairment losses were Ps.18,749 million, Ps.17,883 million, Ps.16,929 million, Ps.21,516 million and Ps.21,970 million as of December 31, 2015, 2016, 2017, 2018 and 2019, respectively. Allowance for impairment losses as of December 31, 2018 and 2019 have been prepared in accordance with IFRS 9. Prior periods have not been restated. See Note 2.h to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum, for more details on our change in accounting estimates in connection with the initial adoption of IFRS 9.

(14) For the purpose of calculating this ratio, the amount of deposits includes the sum of demand deposits and time deposits. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Composition of Deposits" in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

Liquid assets include cash due from banks and government securities recorded at market prices. We believe we could obtain cash for our liquid assets immediately, although under systemic stress scenarios, we would likely be subject to a discount to the face value of these assets. As of December 31, 2015, 2016, 2017, 2018 and 2019, we had a total amount of liquid assets of Ps.342,408 million, Ps.308,177 million, Ps.281,690 million, Ps.308,857 million and Ps.338,694 respectively. For the years ended December 31, 2015, 2016, 2017, 2018 and 2019, the average amounts outstanding were Ps.291,828 million, Ps.315,660 million, Ps.343,395 million, Ps.281,882 million and Ps.237,934 respectively.

As of December 31, 2015, liquid assets were composed of the following: 17.5% cash and balances with the Mexican Central Bank (cash at our branches and ATMs and the Depósito de Regulación Monetaria (Compulsory Deposits)); 35.2% debt instruments issued by the Mexican Government; and 47.4% debt instruments issued by the Mexican Central Bank.

As of December 31, 2016, liquid assets were composed of the following: 25.5% cash and balances with the Mexican Central Bank (cash at our branches and ATMs and the Depósito de Regulación Monetaria (Compulsory Deposits)); 41.7% debt instruments issued by the Mexican Government; and 32.8% debt instruments issued by the Mexican Central Bank.

As of December 31, 2017, liquid assets were composed of the following: 20.5% cash and balances with the Mexican Central Bank (cash at our branches and ATMs and the Depósito de Regulación Monetaria (Compulsory Deposits)); 51.2% debt instruments issued by the Mexican Government; and 28.3% debt instruments issued by the Mexican Central Bank.

As of December 31, 2018, liquid assets were composed of the following: 17.9% cash and balances with the Mexican Central Bank (cash at our branches and ATMs and the Depósito de Regulación Monetaria (Compulsory Deposits)); 59.6% debt instruments issued by the Mexican Government; and 22.5% debt instruments issued by the Mexican Central Bank.

As of December 31, 2019, liquid assets were composed of the following: 19.2% cash and balances with the Mexican Central Bank (cash at our branches and ATMs and the Depósito de Regulación Monetaria (Compulsory Deposits)); 70.9% debt instruments issued by the Mexican Government; and 9.7% debt instruments issued by the Mexican Central Bank.

(15) For the purpose of calculating this ratio, the amount of deposits includes the sum of demand deposits and time deposits. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Composition of Deposits" in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

(16) For the purpose of calculating this ratio, the amount of total funding comprises the total of our deposits and repurchase agreements, our total marketable debt securities and the amount of our subordinated liabilities.

For December 31, 2015, 2016, 2017, 2018 and 2019 our deposits and repurchase agreements amounted to Ps.766,881 million, Ps.836,465 million, Ps.841,673 million, Ps.914,453 million and Ps.973,503 million respectively, and our marketable debt securities amounted to Ps.87,449 million, Ps.90,003 million, Ps.96,296 million, Ps.103,062 million and Ps.114,457 million, respectively. For December 31, 2015, 2016, 2017, 2018 and 2019, our subordinated liabilities amounted to Ps.22,788 million, Ps.37,576 million, Ps.35,885 million, Ps.37,228 million and Ps.34,267 million, respectively.

(17) Includes traditional branches (including those offering Santander Select service), offices and branches that serve SMEs, traditional bank tellers (ventanillas – including those offering Santander Select service), Santander Select offices (including centers (Centros Select), spaces (Espacios Select), box offices and corners) as well as Santander Select units (módulos).

(18) As of December 31, 2019, the Bank began presenting the sale of financial assets acquired under reverse repurchase agreements and pledged in repurchase agreement transactions as Other financial liabilities at fair value through profit or loss. Pledged financial assets acquired under reverse repurchase agreements were presented as Financial liabilities held for trading for the years 2015 and 2016 and as Financial liabilities at fair value through profit or loss for the years 2017 and 2018. See Note 2.ae to our audited financial statements included in our annual report on Form 20-F for the year ended December 31, 2019, incorporated by reference into this offering memorandum.

Capital Ratios

Pursuant to the Mexican Capitalization Requirements, we are classified as a Class I bank in Mexico. In addition, we have been designated as a Grade III domestic systemically important bank ("D-SIB") by the CNBV. As of December 31, 2019, the minimum Capital Ratios applicable to us to remain classified as Class I were 7.0% in the case of Fundamental Capital, 8.5% in the case of Tier 1 Capital and 10.5% in respect of Total Net Capital, plus in each case, any other applicable Capital Supplement (currently as a Grade III D-SIB, 1.20% and any other Countercyclical Capital Supplement applicable to the Bank). The Total Net Capital ratio includes a 2.5% conservation buffer. In early April, the CNBV announced that financial institutions, including us, could disregard their conservation buffer temporarily in response to the COVID-19 pandemic. See "Summary—Recent Developments—Measures adopted by the Mexican Government related to the COVID-19 pandemic."

The table below presents our risk-weighted assets and Capital Ratios as of December 31, 2017, 2018 and 2019, calculated in accordance with Mexican Banking GAAP.

	Mexican Banking GAAP As of December 31,		
	2017	2018	2019
	(Thousands of pesos, except percentages)		
Capital:			
Common Equity Tier 1 capital	Ps. 79,455,469	Ps. 84,225,628	Ps. 90,816,204
Tier 1	89,267,141	94,034,729	100,235,806
Tier 2	26,053,739	27,418,932	24,847,195
Total capital	115,320,880	121,453,661	125,083,001
Risk-Weighted Assets:			
Credit risk	553,910,680	534,153,701	536,526,851
Market risk	137,991,688	178,497,016	174,858,895
Operational risk	41,443,619	50,519,756	52,706,764
Total risk-weighted assets	Ps. 733,345,986	Ps. 763,170,474	Ps. 764,092,511
Required Regulatory Capital:			
Credit risk	44,312,854	42,732,296	42,922,148
Market risk	11,039,335	14,279,761	13,988,712
Operational risk	3,315,490	4,041,581	4,216,541
Total risk-weighted assets	Ps. 58,667,679	Ps. 61,053,638	Ps. 61,127,401
Capital Ratios (credit, market and operational risk)(*):			
Common Equity Tier 1 capital to risk-weighted assets	10.83%	11.04%	11.89%
Tier 1 capital to risk-weighted assets	12.17%	12.32%	13.12%
Tier 2 capital to risk-weighted assets	3.55%	3.59%	3.25%
Total capital to risk-weighted assets(1)	15.73%	15.91%	16.37%

(*) The capital ratios included in this table are in accordance to the data published by the CNBV.

(1) Our Capitalization Index as of December 31, 2019 increased by 46 basis points from 15.91% on December 31, 2018 to 16.37% on December 31, 2019, mainly due to increases of 4.3% (Ps.174,960 million) in regulatory capital required for operational risk, 0.4% (Ps.189,852 million) in regulatory capital required for credit risk and a decrease of 2.0% (Ps.291,050 million) in regulatory capital required for market risk and an increase of 3.0% (Ps.3,629,340 million) in total capital.

RISK FACTORS

Investing in the Notes involves risks. Prior to deciding to purchase the Notes, prospective investors should consider carefully all of the information set forth in this offering memorandum and the documents incorporated by reference herein. In particular, you should carefully consider the factors discussed below and under "Item 3. Key Information – D. Risk Factors" in our annual report on Form 20-F for the year ended December 31, 2019. Our business, financial condition or results of operations could be materially and adversely affected if any of these risks occurs. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. This offering memorandum and the documents incorporated by reference herein also contain forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors described in this offering memorandum or in the documents incorporated by reference herein.

Risks Relating to Our Business

Our operations and results have been negatively impacted by the coronavirus outbreak, which we expect will have a continued and likely material adverse effect on our business and results of operations.

Since December 2019, a novel strain of coronavirus (COVID-19) has spread around the world, including Mexico. On March 30, 2020, the Mexican Federal Government declared a health emergency based on force majeure as a result of the COVID-19 pandemic and announced several measures to address it, including enhancement of sanitary measures, the suspension of any and all non-essential activities and a voluntary shelter in place order until April 30, 2020. These measures and similar measures in other countries have also led to the suspension of international flights, the suspension of operations by hotels, restaurants and other public establishments and the shutdown of international borders.

These measures have caused disruption in Mexican, regional and global economic activity, including a partial shutdown of our branch network. In Mexico, several industries and sectors to which we have exposure, have been particularly impacted by the COVID-19 pandemic and related economic disruption, including, but not limited to, the export/import, transportation, hotels and restaurants, oil and gas, and automotive industries. As of January 2020, approximately 9.2% of our loan portfolio was comprised of loans to borrowers in these sectors. As a result of this disruption, the Mexican Ministry of Finance is estimating as of April 1, 2020 that Mexico's GDP could contract by as much as 3.9% in 2020 and forecasts by several analysts and financial institutions estimate a substantially more pronounced contraction. This disruption has also led to volatility and a downturn in financial markets, which has impacted prices of securities and the availability of funding through the financial markets. Furthermore, as of the date of this offering memorandum, the Mexican Central Bank has reduced its interest rate by 75 bps to 6.5% and may introduce additional decreases in the future. As of April 8, 2020, the Mexican peso had depreciated to Ps.24.09 per U.S.$1.00, a 27.7% depreciation since the beginning of 2020, and continuing volatility could cause the peso to depreciate further. The Government's shelter in place order and other related measures, in the context of a weakened economy, lower interest rates and a weaker exchange rate, may adversely affect us in the future by, among other things, decreasing lending volumes, decreasing fee-generating transactions, reducing margins on lending, putting pressure on our capitalization ratios and requiring additional allowances for impairment of loans. In response to the pandemic, some of our clients have drawn on credit lines and we anticipate that more of our clients could do so. While our liquidity position remains strong, we expect these draws to lead to a significant reduction in our liquidity ratio in the near term. These reductions notwithstanding, we expect our liquidity ratio to remain well above regulatory minimums in the near term. However, substantial draws in the future could again reduce our liquidity ratios and our overall liquidity, if significant.

As part of the actions taken to mitigate the impact of the COVID-19 pandemic, the Mexican National Banking and Securities Commission (CNBV) issued temporary special accounting principles applicable to financial institutions, which allow, inter alia, a partial or total deferral (grace period) of principal and/or interest payments due on loans that were not impaired as of February 29, 2020 for up to four months, with the possibility of extending it for an additional two months, without such loans being considered impaired under Mexican GAAP. With this support from the CNBV, we launched a debtor relief program for individuals and SMEs, offering them the possibility of deferring payment of principal and interest on their loans for up to four months. Since the program was

launched, and as of April 10, 2020, approximately 379 thousand clients have registered. Of these 379 thousand clients, 53% have credit card loans, 17% have payroll loans, 16% have personal loans, 10% have mortgages and 1% have automotive loans. Individuals represent 97% of clients participating in the program, with SMEs representing the remaining 3%. The registered clients represent 24% of our total mortgages customers, 9% of our credit card customers, and 12% of our consumer and auto loan customers. In the SME segment, the customers registered represent 18% of our total customers. The period to register for this relief program ends on April 30, 2020, and as such, this number may increase in the coming weeks. As of April 10, 2020, the aggregate amount of the affected loans was approximately Ps.76,600 million.

If our clients default on their payment obligations at the end of the grace period provided by this program, or otherwise fail to timely comply with their obligations under our outstanding loans, this will result in higher levels of non-performing loans, leading to the recognition of additional allowances for impairment losses. Furthermore, defaults by our clients that are not covered by payment deferral measures enacted by the CNBV would also lead to increased recognition of an allowance for impairment losses. While we have not recognized any impairment losses of the deferred consumer loans as of the date of this offering memorandum, or significant impairment losses in connection with our corporate loans, the impact on our allowance for impairment losses is currently uncertain because it is highly dependent on the duration of the COVID-19 pandemic and the extent and length of the ensuing economic downturn. We expect that non-performing loans and the allowance for impairment losses will increase between the second half of 2020 and the first half of 2021 as a result of clients registering for such program.

In response to the COVID-19 pandemic, we are proactively monitoring our credit portfolio and have implemented credit risk plans as a response to macroeconomic uncertainty, which we are integrating into our broader commercial strategy. However, there can be no assurance that the implementation of these plans will mitigate the impact of the COVID-19 pandemic, and we expect this pandemic to negatively impact our business and results of operation in 2020 and at least the first half of 2021. Since we believe the pandemic will have a continuing negative impact on us for 2020, we do not expect to be able to achieve the 2020 financial results targeted in guidance we provided in January of 2020. The extent to which the COVID-19 pandemic impacts our results will depend on the duration of this pandemic and the level of continued disruption to Mexican, regional and global economic activity, which is impossible to predict at this time. Future developments with respect to COVID-19 are highly uncertain and new information may emerge concerning the severity of the COVID-19 pandemic and the actions taken to contain it. Furthermore, there are no indications the Mexican government will be implementing extraordinary loan programs, tax relief or other forms of relief or assistance for private sector entities such as us. If the pandemic continues and further government programs are not initiated, or the ones in place are not effective, this could have a material adverse effect on us.

Risks Relating to Our Notes

The Notes will be effectively subordinated to our secured debt, our subsidiaries' indebtedness and other liabilities and to certain claims preferred by statute.

Our obligations under the Notes are unsecured. Mexican banks are not allowed to post security except for (i) derivative transactions, (ii) obligations in favor of the Mexican Central Bank, Mexican development banks, public trusts incorporated by the Mexican government for economic promotion and IPAB, and (iii) specific cases expressly authorized by the CNBV. As of December 31, 2019, in addition to derivative transactions, we had secured indebtedness for Ps.5,048 million (approximately U.S.$268 million), primarily consisting of loans with development banks. The Notes will be effectively subordinated to all of our secured debt to the extent of the value of the collateral securing such debt. In the event that we are not able to repay amounts due under such secured debt obligations, creditors could proceed against the collateral securing such indebtedness. In that event, any proceeds upon a realization of the collateral would be applied first to amounts due under the secured debt obligations before any proceeds would be available to make payments on the Notes. If there is a default, the value of this collateral may not be sufficient to repay both our secured creditors and the holders of the Notes. The Notes will also rank effectively junior to all of our subsidiaries' indebtedness and other liabilities. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of holders of the Notes to participate in those assets would be effectively subordinated to the claims of those subsidiaries' creditors, including trade creditors. Additionally, the claims of holders of the Notes will rank effectively junior to certain obligations that are preferred by statute, including certain claims relating to taxes and labor.

The Notes are subject to redemption in the event of changes affecting the taxation of the Notes and at any time at our option.

Upon the occurrence and continuation of certain specified changes affecting taxation of the Notes of a particular series, as described under "Description of Notes—Redemption—Withholding Tax Redemption," we will have the option under the indenture for the Notes to redeem the Notes, at any time prior to the Maturity Date, in whole (but not in part). In addition, the Notes are redeemable, in whole or in part, at any time prior to the Maturity Date at our option, as described under "Description of Notes—Redemption—Optional Redemption."

We may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agencies' assessments of our financial strength and Mexican sovereign risk.

The rating of the Notes addresses the likelihood of payment of principal at their maturity. The rating also addresses the timely payment of interest on each payment date. The rating of the Notes is not a recommendation to purchase, hold or sell the Notes, and the rating does not comment on market price or suitability for a particular investor. We cannot assure you that the rating of the Notes will remain for any given period of time or that the rating will not be lowered or withdrawn. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of our financial strength, as well as its assessment of Mexican sovereign risk generally.

The Notes are a new issue of securities for which there is currently no public market and you may be unable to sell your Notes if a trading market for the Notes does not develop.

We have not and will not register the Notes with the RNV maintained by the CNBV, and therefore, we may not publicly offer the Notes or sell the Notes, nor can the Notes be the subject of brokerage activities, in Mexico. The Notes may be offered or sold to investors in Mexico, on a private placement basis, if such investors qualify as institutional and qualified investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law and the regulations thereunder. In addition, the offer and sale of the Notes have not been registered under the Securities Act or the securities law of any other jurisdiction and the Notes are being offered and sold only to qualified institutional buyers within the meaning of Rule 144A under the Securities Act and in offshore transactions to persons other than U.S. persons pursuant to Regulation S under the Securities Act. Application will be made to admit the Notes to listing on the Official List of Euronext Dublin and to trading on the Global Exchange Market, although no assurance can be given that such listing will be accomplished. The Notes will constitute a new issue of securities with no established trading market. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the Notes or may be unable to sell them at all. Accordingly, we cannot assure you that an active trading market for the Notes will develop; that any market that develops for the Notes will be sufficiently liquid; or that you will be able to sell the Notes (or beneficial interests therein) at a favorable price or at all.. In addition, in the event there are changes in the listing requirements, we may conclude that continued listing on Euronext Dublin is unduly burdensome.

Even if a market develops, the liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. The initial purchasers have informed us that they may make a market in the Notes. However, the initial purchasers are not obligated to do so and any such market-making activity may be terminated at any time without notice to you. In addition, such market-making activity will be subject to restrictions under the Securities Act. Accordingly, we cannot assure you as to the development or liquidity of any market for the Notes. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, our performance and business prospects and other factors.

The Notes are subject to certain transfer restrictions.

The Notes are being offered in reliance upon an exemption from registration under the Securities Act. Therefore, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities law. We do not intend to provide registration rights to holders of the Notes and do not intend to file any registration statement with the SEC in respect of the Notes. See "Transfer Restrictions."

Holders of Notes may find it difficult to enforce civil liabilities against us or our directors, officers and controlling persons.

We and all of our subsidiaries are organized under the laws of Mexico. Our directors, officers and controlling persons reside outside of the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. Although we have appointed an agent for service of process in any action against us in the United States under the indenture or the Notes, none of our directors, officers or controlling persons has consented to service of process in the United States or to the jurisdiction of any United States court. As a result, it may be difficult for investors to effect service of process within the United States on such persons.

Additionally, investors may experience difficulty in Mexico enforcing foreign judgments obtained against us and our executive officers, directors and controlling persons, including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of our Mexican counsel, there is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. See "Enforcement of Judgments."

***Mexican law does not require us to pay our foreign-currency judgments in a currency other than* pesos.**

Under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), if proceedings are brought in Mexico seeking to enforce in Mexico our obligations under the Notes, we would not be required to discharge such obligations in Mexico in a currency other than Mexican currency. Pursuant to the Mexican Monetary Law, an obligation that is payable in Mexico in a currency other than Mexican currency, whether by agreement, as a result of an initial proceeding or as a result of the enforcement of a judgment, may be satisfied in Mexican currency at the rate of exchange in effect on the date and in the place payment occurs. Such rate currently is determined by the Mexican Central Bank every business banking day in Mexico and published the following business banking day in the Federal Official Gazette. Accordingly, we will be legally entitled to make payment of amounts due on the Notes in pesos, if payment of the Notes is sought in Mexico through a proceeding initiated in Mexico, the enforcement of a non-Mexican judgment or otherwise. If we elect to make payments due on the Notes in pesos, in accordance with the Mexican Monetary Law, we cannot assure you that the amounts paid may be converted into U.S. dollars or that, if converted, such amounts would be sufficient to purchase U.S. dollars equal to the amount of principal, interest or additional interest due on the Notes. Judgement currency provisions are not enforceable as a means to obtain payment of any deficiency.

In addition, under the Mexican Banking Law, in the event of the revocation of our license to operate as a bank and consequent liquidation, our foreign currency-denominated liabilities would be converted into pesos at the prevailing rate of exchange on the date our license to operate as a bank is revoked. As a result, we cannot assure you that the amounts paid on the Notes under such circumstances, if converted to U.S. dollars, would be sufficient to purchase U.S. dollars equal to the principal, interest and any additional interest due on the Notes.

If we were declared insolvent by the CNBV, we would be liquidated in a court procedure and the holders of the Notes may find it difficult to collect payment on the Notes.

Under the Mexican Banking Law, if the CNBV declares us insolvent (*en resolución*) because our authorization to be organized and operate as a bank institution has been revoked, and a liquidation procedure before a Federal Mexican court will commence, in which by statute the IPAB will be appointed as the receiver (*liquidador judicial*). In that event, our payment obligations denominated in foreign currency, including the Notes:

- would be converted into pesos at the exchange rate published by the Mexican Central Bank on the banking business day preceding the date on which such declaration is deemed effective;

- would cease to accrue interest from the day of the date insolvency (*resolución*) was declared;

- would be dependent, as to amounts payable and timing for repayment, upon the outcome of and subject to the priorities recognized in the insolvency (*resolución*) proceedings;

- would be paid at the time claims of certain other creditors are satisfied; and

- would not be adjusted to take into account depreciation of the peso against the U.S. dollar occurring after the declaration of insolvency (*resolución*).

In addition, in the event of our insolvency (*resolución*), Mexican law provides preferential treatment for certain claims, such as those relating to labor, taxes, social security and secured creditors (*acreedores con garantía real*).

Moreover, under Mexican law, it is possible that in the event we become subject to insolvency (*resolución*), any amount by which the stated principal amount of the Notes exceeds their accreted value may be regarded as not matured, and, therefore, claims of holders of the Notes may only be allowed to the extent of the accreted value of the Notes. There is no legal precedent in connection with insolvency (*resolución*) in Mexico on this point, and, accordingly, it is uncertain how a Mexican court would measure the value of claims of holders of the Notes.

USE OF PROCEEDS

Our net proceeds from the issuance and sale of the Notes, after paying initial purchasers' fees and commissions and expenses related to the offering, are estimated to be approximately U.S.$1,744.8 million. We intend to use the net proceeds from the offering for general corporate purposes.

CAPITALIZATION

The following table sets forth our actual capitalization under IFRS as of December 31, 2019, and our capitalization as adjusted to give effect to the issuance of U.S.$1,750,000,000 aggregate principal amount of the Notes offered hereby, as if such issuance had occurred on December 31, 2019. The following table should be read in conjunction with the "Use of Proceeds" and our audited consolidated financial statements and related notes included in our annual report on Form 20-F for the year ended December 31, 2019 incorporated by reference into this offering memorandum.

	As of December 31, 2019			
	Actual	As adjusted	Actual	As adjusted
	(Millions of pesos)		(Millions of U.S.$)(1)	
Indebtedness:				
Current debt (2)	Ps. 107,053	Ps. 107,053	U.S.$ 5,675	U.S.$ 5,675
Long-term debt (3)	86,950	119,962	4,609	6,359
Total indebtedness	**194,003**	**227,015**	**10,284**	**12,034**
Shareholders' equity:				
Share capital	25,660	25,660	1,360	1,360
Share premium	—	—	—	—
Accumulated reserves	86,674	86,674	4,595	4,595
Profit for the year attributable to the Parent	20,381	20,381	1,080	1,080
Valuation adjustments (4)	2,043	2,043	108	108
Non-controlling interests	40	40	2	2
Total shareholders' equity	**134,798**	**134,798**	**7,145**	**7,145**
Total capitalization	**Ps. 328,801**	**Ps. 361,813**	**U.S.$17,429**	**U.S.$ 19,179**

(1) Converted, for convenience purposes only, using the exchange rate for U.S. dollars of Ps.18.8642 per U.S.$1.00 as calculated on December 31, 2019 and reported by the Mexican Central Bank in the Federal Official Gazette on January 2, 2020 as the exchange rate for the payment of obligations denominated in currencies other than pesos and payable within Mexico. These translations should not be interpreted as representations that the pesos amounts represent, have been or could have been converted into, U.S. dollars at such or at any other exchange rate.

(2) Consists of unsecured structured bank bonds (*bonos bancarios estructurados*), unsecured bonds (*certificados bursátiles bancarios*) and promissory notes with interest payable at maturity (*certificados de depósito bancario de dinero a plazo*), all of which are unsecured, and bank loans.

(3) Consists of structured bank bonds (*bonos bancarios estructurados*), which are unsecured, unsecured bonds (*certificados bursátiles bancarios*), senior notes and bank loans.

(4) Comprises the valuation of financial assets at fair value through other comprehensive income and valuation of hedging derivatives (cash flow hedges).

DESCRIPTION OF NOTES

The Notes will be issued pursuant to an indenture dated as of April 17, 2020 between us and The Bank of New York Mellon, as trustee, registrar, transfer agent and paying agent, which may be amended or supplemented from time to time.

The indenture provides for the issuance of the Notes but does not limit the aggregate principal amount of Notes that may be issued under the indenture, and provides that, subject to certain conditions, additional Notes may be issued under the indenture from time to time. The indenture does not limit the amount of senior, secured or other additional indebtedness or other obligations that we may incur. The indenture is not qualified under, or subject to the provisions of, the Trust Indenture Act. As a result, holders of the Notes will not receive the protections afforded thereby and the terms of the Notes include only those stated in the indenture.

This summary describes certain terms and provisions of the Notes and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the indenture and the Notes, including the definitions therein of certain terms. We urge you to read each of the indenture and the form of the Notes because they, and not this description, define your rights as a holder of Notes. In case of any conflict regarding the rights and obligations of the holders of the Notes under the indenture, the Notes, and this offering memorandum, the terms of the indenture will prevail. Capitalized terms not otherwise defined in this "Description of Notes" have the meanings ascribed to them in the indenture. You may obtain a copy of the indenture and the form of the Notes by contacting the trustee at the address indicated in this offering memorandum.

General

The Notes will initially be issued in the aggregate principal amount of U.S.$1,750,000,000 in registered form, in minimum denominations of U.S.$150,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be unsecured and not guaranteed, or otherwise eligible for reimbursement, by the IPAB or any other Mexican governmental agency, or by any other entity that is part of the Santander Group, and are not convertible, by their terms, into our shares or equity capital.

The Notes will mature and be payable in full on April 17, 2025 (the "Maturity Date") unless earlier redeemed or permitted under the indenture. We may redeem the Notes in whole, but not in part, under the circumstances described below under "—Redemption—Withholding Tax Redemption." We may also redeem the Notes, in whole or in part, at our option at any time, as described below under "—Redemption—Optional Redemption." Other than in accordance with a Withholding Tax Redemption or an Optional Redemption, the Notes will not be redeemable prior to the Maturity Date.

Ranking

The Notes will be our direct, unconditional and unsecured general obligations and will, other than as set forth below, at all times rank *pari passu* in right of payment with all of our other unsecured obligations other than obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of our secured indebtedness with respect and up to the value of our assets securing that indebtedness, (ii) certain direct, unconditional and unsecured general obligations that in case of our insolvency are granted preferential treatment pursuant to Mexican law (including tax, social security and labor obligations) and (iii) all of the existing and future liabilities of our subsidiaries, including trade payables. We currently do not have any secured indebtedness.

As of December 31, 2019, we had approximately Ps.158,748 million (approximately U.S.$8,415 million) aggregate principal amount of outstanding senior indebtedness that would rank pari passu with the Notes. As of December 31, 2019, in addition to derivative transactions, we had secured indebtedness for Ps.5,048 million (approximately U.S.$268 million), primarily consisting of loans with Mexican development banks.

Principal and Interest

The Notes will bear interest from (and including) April 17, 2020, or the "Issue Date," to (but excluding) the Maturity Date, at a rate per annum equal to 5.375%, payable semi-annually in arrears on April 17 and October 17 of each year (each an "Interest Payment Date"), commencing on October 17, 2020. If any Interest Payment Date would otherwise fall on a date that is not a Business Day (as defined below), the required payment of interest shall be made on the next succeeding Business Day, with the same force and effect as if made on such Interest Payment Date, and no further interest shall accrue as a result of the delay. Interest on the Notes will be calculated on the basis of a 360-day year of twelve 30-day months. The Notes will bear interest at the rate specified above. Interest on the Notes will be paid on the dates specified above to the person in whose name a Note is registered at the close of business on the 15th day preceding the respective Interest Payment Date (such date, a "record date," whether or not a Business Day). For purposes hereof, the term Business Day is defined in the indenture for the Notes as any day other than a Saturday or a Sunday, or a day on which banking institutions in the City of New York, New York or Mexico City, Mexico are authorized or required by law, regulation or executive order to remain closed.

If any Interest Payment Date or Maturity Date for the Notes falls on a day that is not a Business Day, the related payment of principal or interest will be made on the next succeeding Business Day as if it were made on the date such payment was due, and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date or Maturity Date, as the case may be.

Further Issuances; Additional Notes

The Bank may issue additional Notes from time to time without the consent of the holders of the Notes then outstanding. The issuance of additional Notes may not change the terms of the outstanding Notes.

The Bank may issue Notes from time to time having terms identical to the Notes but for the original issue date, the issue price, the first interest payment date and the first interest accrual date ("Additional Notes"). Once any Additional Notes have been issued, whether Regulation S Global Notes or Rule 144A Global Notes, such Additional Notes together with the prior and subsequent Notes issued shall constitute one and the same series of Notes for all purposes; provided, however, that in the case of Regulation S Global Notes, such consolidation of Additional Notes issued will occur only following the exchange of interests in the temporary Regulation S global note for interests in the permanent Regulation S global note; and provided further that if the Additional Notes are not fungible with the then outstanding Notes for United States federal income tax purposes, the Additional Notes will have a separate ISIN number, CUSIP number and Common Code. The offering memorandum relating to any Additional Notes will set forth matters related to the issuance, exchange and transfer of Additional Notes, including identifying the prior Notes, their original issue date and aggregate principal amount.

Highly Leveraged Transactions; Change of Control

The indenture does not include any debt covenants or other provisions which afford holders of the Notes protection in the event of a highly leveraged transaction or a change of control.

Indebtedness, Liens, Dividends, Reserves and Maintenance of Properties

The indenture does not limit our ability to incur senior, secured or other additional indebtedness (including additional Notes), our ability to grant liens on our assets and properties, our payment of dividends or require us to create or maintain any reserves.

Payment of Additional Interest

All payments made by or on our behalf in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature and interest, penalties and fines in respect thereof, imposed or levied by or on behalf of Mexico or any other jurisdiction through which payments are made or any authority or agency therein or thereof having power to tax (each a "Relevant Jurisdiction" and any such amount, a "Relevant Tax") unless the withholding or deduction of such Relevant Tax is required by law or by official interpretation or administration thereof. In that event, we will pay as additional distributions of interest and principal such additional interest ("Additional Interest") as may be necessary so that the net amounts received by the holders of the Notes after such withholding or deduction will equal the amount which would have been received in respect of the Notes in the

absence of such withholding or deduction, except that no Additional Interests will be payable to a holder to the extent that such Relevant Tax:

(1) is imposed only by virtue of the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a partnership, a limited liability company or a corporation) and a Relevant Jurisdiction, including, without limitation, the holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident of a Relevant Jurisdiction or being or having been engaged in a trade or business or present in a Relevant Jurisdiction or having, or having had, a permanent establishment for tax purposes in a Relevant Jurisdiction, other than the mere receipt of payment in respect of the Notes or ownership of the Notes or the enforcement of rights thereunder;

(2) is imposed only by virtue of the failure of such holder or beneficial owner to comply with certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the applicable Relevant Jurisdiction of such holder or beneficial owner, if compliance is required by statute or by regulation of a Relevant Jurisdiction as a precondition to relief or exemption from the Relevant Tax, provided that (x) we have or our agent has provided the holder of the Notes or its nominee with at least 30 days' written notice that such holder will be required to provide any such information, documentation or reporting requirement, and (y) in no event, shall such holder's requirement to make such a declaration or claim require such holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder been required to file IRS Forms W-8BEN, W-8ECI, W-8EXP and/or W-8IMY, except to the extent required under applicable law or regulation or a double taxation treaty, so that we may determine the appropriate rate for tax withholding.

(3) is imposed on a holder (or beneficial owner) that has presented a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent such holder would be entitled to Additional Interest had the Notes been surrendered during such 30 day period;

(4) in the case of any Relevant Tax required to be withheld by any paying agent from any payment of the principal of, or interest on any Note, results from the presentation of any Note for payment and the payment can be made without such withholding or deduction by the presentation of the Note for payment by at least one other paying agent;

(5) is an estate, inheritance, gift, sale, transfer or personal property tax or any similar tax, assessment or governmental charge;

(6) is payable other than by withholding or deduction from payments on or in respect of any Note;

(7) is withheld or deducted pursuant to, or in connection with, Sections 1471-1474 of the U.S. Internal Revenue Code and the Treasury regulations thereunder ("FATCA"), including any agreement with the U.S. Internal Revenue Service with respect thereto, any intergovernmental agreement between the United States and Mexico or any other jurisdiction with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or in connection with, FATCA or any intergovernmental agreement with respect to FATCA; or

(8) is imposed as a result of any combination of (1) through (7) above.

Nor will Additional Interest be paid with respect to any payment on a Note to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of a Relevant Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Interest had that beneficiary, settlor, member or beneficial owner been the holder.

The limitations on our obligations to pay Additional Interest stated in item (2) above will not apply if with respect to taxes imposed by Mexico or any political subdivision or taxing authority thereof or therein, Article 166,

section II, subsection a), of the Mexican Income Tax Law (or a substantially similar successor of such Article) is in effect, unless the provision of the certification, information, documentation or other evidence described in item (2) bullet is expressly required by statute, rule or regulation in order to apply Article 166, section II, subsection a), of the Mexican Income Tax Law (or a substantially similar successor of such Article), the Bank cannot obtain such certification, information, documentation or other evidence on its own through reasonable diligence and the Bank otherwise would meet the requirements for application of Article 166, section II, subsection a), of the Mexican Income Tax Law (or such successor of such Article) and regulations.

We will also (1) make such withholding or deduction and (2) remit the full amount withheld or deducted to the relevant taxing authority in the Relevant Jurisdiction in accordance with applicable law.

We will provide the trustee with documentation, which may be certified copies of filed returns, evidencing the payment of any such taxes in respect of which we have paid any Additional Interest. We will make copies of such documentation available to the holders of the Notes or the relevant paying agent upon request.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Interest arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), if we will be obligated to pay Additional Interest with respect to such payment, we will deliver to the trustee an officer's certificate stating that such Additional Interest will be payable and the amounts so payable and setting forth such other information as is necessary to enable the trustee to pay such Additional Interest to the holders of such Notes on the payment date.

We will also pay any present or future stamp, administrative, court, or any similar documentary taxes or any other excise or property taxes, charges or similar taxes or levies arising in a Relevant Jurisdiction in connection with the execution, delivery or registration of the Notes or any other document or instrument referred to herein or therein and will indemnify the holders for any such taxes paid by holders.

All references to principal or interest payable on the Notes shall be deemed to include any Additional Interest payable by us under the Notes or the indenture. The foregoing obligations shall survive any termination, defeasance or discharge of the Notes and the indenture.

In the event that Additional Interest actually paid with respect to the Notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder or beneficial owner of the Notes, and as a result thereof such holder or beneficial owner is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, such holder or beneficial owner shall, by accepting the Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to us. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such a refund or credit and incurs no other obligation with respect thereto, except for such assignment and transfer and for assisting us in obtaining such refund. We will inform the trustee in writing of the refund or credit within 30 Business Days of our determination that we are entitled to receive such refund or credit.

Unclaimed Money, Prescription

If money deposited with the trustee or any agent for the payment of principal of, premium, if any, or interest or Additional Interest, if any, on the Notes remains unclaimed for two years, the trustee or such paying agent, upon our request, shall return the money to us subject to applicable unclaimed property law. After that, holders of the Notes entitled to the money must look to us for payment unless applicable unclaimed property law designates another person. Other than as set forth in this paragraph, the indenture does not provide for any prescription periods for the payment of principal of, premium, if any, or interest or Additional Interest, if any, on the Notes.

Redemption

Withholding tax redemption

We have the option under the indenture for the Notes to redeem the Notes at any time prior to the Maturity Date, in whole but not in part, at par plus accrued and unpaid interest due on, or with respect to, the Notes and Additional Interest upon the occurrence of a Withholding Tax Event (as defined below) affecting the Notes (a "Withholding Tax Redemption"). For the purposes of the foregoing, the term Withholding Tax Event is defined in

the indenture to mean (i) the receipt by us and the delivery to the trustee of an opinion of a nationally recognized law firm experienced in such matters to the effect that, as a result of (a) any amendment to or change (including an official announcement of any prospective change) in the laws or treaties (or any rules or regulations thereunder) of any Relevant Jurisdiction affecting taxation, (b) any judicial decision, administrative pronouncement or regulatory procedure, of any Relevant Jurisdiction (each, an "Administrative Action"), or (c) any amendment to or change in the official position or the official interpretation of such Administrative Action that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body having appropriate jurisdiction, irrespective of the manner in which such amendment or change is made known, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of the Notes, (collectively, a "Change in Tax Law"), there is more than an insubstantial risk that we are or will be liable for a payment of Additional Interest in excess of the Additional Interest attributable to a 4.9% withholding tax in respect of the Notes, and (ii) the delivery to the trustee of a certificate signed by our chief financial officer stating that the requirement to make such withholding or deduction cannot be avoided by taking reasonable measures available to us (such measures not involving any material cost to us or the incurring by us of any other tax or penalty or changing our place of residence). For the avoidance of doubt, reasonable measures shall include a change in the jurisdiction of a paying agent.

Optional redemption

The Notes will be redeemable as a whole or in part, at our option at any time, at a redemption price, as calculated by us, equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus, in either case, accrued interest thereon to the date of redemption and any Additional Interest payable with respect thereto.

On and after the redemption date, interest on the Notes or any portion of the Notes called for redemption will cease to accrue (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with the trustee funds sufficient to pay the redemption price and accrued interest, through the redemption date, on the Notes subject to redemption. If the redemption date falls after a record date but on or prior to the corresponding interest payment date, we will pay accrued interest to the holder of record on the corresponding record date, which may or may not be the person who will receive payment of the redemption price (which will exclude such accrued interest). If less than all the Notes are to be redeemed, the Notes to be redeemed that are not held through DTC will be selected by the trustee by lot or pro rata and the Notes to be redeemed that are held through DTC will be selected by DTC in accordance with its procedures.

Certain Definitions

For purposes of calculating the redemption price, the following terms will have the meaning set forth below:

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (A) the average, as calculated by the Bank, of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Bank obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Bank.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Bank by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Reference Treasury Dealer" means each of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC and a Primary Treasury Dealer (as defined below) selected by Santander Investment Securities Inc., or their respective affiliates or successors which are primary U.S. Government securities dealers, and no less than two other leading primary U.S. Government securities dealers in the City of New York reasonably designated by the Bank; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. Government securities dealer in the City of New York (a "Primary Treasury Dealer"), the Bank shall substitute therefor another Primary Treasury Dealer.

Redemption procedures

If we give a notice of a Withholding Tax Redemption or Optional Redemption in respect of the Notes, by 12:00 noon, New York City time, on the applicable Redemption Date, to the extent funds are legally available, with respect to the Notes being redeemed and held by DTC or its nominee, the trustee or the Paying Agent will pay the applicable redemption price to DTC. Such notice will also be made in accordance with the procedure set forth in "—Notices." With respect to the Notes being redeemed and held in certificated form, the trustee, to the extent funds are legally available, will pay the applicable redemption price to the holders thereof upon surrender of their certificates evidencing the Notes. Interest payable on or prior to the Redemption Date shall be payable to the holders of the Notes on the relevant record dates. If notice of redemption shall have been given and funds deposited with the trustee to pay the applicable redemption price for the Notes being redeemed, then upon the date of such deposit, all rights of the holders of the Notes will cease, except the right of the holders of the Notes to receive the applicable redemption price, but without interest on such redemption price, and the Notes will cease to be outstanding. In the event that any Redemption Date in respect of the Notes, is not a Business Day then the applicable redemption price payable on such date will be paid on the next succeeding day that is a Business Day (without any interest or other payment in respect of any such delay) with the same force and effect as if made on such date. In the event that payment of the applicable redemption price is improperly withheld or refused and not paid by us (1) interest due on the Notes being redeemed will continue to accrue at the then applicable rate, from the Redemption Date originally established by us to the date such applicable redemption price is actually paid, and (2) the actual payment date will be the Redemption Date for purposes of calculating the applicable redemption price.

In the event of a partial optional prepayment of the Notes, the Notes shall be redeemed from each holder thereof pro rata according to the aggregate principal amount of the Notes held by the relevant holder in relation to the aggregate principal amount of all Notes. In respect of the Notes held by DTC or its nominee, the distribution of the proceeds from such redemption will be made to DTC or its nominee and disbursed by DTC or its nominee in accordance with the procedures applied by DTC or its nominee. In determining the proration of the Notes to be redeemed, we may make such adjustments as may be appropriate in order that only the Notes in authorized denominations shall be redeemed, subject to the minimum denominations set forth in this offering memorandum.

We shall deliver notice of any redemption to the trustee at least 40 days prior to the applicable Redemption Date. The trustee shall in turn transmit notice of any such redemption to each registered holder of the Notes at least 10 days but not more than 60 days prior to the Redemption Date in accordance with the procedures described in the indenture. Unless we default in payment of the applicable amounts due on, or in the repayment of, the Notes, on and after the applicable Redemption Date, interest due will cease to accrue on the Notes called for redemption.

Rule 144A Information

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we shall furnish, upon the request of any holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such holder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is a qualified institutional buyer ("QIB") designated by such holder and (iii) to the trustee for delivery to any applicable holders or such prospective purchaser so designated, in each case in order to permit compliance by such holder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language.

Periodic Reports

So long as any Notes are outstanding, we will furnish to the trustee:

(a) Within 120 days following the end of each of our fiscal years, an English version of our consolidated audited income statements, balance sheets and cash flow statements and the related notes thereto for the two most recent fiscal years prepared in accordance with Mexican Banking GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X as promulgated by the SEC, together with an audit report thereon by our independent auditors;

(b) Within 225 days following the end of each of our fiscal years (beginning with the fiscal year ending December 31, 2020), annual financial information included in our annual report, translated into English; and

(c) Within 60 days following the end of the first three fiscal quarters in each of our fiscal years, (i) quarterly reports containing unaudited balance sheets, statements of income, statements of shareholders' equity and statements of cash flows and the related notes thereto for us and our consolidated subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with Mexican Banking GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X as promulgated by the SEC and (ii) quarterly financial information included in our quarterly report, translated into English.

None of the information provided pursuant to the preceding paragraph shall be required to comply with Regulation S-K as promulgated by the SEC. We will be deemed to be in compliance with all of the foregoing information reporting requirements under "Rule 144A Information" and "Periodic Reports" so long as we are subject to the reporting requirements of the Securities Exchange Act of 1934 and are in compliance with such requirements in all material respects.

Events of Default

An "Event of Default" with respect to the Notes is defined in the indenture as:

(i) our default in the payment of any principal of any of the Notes, when due and payable, whether at maturity or otherwise; or

(ii) our default in the payment of any interest or any Additional Interest when due and payable on any of the Notes and the continuance of such default for a period of 30 days; or

(iii) our default in the performance or observance of any other term, covenant, warranty, or obligation in respect of the Notes or the indenture, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after written notice of such default has been given to us by the trustee or the holders of at least 25% in aggregate principal amount of the Notes outstanding specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default;" or

(iv) certain events involving our bankruptcy or insolvency including *liquidación or resolución* (liquidation or dissolution); or

(v) if any of our Indebtedness (as defined below) becomes due and repayable prematurely by reason of an event of default (however described) or we fail to make any payment in respect of any Indebtedness on the due date for such payment or within any originally applicable grace period or any security given by us for any Indebtedness becomes enforceable and steps are taken to enforce the same or if we default in making any payment when due (or within any originally applicable grace period in respect thereof) under any guarantee and/or indemnity given by us in relation to any Indebtedness of any other person, provided that no such event as aforesaid shall constitute an Event of Default unless such Indebtedness either alone or when aggregated with other Indebtedness in respect of which one or more of the events mentioned in this paragraph (v) has occurred shall amount to at least U.S.$50,000,000 (or its equivalent in any other currency on the basis of the middle spot

rate for any relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates).

For purposes of the above, "Indebtedness" means money borrowed and premiums and accrued interest in respect thereof evidenced by any bonds, notes, debentures, or similar instruments.

The indenture provides that (i) if an Event of Default (other than an Event of Default described in clause (iv) above) shall have occurred and be continuing with respect to the Notes, either the trustee or the holders of not less than 25% of the total principal amount of the Notes then outstanding may declare the principal of all outstanding Notes and the interest accrued thereon, if any, to be due and payable immediately and (ii) if an Event of Default described in clause (iv) above shall have occurred, the principal of all outstanding Notes and the interest accrued thereon, if any, shall become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of Notes. The indenture provides that the Notes owned by us or any of our affiliates shall be deemed not to be outstanding for, among other purposes, declaring the acceleration of the maturity of the Notes. Upon the satisfaction by us of certain conditions, the declaration described in clause (i) of this paragraph may be annulled by the holders of a majority of the total principal amount of the Notes then outstanding. Past defaults, other than non-payment of principal, interest and compliance with certain covenants, may be waived by the holders of a majority of the total principal amount of the Notes outstanding.

Modification of Indenture; Waiver of Covenants

We and the trustee may, without the consent of any holders of Notes, amend, waive or supplement each of the indenture or the Notes in certain circumstances, including, among other things, to cure any ambiguity, omission, defect or inconsistency, to conform the text of the indenture or the Notes to any provision in this "Description of Notes" and to make any change that does not adversely affect the rights of any relevant holder in any material respect.

In addition, we and the trustee may amend, waive or supplement the indenture or the Notes with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes. However, without the consent of the holder of each Note we may not, among other things:

- change the maturity date of the principal of or any interest payment date (or periods on any Note);
- reduce the principal amount of or interest on any Note;
- change the currency of payment of principal or interest on any Note;
- modify any other payment provision of any Note;
- impair the right to sue for the enforcement of any payment on or with respect to any Note; or
- reduce the percentage in principal amount of outstanding Notes that is required for the consent of the holders in order to modify or amend the indenture or to waive compliance with some provisions of the indenture or to waive some defaults.

The holders of a majority in aggregate principal amount of the outstanding Notes may waive any past default or Event of Default under the indenture, except a default under a provision that cannot be modified without the consent of each holder of a Note that would be affected.

Consolidation, Merger, Conveyance or Transfer

We may not consolidate with or merge into any other corporation or convey or transfer our properties and assets substantially as an entirety to any person, unless:

(i) the successor corporation, if other than us, shall be a corporation organized and existing under the laws of Mexico or the United States of America or any state thereof, and shall expressly assume by a supplemental indenture, delivered to and in a form satisfactory to the trustee, the due and punctual payment of the principal of, premium, if any and interest and Additional Interest, if any, on all the outstanding Notes and the performance of every covenant in the indenture on our part to be performed or observed,

(ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both would become an Event of Default, shall have happened and be continuing,

(iii) the merger or consolidation shall have been approved by the relevant authorities pursuant to applicable law, including the CNBV, and

(iv) we shall have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance or transfer and, if a supplemental indenture is required, such supplemental indenture comply with the foregoing provisions relating to such transaction and all conditions precedent in the indenture relating to such a transaction have been complied with. In case of any such consolidation, merger, conveyance or transfer, such successor corporation will succeed to and be substituted for us as obligor on the Notes with the same effect as if it had issued the Notes. Upon the assumption of our obligations by any such successor corporation in such circumstances, subject to certain exceptions, we will be discharged from all obligations under the Notes and the indenture.

Notices

Notice to holders of the Notes, if they are global Notes, will be given in accordance with the procedures of the applicable clearing system; if they are certificated Notes notice to holders will be given by mail to the addresses of such holders as they appear in the security register.

Book-Entry System

The Notes will be represented by one or more global notes.

The global notes representing the Notes will be issued in the form of one or more registered notes in global form, without interest coupons and will be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

The Notes are being offered and sold in this initial offering in the United States solely to qualified institutional buyers under Rule 144A under the Securities Act and in offshore transactions to persons other than U.S. persons, as defined in Regulation S under the Securities Act, in reliance on Regulation S. Following this offering, the Notes may be sold:

- to qualified institutional buyers under Rule 144A;
- to non-U.S. persons outside the United States in reliance on Regulation S; and
- under other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, as described under "Transfer Restrictions."

Rule 144A Global Notes

Notes offered and sold to qualified institutional buyers under Rule 144A are referred to collectively as the "Rule 144A Global Notes." Interests in the Rule 144A Global Notes will be available for purchase only by qualified institutional buyers.

Regulation S Global Notes

Notes offered and sold in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933 to persons which are non-U.S. persons are referred to collectively as the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes."

On or prior to the 40th day after the date of issuance of the Notes sold pursuant to Regulation S, any resale or transfer of beneficial interests in the Regulation S Global Notes to U.S. persons shall not be permitted unless such resale or transfer is made pursuant to Rule 144A or Regulation S.

Investors may hold their interest in a Global Note representing the Notes through organizations that are participants in DTC (including, Euroclear or Clearstream, Luxembourg).

Exchanges among the Global Notes

Transfers by an owner of a beneficial interest in a Regulation S Global Note representing the Notes to a transferee who takes delivery of that interest through a Rule 144A Global Note representing the Notes will be made only in accordance with applicable procedures and upon receipt by the trustee of a written certification from the transferee of the beneficial interest in the form provided in the indenture to the effect that the transfer is being made to a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A.

Transfers by an owner of a beneficial interest in a Rule 144A Global Note representing the Notes to a transferee who takes delivery of the interest through a Regulation S Global Note representing the Notes will be made only upon receipt by the trustee of a certification from the transferor that the transfer is being made outside the United States to a non-U.S. person in accordance with Regulation S or, if available, Rule 144A under the Securities Act.

Any beneficial interest in one of the Global Notes representing the Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note representing the Notes will, upon transfer, cease to be an interest in that Global Note and become an interest in the other Global Note and, accordingly, will then be subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Book-entry procedures for the Global Notes

Ownership of beneficial interests in a Global Note representing the Notes will be limited to DTC and to persons that may hold interests through institutions that have accounts with DTC. Beneficial interests in a Global Note will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC, and its respective participants for that Global Note. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the Notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

DTC holds the securities of its respective participants and facilitates the clearance and settlement of securities transactions among its respective participants through electronic book-entry changes in accounts.

Principal and interest payments on the Notes represented by a Global Note will be made to DTC, as the sole registered owner and the sole holder of the Notes represented by the Global Note for all purposes under the indenture. Accordingly, we, the trustee and any paying agent will have no responsibility or liability for:

- any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a Note represented by a Global Note;
- any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a Global Note held through those participants; or
- the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

DTC

DTC has advised us that upon receipt of any payment of principal of or interest on a Global Note representing the Notes, DTC will immediately credit, on its book-entry registration and transfer system, the accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal amount of that Global Note as shown on DTC's records. The initial purchasers of the Notes will initially designate the accounts to be credited. Payments by participants to owners of beneficial interests in a Global Note will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in "street names," and will be the sole responsibility of those participants.

The Notes represented by a Global Note can be exchanged for definitive Notes of the same series in registered form only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for that Global Note or at any time DTC ceases to be a clearing agency registered under the Exchange Act, and a successor depositary is not

appointed by us within 90 calendar days; we, in our sole discretion, determine that such Global Note will be exchangeable for definitive Notes in registered form and notify the trustee of our decision; or an Event of Default with respect to the Notes of such series represented by that Global Note has occurred and is continuing and DTC so requests.

- A Global Note representing the Notes that can be exchanged under the preceding sentence will be exchanged for definitive Notes that are issued in authorized denominations in registered form for the same aggregate amount. Those definitive Notes will be registered in the names of the owners of the beneficial interests in the relevant Global Note as directed by DTC and may bear the legend as set forth under "Transfer Restrictions."

Registrar, Transfer Agent and Paying Agents

The trustee will act as registrar for the Notes. The trustee will also act as transfer agent and paying agent for the Notes. We have the right at any time to vary or terminate the appointment of any paying agents and to appoint additional or successor paying agents in respect of the Notes. Registration of transfers of the Notes will be effected without charge, but upon payment (with the giving of such indemnity as we may require) in respect of any tax or other governmental charges that may be imposed in relation to it. We will not be required to register or cause to be registered the transfer of the Notes after the Notes have been called for redemption.

Listing

We intend to apply to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin. Admission to the Official List is expected, and trading on the Global Exchange Market is expected to begin, within 30 days of the initial delivery of the Notes. In the event that the Notes are admitted to listing on Euronext Dublin, we will use our reasonable best efforts to maintain such listing, *provided* that if we determine that it is unduly burdensome to maintain a listing on Euronext Dublin, we may delist the Notes from Euronext Dublin. Although there is no assurance as to the liquidity that may result from a listing on Euronext Dublin, delisting the Notes from Euronext Dublin may have a material effect on the ability of holders of the Notes to resell the Notes in the secondary market.

The Trustee

The Bank of New York Mellon will act as trustee under the indenture. Notices to the trustee should be directed to the trustee at its Corporate Trust Office, located at 240 Greenwich Street, Floor 7-East, New York, New York 10286, Attn: International Corporate Trust. The trustee also will initially act as registrar, paying agent and transfer agent for service of demands and notices in connection with the Notes and the indenture. The trustee may resign or be removed under circumstances described in the indenture and we may appoint a successor trustee to act in connection with the Notes. Any action described in this offering memorandum to be taken by the trustee may then be taken by the successor trustee.

The trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with us or our affiliates with the same rights it would have if it were not trustee. Any paying agent, registrar or co-registrar may do the same with like rights.

The indenture contains some limitations on the right of the trustee should it become a creditor of ours, to obtain payment of claims in some cases or to realize on some property received regarding any such claim, as security or otherwise. The trustee will be permitted to engage in transactions with us. The occurrence of a default under the indenture could create a conflicting interest (as defined in the indenture) for the trustee. In this case, if the default has not been cured or waived within 90 days after the trustee has or acquires a conflicting interest, the trustee generally is required to eliminate the conflicting interest or resign as trustee for the Notes. In the event of the trustee's resignation, we will promptly appoint a successor trustee for the Notes.

The trustee may be removed by the holders of a majority of the outstanding Notes if an Event of Default under the indenture has occurred and is continuing. No resignation or removal of the trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the indenture. Holders of the Notes acknowledge and agree that the indenture is not qualified under

the Trust Indenture Act and holders are not entitled to any protections thereunder except to the extent provisions of the Trust Indenture Act are specifically incorporated in the indenture.

Governing Law; Consent to Jurisdiction

The indenture and the Notes will be governed by, and construed in accordance with, the law of the State of New York.

We will consent to the jurisdiction of courts in the State of New York, Borough of Manhattan, County of New York or the federal courts in the Southern District of New York, each in the Borough of Manhattan, and will agree that all disputes under the indenture and the Notes may be submitted to the jurisdiction of such courts. We will irrevocably consent to and waive to the fullest extent permitted by law any objection that we may have to the laying of venue of any suit, action or proceeding against us or our properties, assets and revenues with respect to the indenture and the Notes or any such suit, action or proceeding in any such court and any right to which we may be entitled on account of place of residence or domicile.

Nothing in the indenture shall require The Bank of New York Mellon, as Trustee or in any other capacity to submit to the jurisdiction of or consent to venue in a non-US court. The Trustee may, but shall not be required to arrange for appointment of a Co-Trustee in connection with any such proceeding.

To the extent that we or any of our revenues, assets or properties shall be entitled to any immunity from suit, from the jurisdiction of any such court, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process remedy, we will irrevocably agree not to claim and will irrevocably waive such immunity to the fullest extent permitted by the laws of such jurisdiction.

THE PARTIES TO THE INDENTURE, AND EACH HOLDER OF A NOTE BY ITS ACCEPTANCE THEREBY, EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE INDENTURE OR THE NOTES OR ANY TRANSACTION RELATED HERETO OR THERETO TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

We will agree that service of all writs, claims, process and summons in any suit, action or proceeding against us or our properties, assets or revenues with respect to the indenture or any suit, action or proceeding to enforce or execute any judgment brought against us in the State of New York may be made upon CT Corporation System, 111 Eighth Avenue, New York, New York 10011, and we will irrevocably appoint CT Corporation System as our agent to accept such service of any and all such writs, claims, process and summonses.

Currency Rate Indemnity

We have agreed that, to the greatest extent permitted under applicable law, if a judgment or order made by any court for the payment of any amount in respect of any Notes is expressed in a currency other than U.S. dollars, we will indemnify the relevant holder against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from our other obligations under the indenture, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due under the indenture or the Notes.

Replacement of Notes

In case of mutilated, destroyed, lost or stolen Notes, application for replacement thereof may be made to the trustee or us. Any such Note shall be replaced by the trustee in compliance with such procedures, on such terms as to evidence and indemnification as the trustee and we may require and subject to any applicable law or regulation. All such costs as may be incurred in connection with the replacement of any Notes shall be borne by the applicant. Mutilated Notes must be surrendered before new ones will be issued.

TAXATION

The following discussion summarizes certain Mexican federal tax and U.S. federal income tax consequences to beneficial owners arising from the purchase, ownership or disposition of the Notes. The summary does not purport to be a comprehensive description of all potential Mexican federal tax and U.S. federal income tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and is not intended as tax advice to any particular investor. This summary does not describe any tax consequences arising under the laws of any state, municipality or other taxing jurisdiction other than federal income tax consequences applicable in Mexico and the United States.

Prospective purchasers of the Notes should consult their own tax advisors as to the Mexican, United States or other tax consequences (including tax consequences arising under double-taxation treaties) of the purchase, ownership and disposition of the Notes, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of state, local, municipal, foreign or other tax laws.

Certain Mexican Income Tax Considerations

The following summary contains a description of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of Notes by a Non-Mexican Holder (as defined below). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, hold or dispose of the Notes. In addition, it does not describe any tax consequences (i) arising under the laws of any taxing jurisdiction other than Mexico, (ii) arising under the laws other than the federal tax laws of Mexico (excluding the laws of any state or municipality within Mexico), or (iii) that are applicable to a resident of Mexico for tax purposes that may purchase, own or dispose of the Notes.

For purposes of this summary, the term "Non-Mexican Holder" shall mean a holder that is not a resident of Mexico for tax purposes, as defined by the Mexican Federal Fiscal Code (*Código Fiscal de la Federación*), or that does not conduct a trade or business in Mexico through a permanent establishment for tax purposes in Mexico, to which income in respect of the Notes is attributable.

For purposes of Mexican taxation:

- individuals are residents of Mexico for tax purposes, if they have established their primary residence in Mexico or, if they have established their principal place of residence outside Mexico, if their core of vital interests (*centro de intereses vitales*) is located within Mexican territory. This will be deemed to occur if, among others, (i) at least 50.0% of their aggregate annual income derives from Mexican sources, or (ii) the main center of their professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico, in which their income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years;

- unless otherwise evidenced, a Mexican national individual shall be deemed a Mexican resident for tax purposes. An individual will also be considered a resident of Mexico for tax purposes, if such individual is a Mexican federal government employee, regardless of the location of the individual's core of vital interests; and

- a legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) qualifies as a resident of Mexico for tax purposes if it maintains the principal administration of its business or the place of its effective management, in Mexico. If a legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) or an individual has a permanent establishment in Mexico, any and all income attributable to that permanent establishment of such resident should be subject to Mexican income tax, in accordance with applicable tax provisions.

Non-residents of Mexico (whether individuals or corporate entities) who are deemed to have a permanent establishment in Mexico for tax purposes, shall be subject to the Mexican income tax laws, and all income

attributable to such permanent establishment in Mexico, will be subject to Mexican taxes in accordance with the Mexican Income Tax Law.

This summary is based upon the Mexican Income Tax Law and the Mexican Federal Fiscal Code in effect as of the date of this offering memorandum, all of which are subject to change.

Mexico has entered into, and is negotiating, several double taxation treaties with various countries, that may affect the Mexican withholding tax liabilities applicable to Non-Mexican Holders. Prospective purchasers of the Notes should consult their own tax advisers as to the tax consequences, if any, of such treaties.

Payments of Interest

Under the Mexican Income Tax Law, payments of interest we make in respect of the Notes (including payments of principal in excess of the issue price of the Notes, if any, which, under Mexican law, are deemed to be interest) to a Non-Mexican Holder, will be subject to a Mexican withholding tax assessed at a rate of 4.9% because we, as payer, are a banking institution.

The withholding tax rate applicable to interest payments that we make in respect of the Notes may be reduced under tax treaties entered into by Mexico and various countries, to the extent that the relevant holder is a resident of a treaty jurisdiction that can claim the benefits of the relevant treaty and takes any and all steps necessary to benefit from such reduction.

Payments of interest on the notes made by us to non-Mexican pension and retirement funds will be exempt from Mexican withholding tax provided that:

- the applicable fund is duly incorporated pursuant to the laws of its country of residence and is the beneficial owner of the interest payment;
- such income is exempt from taxes in the country of residence of the applicable fund; and
- such fund provides information to us, that we may in turn provide to the Mexican Tax Administration Service in accordance with rules issued by the Mexican Tax Administration Service for these purposes.

We have agreed, subject to specified exceptions and limitations, to pay additional interest to Non-Mexican Holders of the Notes in respect of the Mexican withholding taxes attributable to interest payments mentioned above. If we pay additional interest in respect of such Mexican withholding taxes attributable to interest payments, any refunds of such additional interest will be for our account. See "Description of Notes—Payment of Additional Interest."

Holders or beneficial owners of the Notes may be requested by us or on our behalf, to provide information or documentation necessary to enable us to determine the appropriate Mexican withholding tax rate applicable to interest and deemed interest payments made by us to such holders or beneficial owners. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not provided to us, or on our behalf, on a complete or timely basis, our obligations to pay additional interest may be limited as set forth under "Description of Notes — Payment of Additional Interest."

Under the Mexican Income Tax Law, payments of principal we make to a Non-Mexican Holder of the Notes will not be subject to any Mexican withholding or similar taxes.

Sale or Other Disposition of the Notes

Gains from the sale or other disposition of the Notes by a Non-Mexican Holder to another Non-Mexican Holder (other than to a permanent establishment for tax purposes in Mexico of a Non-Mexican Holder) will not be subject to Mexican withholding taxes. However, gains resulting from the sale or other disposition of the Notes by a Non-Mexican Holder to a Mexican resident for tax purposes or to a permanent establishment of a Non-Mexican Holder deemed to have a permanent establishment in Mexico for tax purposes, will be subject to the Mexican withholding taxes pursuant to the rules described above applicable to interest payments, in respect of the difference between the nominal value (or the face value) of the Notes and the price obtained upon sale by the seller, and any such withholding taxes will not benefit from our obligations to pay additional interest.

A Non-Mexican Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the acquisition, ownership, or disposition of the Notes, nor will it be liable for any Mexican stamp, issue, registration or similar taxes.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a "U.S. Holder" (as defined below) of owning and disposing of Notes purchased in this offering at the "issue price," which we assume will be the price indicated on the cover of this offering memorandum, and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax and Medicare contribution tax consequences and differing tax consequences that may apply to you if you are, for instance:

- a financial institution;
- an insurance company;
- a regulated investment company;
- a dealer or trader in securities;
- holding notes as part of a "straddle" or integrated transaction;
- a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;
- U.S. expatriates;
- an entity or arrangement treated as a partnership for U.S. federal income tax purposes; or
- a tax-exempt entity.

If you are an entity or arrangement treated as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of one of your partners will generally depend on the status of the partner and your activities.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein. This summary does not address any aspect of state, local or non-U.S. taxation, or any taxes other than income taxes. If you are considering the purchase of Notes, you should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

You are a U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a Note that is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Payments of Interest

Interest paid on a Note will be taxable to you as ordinary interest income at the time it accrues or is received in accordance with your method of accounting for U.S. federal income tax purposes. If, however, a Note's stated principal amount exceeds its issue price by an amount that does not satisfy a *de minimis* test, you will be required to

include the excess in income as original issue discount, as it accrues, in accordance with a constant-yield method based on a compounding of interest.

The amount of interest taxable as ordinary income will include amounts withheld in respect of Mexican taxes and, without duplication, any Additional Interest paid. Interest income earned with respect to a Note will constitute foreign source income for U.S. federal income tax purposes. Subject to applicable limitations, some of which may vary depending on your particular circumstances, Mexican taxes withheld from interest income on a Note at a rate not in excess of the applicable treaty rate may be creditable against your U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the availability of foreign tax credits in your particular circumstances.

Original Issue Discount

The Notes may be issued with original issue discount. A Note that is issued at an issue price less than its stated principal amount will be considered to have been issued with original issue discount for U.S. federal income tax purposes unless the difference between the stated principal amount and the issue price satisfies a *de minimis* test (i.e., the difference is less than ¼ of 1 percent of the stated principal amount multiplied by the number of complete years to maturity).

In general, you will be required to include original issue discount in income as it accrues, in accordance with a constant yield method based on a compounding of interest, before the receipt of cash payments attributable to this income. Under this method, you generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition of a Note, you will recognize taxable gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will equal the cost of your Note, increased by the amount of any original issue discount previously included in income with respect to the Note. Gain or loss, if any, will generally be U.S. source income for purposes of computing your foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under "Payments of Interest" above.

Gain or loss realized on the sale or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale or other taxable disposition, the Note has been held for more than one year. Long-term capital gains recognized by certain non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

Specified Foreign Financial Assets

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of USD 50,000 on the last day of the taxable year or USD 75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. Issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. You should consult their own tax advisers concerning the application of these rules to their investment in the Notes, including the application of the rules to your particular circumstances.

Possible FATCA Withholding

Provisions of U.S. tax law commonly referred to as the "Foreign Account Tax Compliance Act," or "FATCA," impose a 30% withholding tax on certain payments made to a foreign financial institution (such as us) unless the financial institution is a "participating foreign financial institution," or a PFFI, or is otherwise exempt from FATCA.

A PFFI is a foreign financial institution that has entered into an agreement with the U.S. Treasury Department, or an FFI agreement, pursuant to which it agrees to perform specified due diligence, reporting and withholding functions. Specifically, under its FFI agreement, a PFFI will be required to obtain and report to the IRS certain information with respect to financial accounts held by U.S. persons or U.S.-owned foreign entities and to withhold 30% from "foreign passthru payments" (which term is not yet defined) that it makes to "recalcitrant" accountholders or to foreign financial institutions that are not PFFIs or otherwise exempt from FATCA on or after the date that is two years after the date on which the final Treasury regulations defining "foreign passthru payments" are filed with the Federal Register. The United States and Mexico have entered into an intergovernmental agreement to facilitate the implementation of FATCA pursuant to which a Mexican financial institution (such as us) will be required to report certain information in respect of its account holders and investors to Mexico and may be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. We expect to be treated as a Reporting FI pursuant to the U.S. - Mexico IGA and do not anticipate being obligated to deduct any withholding under FATCA on payments we make, even after the withholding regime for foreign passthru payments commences. There can be no assurance, however, that we will be treated as a Reporting FI, or that we will not in the future be required to withhold amounts under FATCA. Accordingly, we and other financial institutions through which the payments are made may be required to withhold under FATCA if (i) any foreign financial institution through or to which payments are made is not a PFFI, a Reporting FI or otherwise exempt from FATCA or (ii) an investor is a recalcitrant accountholder.

Backup Withholding and Information Reporting

Information returns may be required to be filed with the IRS in connection with payments on the Notes and the proceeds received from a sale or other taxable disposition of the Notes unless you are an exempt recipient. You may be subject to backup withholding on these payments in respect of your notes unless you provide your taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules or you provide proof of an applicable exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

BENEFIT PLAN INVESTOR CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Code impose certain requirements on (a) employee benefit plans subject to Title I of ERISA, (b) individual retirement accounts, Keogh plans or other arrangements subject to Section 4975 of the Code, (c) entities whose underlying assets include "plan assets" by reason of any such plan's, account's or arrangement's investment therein (we refer to the foregoing collectively as "Plans") and (d) persons who are fiduciaries with respect to Plans. In addition, certain governmental, church and non-U.S. plans ("Non-ERISA Arrangements") are not subject to Title I of ERISA or Section 4975 of the Code, but may be subject to non-U.S., state, local or other federal laws that are similar to those provisions of ERISA or the Code (each, a "Similar Law").

Investments by Plans subject to Title I of ERISA and entities deemed to hold the assets of such plans ("ERISA Plans") are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. Fiduciaries of ERISA Plans considering an investment in the Notes should consider whether such an investment would meet such requirements.

In addition to ERISA's general fiduciary standards, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons who have specified relationships to the Plan, i.e., "parties in interest" as defined in ERISA or "disqualified persons" as defined in Section 4975 of the Code (we refer to the foregoing collectively as "parties in interest") unless exemptive relief is available under an exemption issued by the U.S. Department of Labor. Parties in interest that engage in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code. We, the initial purchasers, the agents and their respective current and future affiliates, may be parties in interest with respect to many Plans. Thus, a Plan fiduciary considering an investment in the Notes should also consider whether such an investment might constitute or give rise to a prohibited transaction under ERISA or Section 4975 of the Code. For example, the purchase or holding of the Notes may be deemed to represent a direct or indirect sale of property, extension of credit or furnishing of services between us and an investing Plan, which would be prohibited if we are a party in interest with respect to the Plan, unless exemptive relief were available under an applicable exemption.

In this regard, each prospective purchaser that is, or is acting on behalf of, a Plan, and proposes to purchase the Notes, should consider the exemptive relief available under the following prohibited transaction class exemptions, or "PTCEs": (A) the in-house asset manager exemption (PTCE 96-23), (B) the insurance company general account exemption (PTCE 95-60), (C) the bank collective investment fund exemption (PTCE 91-38), (D) the insurance company pooled separate account exemption (PTCE 90-1) and (E) the qualified professional asset manager exemption (PTCE 84-14). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called "service provider exemption"). There can be no assurance that any of these statutory or class exemptions will be available with respect to transactions involving the Notes.

Each purchaser or holder of the Notes, and each fiduciary who causes any entity to purchase or hold the Notes, shall be deemed to have represented and warranted, on each day such purchaser or holder holds such Notes, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding such Notes on behalf of or with the assets of any Plan or Non-ERISA Arrangement; or (ii) its purchase, holding and subsequent disposition of such Notes shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any provision of Similar Law.

Fiduciaries of any Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the Notes. We also refer you to the portions of the offering memorandum addressing restrictions applicable under ERISA, the Code and Similar Law.

Each purchaser or holder of the Notes will have exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the Note does not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any provision of Similar Law. The sale of any Notes to any Plan or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant

legal requirements with respect to investments by Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement, or that such an investment is appropriate for Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement.

Neither this discussion nor anything in this offering memorandum is or is intended to be investment advice directed at any potential purchaser that is a Plan or Non-ERISA Arrangement, or at such purchasers generally, and such purchasers should consult and rely on their counsel and advisers as to whether an investment in the Notes is suitable and consistent with ERISA, the Code and any Similar Laws, as applicable.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the purchase agreement, the initial purchasers named below have severally, and not jointly, agreed to purchase from us the following respective principal amounts of Notes listed opposite their name below at the initial offering price set forth on the cover page of this offering memorandum, less discounts and commissions:

Initial Purchasers	Principal Amount of Notes
Santander Investment Securities Inc.	U.S.$583,334,000
Morgan Stanley & Co. LLC.	U.S.$583,333,000
J.P. Morgan Securities LLC…….	U.S.$583,333,000
Total	**U.S.$1,750,000,000**

The purchase agreement provides that the obligations of the several initial purchasers to purchase the Notes offered hereby are subject to certain conditions precedent and that the initial purchasers will purchase all of the Notes offered by this offering memorandum if any of these Notes are purchased. The initial purchasers may offer and sell the notes through certain of their affiliates.

After the initial offering, the initial purchasers may change the offering price and other selling terms. The offering of the Notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part.

We have agreed to indemnify the several initial purchasers against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the initial purchasers may be required to make in respect of any of these liabilities.

The Notes have not been registered under the Securities Act. Each initial purchaser has agreed that it will offer or sell the Notes only (i) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act or (ii) in offshore transactions in reliance on Regulation S under the Securities Act. The Notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available. Resales of the Notes are restricted as described under "Transfer Restrictions."

Until the expiration of forty (40) days after the commencement of the offering, any offer or sale of Notes within the United States by a broker-dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

We have agreed that, for a period of 30 days from the date of this offering memorandum, other than with respect to the Notes and any other non-capital market debt, we will not, without the prior consent of the initial purchasers, offer, sell, contract to sell, grant any other option to purchase or otherwise dispose of, directly or indirectly, or announce the offering of, or file a registration statement for, any U.S. dollar-denominated debt similar to either series of the Notes issued or guaranteed by us or any of our direct or indirect subsidiaries or enter into any agreement to do any of the foregoing.

The Notes are a new issue of securities without an established trading market. The initial purchasers may make a market in the Notes after completion of the offering but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active market for the Notes will develop. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

We expect that delivery of the Notes will be made to investors on or about April 17, 2020 which will be the third business day following the date of this offering memorandum (such settlement being referred to as "T+3"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business

days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

In connection with the offering, the initial purchasers may purchase and sell the Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the initial purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The initial purchasers may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of the offering. Stabilizing transactions consist of various bids for or purchases of the Notes made by the initial purchasers in the open market prior to the completion of the offering. Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The initial purchasers and their affiliates have performed certain commercial banking, investment banking or advisory services for us from time to time for which they have received customary fees and expenses. The initial purchasers may, from time to time, continue to engage in transactions with and perform services for us in the ordinary course of their business for which they will receive customary fees. In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in Mexico

The Notes have not been and will not be registered with the RNV maintained by the CNBV, and may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico, except that the Notes may be offered to Mexican investors that qualify as institutional and qualified investors pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and regulations thereunder. As required under the Mexican Securities Market Law, we will notify the CNBV of the offering of the Notes outside of Mexico. Such notice will be delivered to the CNBV to comply with a legal requirement and for information purposes, and the delivery and the acceptance by the CNBV of such notice, does not imply any certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy of completeness of the information set forth herein.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the

Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the Republic of Colombia

The Notes have not been and will not be authorized by the Colombian Superintendency of Finance (*Superintendencia Financiera de Colombia*) and will not be registered with the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) or on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 and Regulation 029 of 2014 issued by the Colombian Superintendency of Finance, as modified, complemented or substituted from time to time, to privately market and offer the Notes to their Colombian clients.

Notice to Prospective Investors in Chile

Pursuant to Law No. 18,045 of Chile (the securities market law of Chile) and Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012 (Rule 336), issued by Superintendency of Securities and Insurance of Chile (*Superintendencia de Valores y Seguros de Chile*, or "SVS'"), the Notes may be privately offered in Chile to certain "qualified investors" identified as such by Rule 336 (which in turn are further described in rule No. 216, dated June 12, 2008, of the SVS).

Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer of the Notes in Chile: April 13, 2020.
2. The offer of the Notes is subject to Rule 336.
3. The offering of the Notes is not registered with the Securities Registry (*Registro de Valores)* of the SVS nor with the foreign securities registry (*Registro de Valores Extranjeros)* of the SVS and as such;
    a. The Notes are not subject to the oversight of the SVS; and
    b. The issuer of the Notes is not subject to the obligation to make publicly available information about the Notes in Chile.
4. The Notes may not be subject to public offering in Chile unless and until they are registered with the relevant Securities Registry of the SVS.

Los Valores se ofrecen privadamente en Chile de conformidad con las disposiciones de la Ley N° 18.045 de Mercado de Valores, y la Norma de Carácter General N° 336 de 27 de Junio de 2012 ("NCG 336") emitida por la Superintendencia de Valores y Seguros de Chile.

En cumplimiento de la NCG 336, la siguiente información se proporciona a los potenciales inversionistas residentes en Chile.

1. *La oferta de estos Valores en Chile comienza el día 13 de abril de 2020.*
2. *La oferta se encuentra acogida a la NCG 336.*
3. *La oferta versa sobre valores que no se encuentran inscritos en el Registro de Valores ni en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros de Chile, por lo que:*
    a. Los Valores no están sujetos a la fiscalización de esa Superintendencia; y

b. El emisor de los Valores no está sujeto a la obligación de entregar información pública sobre los valores ofrecidos.

4. Los Valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Notice to Prospective Investors in Peru

The Notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the issuer or the sellers of the Notes before or after their acquisition by prospective investors.

The Notes and the information contained in this offering memorandum have not been and will not be registered with or approved by the Peruvian Superintendency of the Securities Markets (Superintendencia del Mercado de Valores or "SMV") or the Lima Stock Exchange (Bolsa de Valores de Lima or "BVL"), nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any Peruvian regulations. Accordingly, the Notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes that any particular offer may qualify as private, among others, if it is directed exclusively to institutional investors.

Notice to Prospective Investors in the European Economic Area and the United Kingdom

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA or in the UK will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded).

References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

Notice to Prospective Investors in Switzerland

This offering memorandum does not, and is not intended to, constitute an offer or solicitation to purchase or invest in the Notes described herein in Switzerland. The Notes may not be offered, sold or advertised, directly or indirectly, to the public in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus pursuant to the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be distributed, or otherwise made available, to the public in Switzerland. Each initial purchaser has, accordingly, represented and agreed that it has not offered, sold or advertised and will not offer, sell or advertise, directly or indirectly, Notes to the public in, into or from Switzerland, and that it has not distributed, or otherwise made available, and will not distribute or otherwise make available, this offering memorandum or any other offering or marketing material relating to the Notes to the public in Switzerland.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been and will not be approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, The Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, The Laws of Hong Kong), or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; where no consideration is or will be given for the transfer; where the transfer is by operation of law; or as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "FIEA") and each initial purchaser has agreed that it has not offered or sold and will not offer or sell any Notes,

directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except that Notes may be offered or sold to (i) Qualified Institutional Buyers ("QIBs") in reliance upon the exemption from the registration requirement of the Securities Act provided by Rule 144A and (ii) persons other than U.S. persons as such term is defined in Regulation S under the Securities Act ("Foreign Purchasers") in offshore transactions in reliance upon Regulation S.

Each purchaser or beneficial owner of the Notes that is not a Foreign Purchaser will be deemed to:

(i) represent that it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is (a) a QIB and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act or (b) a non-U.S. person that is outside the United States;

(ii) acknowledge that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) agree that if it should resell or otherwise transfer the securities, it will do so only pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction;

(iv) agree that it will deliver to each person to whom it transfers Notes notice of any restrictions on transfer of such Notes;

(v) agree that it shall not resell or otherwise transfer any of such Notes except:

- to the Bank or any of its subsidiaries;
- pursuant to a registration statement which has been declared effective under the Securities Act;
- within the United States to a QIB in compliance with Rule 144A under the Securities Act;
- in transactions meeting the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act; or
- pursuant to another available exemption from the registration requirements of the Securities Act;

(vi) agree that it is not an "affiliate" (within the meaning of Rule 144 under the Securities Act) of the Bank; and

(vii) acknowledge that we, the trustee, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account. If any of the acknowledgements, representations or agreements it is deemed to have been made by the purchase of notes is no longer accurate, it will promptly notify the Bank and the initial purchasers.

Each 144A Global Note will bear the following legend:

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), NEW YORK, NEW YORK, TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO

CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR CNBV), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES IN MEXICO.THE NOTES MAY BE OFFERED TO INVESTORS IN MEXICO, ON A PRIVATE PLACEMENT BASIS, IF SUCH INVESTORS QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS, PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE DELIVERED TO THE CNBV TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY AND THE DELIVERY TO AND THE RECEIPT BY THE CNBV OF SUCH NOTICE DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR THE SOLVENCY, LIQUIDITY OR CREDIT QUALITY OF THE BANK. THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM IS EXCLUSIVELY THE RESPONSIBILITY OF THE BANK AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR RESIDENT OF MEXICO WILL BE MADE UNDER ITS OWN RESPONSIBILITY.

THE NOTE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON THE HOLDER'S BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (5) PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, ACCOMPANIED BY AN OPINION OF COUNSEL REGARDING THE AVAILABILITY OF SUCH EXEMPTION OR (6) TO THE ISSUER OR AN AFFILIATE OF THE ISSUER AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN THIS LEGEND.

Each purchaser or beneficial owner of Notes that is a Foreign Purchaser will be deemed to:

(i) represent that it is purchasing the Notes for its own account or an account for which it exercises sole investment discretion and that it and any such account is a Foreign Purchaser that is outside the United States and acknowledge that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(ii) agree that if it should resell or otherwise transfer the Notes prior to the expiration of a restricted period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 904 under the Securities Act or (ii) to a qualified institutional buyer in compliance with Rule 144A, and (b) in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction.

Each Regulation S Global Note will bear the following legend:

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), NEW YORK, NEW YORK, TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

UNTIL 40 DAYS AFTER THE COMMENCEMENT OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR CNBV*), AND MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES IN MEXICO. THE NOTES MAY BE OFFERED TO INVESTORS IN MEXICO, ON A PRIVATE PLACEMENT BASIS, IF SUCH INVESTORS QUALIFY AS INSTITUTIONAL OR ACCREDITED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*) AND REGULATIONS THEREUNDER. WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE DELIVERED TO THE CNBV TO COMPLY WITH A LEGAL REQUIREMENT AND FOR INFORMATION PURPOSES ONLY AND THE DELIVERY TO AND THE RECEIPT BY THE CNBV OF SUCH NOTICE DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR THE SOLVENCY, LIQUIDITY OR CREDIT QUALITY OF THE BANK. THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM IS EXCLUSIVELY THE RESPONSIBILITY OF THE BANK AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR RESIDENT OF MEXICO WILL BE MADE UNDER ITS OWN RESPONSIBILITY.

THE NOTE REPRESENTED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON THE HOLDER'S BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULES 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (5) PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, ACCOMPANIED BY AN OPINION OF COUNSEL REGARDING THE AVAILABILITY OF SUCH EXEMPTION OR (6) TO THE ISSUER OR AN AFFILIATE OF THE ISSUER AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN THIS LEGEND.

The transfer or exchange of a securities entitlement in respect of a Regulation S Global Note for a securities entitlement in respect of a 144A Global Note during the restricted period may be made only upon receipt by the trustee of a duly completed Rule 144A Certificate, as defined in the indenture. Such Rule 144A Certificate will no longer be required after the expiration of the restricted period. The transfer or exchange of a securities entitlement in respect of a 144A Global Note for a securities entitlement in respect of a Regulation S Global Note may be made only upon receipt by the trustee of a duly completed Regulation S Certificate, as defined in the indenture. The resale restriction periods may be extended, in our discretion, in the event of one or more issuances of additional notes or resales by our affiliates. The above legends (including the restrictions on resale specified thereon) may be removed solely in our discretion and at our direction.

Each purchaser of Notes will be deemed to have not used the assets of a plan or governmental or church plan to acquire the notes or an interest therein or the purchase and holding of the notes or an interest therein by such person does not constitute a non-exempt prohibited transaction under the U.S. Employee Retirement Income Security Act of 1974 or the Code or a violation of similar laws.

Each purchaser of Notes will be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes, as well as holders of the Notes.

Each person purchasing Notes from the initial purchasers or through an affiliate of the initial purchasers pursuant to Rule 144A under the Securities Act, by accepting delivery of this offering memorandum, acknowledges that (i) it has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of the information contained in this offering memorandum or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us or the Notes other than those contained in this offering memorandum and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above stated restrictions shall not be recognized by us.

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interests in Global Notes, see "Description of Notes—Book-Entry System—Exchanges among the Global Notes."

We have prepared this offering memorandum solely for use in connection with the offer and sale of the Notes outside the United States and for the private placement of the Notes in the United States. We and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of Notes offered pursuant to Rule 144A under the Securities Act. This offering memorandum does not

constitute an offer to any person in the United States other than any QIB under the Securities Act to whom an offer has been made directly by the initial purchasers or an affiliate of the initial purchasers.

Each purchaser of Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this offering memorandum or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or resales, and neither the company nor the initial purchasers shall have any responsibility therefor.

Each purchaser or holder of Notes, and each fiduciary who causes any entity to purchase or hold Notes, shall be deemed to have represented and warranted, on each day such purchaser or holder holds such Notes, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding such Notes on behalf of or with the assets of any Plan or Non-ERISA arrangement; or (ii) its purchase, holding and subsequent disposition of such Notes shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any provision of Similar Law.

GENERAL INFORMATION

Clearing Systems

Application will be made to have the Notes accepted for clearance through Euroclear and Clearstream. In addition, application will be made to have the Notes accepted for trading in book-entry form by DTC. For the Rule 144A Global Note, the ISIN number is US05969BAD55 and the CUSIP number is 05969B AD5. For the Regulation S Global Note, the ISIN number is USP1507SAH06 and the CUSIP number is P1507S AH0.

Listing

We intend to apply to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market, which is the exchange regulated market and multilateral trading facility of Euronext Dublin. Admission to the Official List is expected, and trading on the Global Exchange Market is expected to begin, within 30 days of the initial delivery of the Notes. In the event that the Notes are admitted to listing on Euronext Dublin, we will use our reasonable best efforts to maintain such listing, provided that if we determine that it is unduly burdensome to maintain a listing on Euronext Dublin, we may delist the Notes from Euronext Dublin. Although there is no assurance as to the liquidity that may result from a listing on Euronext Dublin, delisting the Notes from Euronext Dublin may have a material effect on the ability of holders of the Notes to resell the Notes in the secondary market.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes.

LEGAL MATTERS

Our U.S. counsel, Davis Polk & Wardwell LLP, New York, New York, will pass upon certain United States legal matters relating to the Notes. Our special Mexican counsel, Ritch, Mueller, Heather y Nicolau, S.C., Mexico City, Mexico, will pass upon certain matters of Mexican law relating to the issue and sale of the Notes. The initial purchasers have been represented by Shearman & Sterling LLP, New York, New York, and Bufete Robles Miaja, S.C., Mexico City, Mexico.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements incorporated in this offering memorandum by reference to the annual report on Form 20-F for the year ended December 31, 2019, and the effectiveness of internal control over financial reporting as of December 31, 2019 have been audited by PricewaterhouseCoopers, S.C., an independent registered public accounting firm, as stated in their report appearing herein.

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Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México

Offering Memorandum

April 14, 2020

THE ISSUER

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