

BBVA Bancomer

January - June 2017

Financial Report
BBVA Bancomer



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Relevant Events

Decree and distribution of dividends

During the second quarter of 2017, the second partial payment of dividends, approved at BBVA Bancomer S.A. Multiple Banking Institution's Ordinary General Shareholders' Meeting corresponding to the fiscal year 2016, at a rate of \$0.47049442429310 per share outstanding.

S&P changes the outlook of the Mexican Sovereign and BBVA Bancomer to "Stable" from "Negative", also confirms both ratings

Anticipating the events of the third quarter of the year, on July 18th, the rating agency Standard & Poors (S&P) confirmed the 'BBB+/A-2' foreign currency and 'A/A-1' in local currency long-term and short-term sovereign credit ratings for Mexico, and changed the outlook to 'Stable' from 'Negative'. This is due to the positive appreciation of the rating agency on the actions carried out by the government on issues such as the depreciation of the peso and the stabilization in the level of government debt.

Derived from this rating action on the sovereign, S&P also confirms BBVA Bancomer's global scale foreign currency and local currency ratings at 'BBB+/A-2'; improving the Bank's outlook from 'Negative' to 'Stable'.

Early maturity of Debt Issuance (Subordinated Debt)

On May 2017, BBVA Bancomer registered the early redemption of the Subordinated Non-Preferred Notes issued on May 2007 for an amount of 500 million dollars (USD).

Issuance of Bank Bonds

BBVA Bancomer successfully completed the placement of two bonds (banking securities).

The first one has the ticker BACOMER17 for an amount of 5,142 million pesos with a 3-year term (maturity May 2020) and a rate 23 basis point over TIIE (28-day). The second has the ticker BACOMER17-2 for an amount of 1,858 mp with a 5-year term (maturity May 2022) and a rate 35 basis point over TIIE (28-day).

Change in the methodology for provisions applicable in 2017

On January 6, 2017, the CNBV published changes to the "General disposition applicable to Credit Institutions", by which it modifies the methodology applicable to the credit quality classification of non-revolving consumer loan portfolio, mortgage portfolio and non-revolving consumer loans that should be classified as microcredit. The main goal of these changes is to incorporate new risk dimensions at a customer level, such as the level of indebtedness, payment behavior of the system and the specific risk profile of each product, as well as to update and adjust the risk parameters of the probability of default, severity of loss and exposure to default.

The CNBV stipulated that the recognition of the initial effect, derived from the application of the rating methodology as of June 1st, 2017 and no later than 12 months, will be recorded in shareholders' equity, under "Earnings from previous years".

BBVA Bancomer choose to recognize the total financial initial effect as of June 30, 2017, increasing Provisions line for an amount of 953 mp for non-revolving consumer loan portfolio, of 477 mp for mortgage portfolio and (22) mp for non-revolving consumer loans that should be classified as

microcredit. Also in the shareholders' equity line, under "Earnings from previous years", for a total amount of 986 mp, net of taxes.

Credit support to PEMEX

Official Letter No. P021/2016 dated May 2, 2016, attending a systemic situation as a consequence of the budget cuts that have affected Pemex, declares that the National Banking and Securities Commission (CNBV, according to its acronym in Spanish) considers this to be a temporary situation, authorized the application of special accounting criteria regarding the following portfolios:

- Consumer and Mortgages.
- Commercial granted to individuals and corporations with annual sales in 2015 < 250 million pesos.
- Have their permanent residence in Campeche, Chiapas, Tabasco, Tamaulipas and Veracruz.

All cases should be classified for accounting purposes as performing at the moment of the time extension or grating of a grace period.

The implementation of the support programs to the credit owners consist in:

- Establishing support programs to defer payments not more than 12 months from the original deadline. The implementation of the programs should not exceed December 31st, 2016.
- The operations under this Official Letter, will not be considered as restructures or renovations.
- That the credits eligible to participate in the program are classified for accounting purposes as performing on the date of its execution, according to the provisions of the Paragraph 12 of the Criterion B-6 "Loan Portfolio" of the dispositions of CNBV.

Special accounting criteria applicable to BBVA Bancomer, by the type of credit, are the following:

- Loans with a "single payment of principal and periodic interest payments, as well as the loans with single payment of principal and interests at maturity", that are restructured or renewed shall not be considered nonperforming loans in terms of the Paragraph 79 of the B-6.
- For credits with "periodic payments of principal and interests" that are restructured or renewed, could be considered performing at the time such an act is carried out, without Paragraphs 82 and 84 of B-6 being applicable.
- The loans granted under a credit line, revolving or not, that are restructured or renewed, will not be considered nonperforming loans in terms of the Paragraphs 80 and 81 of the B-6.
- In relation to the loans mentioned in the previous bullets, these will not be considered as restructured according to Paragraph 40 of the Criterion B-6.

Therefore, up to June 30th, 2017, 2017, the decrease in the performing loans would have been of 48.5 million pesos (mp); as loan balances that received the support would have been registered as nonperforming loans if the deferral hadn't been applied. The impact in the bank's results of the creation of the provisions would have been of 41.3 mp, while the NPL and Capital Ratio had almost no impact.

As of June 30, 2017, the number of cases that are affiliated to the program correspond to 98 cases of the Consumer Portfolio for a balance that amounts to 7.8 mp and the amount of its reserve increased to 0.4 mp.

Management and Discussion Analysis

Commercial Activity

Performing Loans

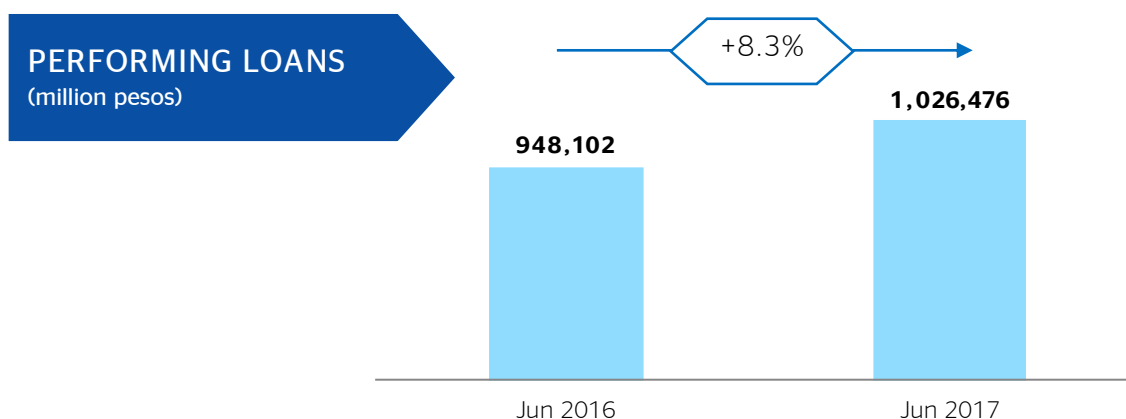
BBVA Bancomer maintains a positive evolution of the commercial activity. As of June 2017, the loan portfolio reached a balance of 1,026,476 million pesos, equivalent to an annual growth of 8.3%.

The higher dynamism was observed in the commercial lending which grew 8.8% during the year. Inside this portfolio, the credit to business or commercial activity (that includes corporate, medium enterprises, developers and SMEs) registered an increase of 13.8% in annual terms.

Consumer loans showed an annual increase of 7.7%. The drivers within this portfolio are payroll, personal and car loans, with a balance of 149,841 million pesos at the end of June 2017, equivalent to an annual growth of 9.9%. Meanwhile, the credit card portfolio maintains a positive annual growth of 4.6%, reaching a balance of 101,062 million pesos.

Mortgage loans increased 7.4% over the same period of the previous year, reaching a balance of 188,444 million pesos. Furthermore, BBVA Bancomer remains leader in the mortgage market by granting 1 out of every 4 new mortgages in the private sector according to the public information of the CNBV as of May 2017.

Performing Loans <i>Million pesos</i>	06M 2016	03M 2017	06M 2017	%	
				Q-o-Q	Y-o-Y
Business or commercial activity	380,193	416,209	432,722	4.0	13.8
Financial entities	20,317	23,431	24,803	5.9	22.1
Government loans	75,091	77,510	75,565	(2.5)	0.6
Parastatals	64,152	54,062	54,038	(0.0)	(15.8)
Government entities	139,243	131,573	129,604	(1.5)	(6.9)
Commercial loans	539,753	571,213	587,129	2.8	8.8
Consumer	232,903	247,246	250,903	1.5	7.7
Mortgage	175,446	185,835	188,444	1.4	7.4
Total Performing Loans	948,102	1,004,294	1,026,476	2.2	8.3



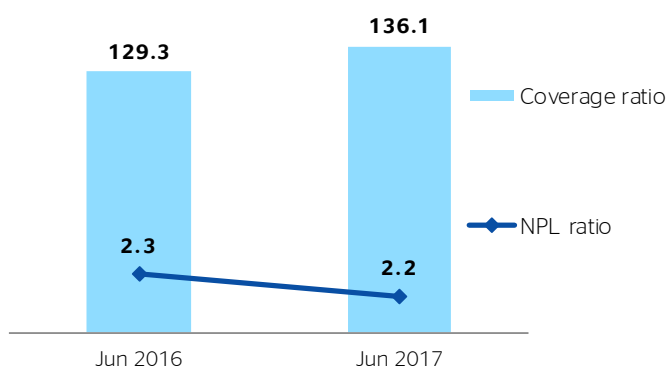
Asset quality

Non-performing Loans

The growth of the portfolio has been accompanied by an adequate asset quality. This is reflected in the improvement of 13 basis points in the NPL ratio, in comparison with the same month of the previous year. With this, the NPL ratio stood at 2.2% at the end of June 2017.

Non Performing Loans <i>Million pesos</i>				%	
	06M 2016	3M 2017	6M 2017	Q-o-Q	Y-o-Y
Business or commercial activity	5,881	6,450	6,541	1.4	11.2
Financial entities	321	3	0	n.a.	n.a.
Government entities	1	11	1	(90.9)	-
Commercial loans	6,203	6,464	6,542	1.2	5.5
Consumer	7,791	8,675	9,337	7.6	19.8
Mortgage	8,786	7,421	7,399	(0.3)	(15.8)
Total Non Performing Loans	22,780	22,560	23,278	3.2	2.2

COVERAGE RATIO VS NPL RATIO



Loan Portfolio Credit Quality Classification

Almost 80% of the portfolio is classified with the minimum risk level, which means that BBVA Bancomer has an adequate asset quality.

BBVA Bancomer Performing Loan Rating June 2017		Commercial Loans		Mortgage		Consumer		Credit Card	
		Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>									
Ratings									
A1		546,939	1,377	156,280	282	4,908	16	38,113	807
A2		53,707	554	7,258	43	17,100	113	15,050	594
B1		15,128	223	2,438	21	9,231	117	9,828	561
B2		8,068	165	2,690	33	4,413	71	9,078	655
B3		14,125	328	1,345	23	13,244	253	8,654	775
C1		1,997	118	7,886	257	73,323	2,543	8,460	1,015
C2		1,139	84	7,886	607	19,842	1,319	12,040	2,815
D		4,600	1,297	7,598	1,663	7,519	1,396	2,042	979
E		4,671	2,782	2,462	1,394	6,617	4,425	2,361	2,022
Additional					13				0
Total required		650,374	6,928	195,843	4,336	156,197	10,253	105,626	10,223

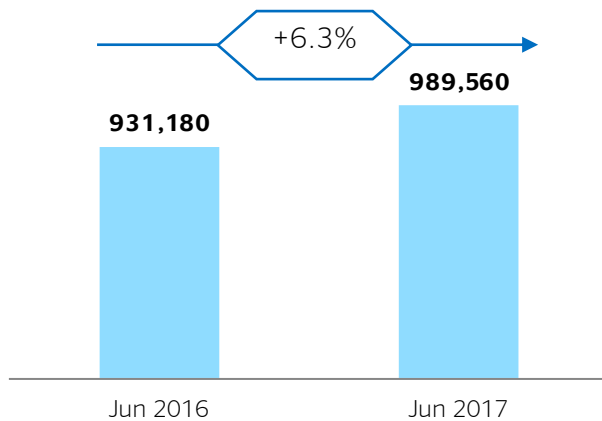
Deposits

Bank deposits (defined as demand and time deposits) showed an annual growth of 6.3%. Demand deposits had a constant growth and closed the year with a balance of 781,292 million pesos, equivalent to an annual growth of 9.2%. While time deposits had a decrease of 3.5% since June 2016. This evolution allows BBVA Bancomer to maintain a very profitable funding mix with a higher relative weight of low-cost deposits.

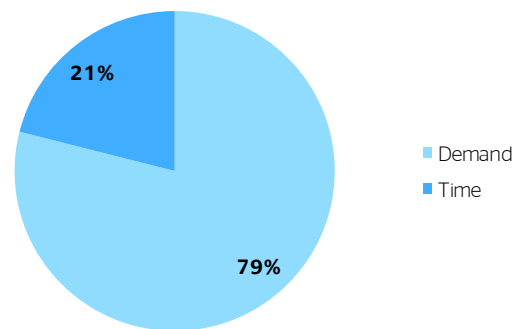
Total deposits also recorded a strong performance with an annual growth of 6.1%. Summing up all customer resources or funds, BBVA Bancomer manages 1.75 trillion pesos.

Deposits <i>Million pesos</i>			%		
	06M 2016	03M 2017	06M 2017	Q-o-Q	Y-o-Y
Demand deposits	715,336	768,334	781,292	1.7	9.2
Time Deposits	215,844	191,153	208,268	9.0	(3.5)
Banking Deposits	931,180	959,487	989,560	3.1	6.3
Bonds	82,837	79,501	86,227	8.5	4.1
Deposits global account without movements	2,935	3,003	3,118	3.8	6.2
Total Deposits	1,016,952	1,041,991	1,078,905	3.5	6.1

Banking Deposits (mp)



Banking Deposits Composition (%)

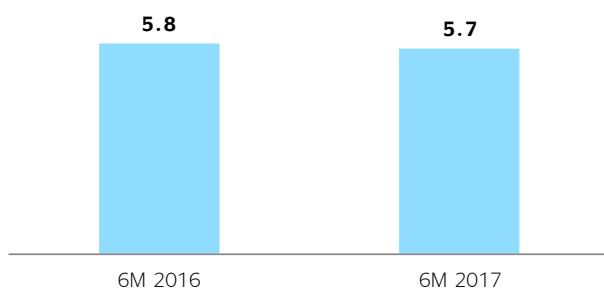


Results

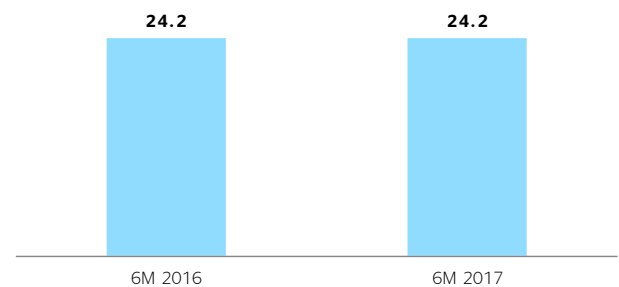
During the first semester of the year, BBVA Bancomer has recorded solid results, maintaining double-digit annual growth in net income. At the close of June 2017, net income stood at 19,870 million pesos (mp), 10.0% higher than the same semester of the previous year.

BBVA Bancomer Income Statement <i>Million pesos</i>	2Q	1Q	2Q	%		06M	06M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Y-o-Y
Net interest income	24,973	27,026	27,798	2.9	11.3	50,866	54,824	7.8
Provisions for loan losses	(8,492)	(8,213)	(8,211)	(0.0)	(3.3)	(15,862)	(16,424)	3.5
Net interest income after provisions for loan losses	16,481	18,813	19,587	4.1	18.8	35,004	38,400	9.7
Total Fees & Commission	5,742	6,359	6,310	(0.8)	9.9	11,490	12,669	10.3
Trading income	627	1,431	1,344	(6.1)	114.4	1,314	2,775	111.2
Other operating income	1,677	325	366	12.6	(78.2)	1,697	691	(59.3)
Total operating revenues	24,527	26,928	27,607	2.5	12.6	49,505	54,535	10.2
Non-interest expense	(13,424)	(13,605)	(14,053)	3.3	4.7	(26,723)	(27,658)	3.5
Net operating income	11,103	13,323	13,554	1.7	22.1	22,782	26,877	18.0
Income before income tax and profit sharing	11,269	13,319	13,570	1.9	20.4	22,950	26,889	17.2
Net Income	9,160	9,971	9,899	(0.7)	8.1	18,059	19,870	10.0

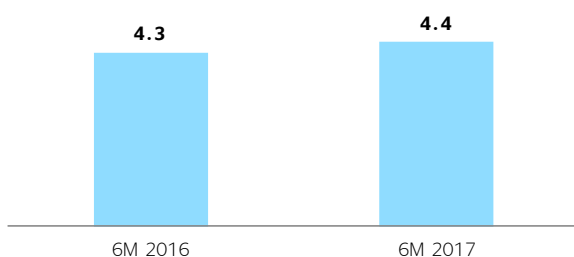
NIM (total assets, %)¹



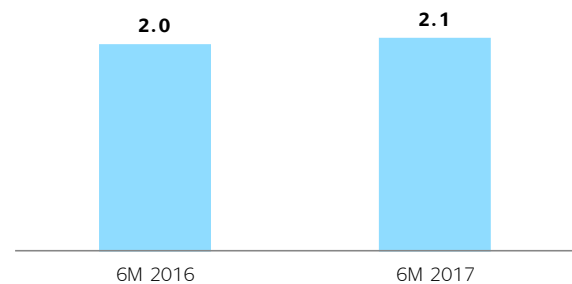
ROE (%)



NIM Adjusted (interest bearing assets, %)²



ROA (%)



¹ Net Interest Margin (NIM) on total assets.

² NIM adjusted after provisions for loan losses on productive assets.

Net Interest Income

In the breakdown of the net interest income (NII), it is observed that the income derived from the banking operation registered a solid annual growth of 13.8%, driven by higher volumes of commercial activity. When adding the net repos financial revenues, the NII grows 7.8% per year.

Additionally, with the provisions for loan losses, which grew at an annual rate of 3.5%, the adjusted NII increased at 9.7% when compared to the closing of June of the previous year.

Net Interest Income <i>Million pesos</i>	2016		2017		%		2016		2017		%	
	2Q	1Q	2Q	Q-o-Q	Y-o-Y	06M	06M	Y-o-Y				
Loans and deposits financial revenues	23,671	26,633	28,173	5.8	19.0	48,140	54,806	13.8				
Margin fees	367	363	372	2.5	1.4	685	735	7.3				
Banking net interest income	24,038	26,996	28,545	5.7	18.7	48,825	55,541	13.8				
Repos financial revenues	935	30	(747)	n.a.	n.a.	2,041	(717)	n.a.				
Net interest income	24,973	27,026	27,798	2.9	11.3	50,866	54,824	7.8				
Provisions for loan losses	(8,492)	(8,213)	(8,211)	(0.0)	(3.3)	(15,862)	(16,424)	3.5				
Net interest income after provisions	16,481	18,813	19,587	4.1	18.8	35,004	38,400	9.7				

Fees and Commissions

Commissions increased at 10.3% in annual terms. This growth is driven by the credit card commissions due to a higher transaction volume with this product, and by the fees derived of investment funds.

Fees & Commissions <i>Million pesos</i>	2016		2017		%		2016		2017		%	
	2Q	1Q	2Q	Q-o-Q	Y-o-Y	06M	06M	Y-o-Y				
Bank fees	1,475	1,628	1,627	(0.1)	10.3	3,189	3,255	2.1				
Credit and debit card	3,066	3,242	3,329	2.7	8.6	5,859	6,571	12.2				
Investment funds	701	738	760	3.0	8.4	1,303	1,498	15.0				
Others	500	751	594	(20.9)	18.8	1,139	1,345	18.1				
Commissions and fee income	5,742	6,359	6,310	(0.8)	9.9	11,490	12,669	10.3				

Other income (expenses) of the operation

As of June 2017, this item shows a decrease of 1,006 mp equivalent to 59.3%, mainly due to the extinction of trust No. 781 of the securitized portfolio in 2016, recognizing an extraordinary income of 1,307 mp.

Other income <i>Million pesos</i>	2Q	1Q	2Q	%		6M	6M	%
	2016	2017	2017	QoQ	YoY	2016	2017	YoY
Sales and recoveries of loan portfolio	293	242	384	58.6	31.4	515	627	21.6
Interest of loans to employees	138	148	150	1.2	8.7	277	298	7.8
Dividends collected unlisted	120	28	60	112.2	(50.3)	165	88	(46.8)
Result of operation of foreclosed assets	57	22	130	484.0	125.3	61	152	150.0
Write-offs	(138)	(85)	(187)	120.4	35.3	(250)	(272)	8.6
Legal contingencies	3	(93)	(108)	16.1	n.a.	(239)	(201)	(15.9)
Pension plans	0	0	0	n.a.	n.a.	0	0	n/a
Donations	(94)	(73)	(118)	63.0	26.5	(148)	(191)	29.1
Sale and disposal of fixed assets	0	123	(1)	(101.1)	n.a.	0	122	n.a.
Extinction of Trust 781 - Securitization	1,307	0	0	n.a.	n.a.	1,307	0	n.a.
Other income	(9)	12	56	358.0	n.a.	9	68	n.a.
Other operating income	1,677	325	366	12.6	(78.2)	1,697	691	(59.3)

Non-Interest Expenses

Strict management and expenditure control is reflected in the 3.5% growth compared to June 2016. It can be seen that the greater focus has been made in the administrative and operating expenses, with a slight growth of 1.9% compared with the first semester of 2016.

Meanwhile, the continuous investment that BBVA Bancomer has been making in the past years, has been reflected in the expansion of the banking infrastructure, which places BBVA Bancomer as the leader in terms of infrastructure. At the end of the first semester of 2017, we have 1,841 offices and 11,583 ATMs, 450 more than in June 2016.

As a result, BBVA Bancomer consolidates its position as one of the most efficient institutions in the financial system, with an efficiency ratio, measured as expenses divided by income, of 39.0% at the end of June 2017.

Non-Interest Expenses <i>Million pesos</i>	2Q	1Q	2Q	%		06M	06M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Y-o-Y
Administrative and operating expenses	9,123	8,887	9,390	5.7	2.9	17,945	18,277	1.9
Manageable expenses	9,099	8,887	9,390	5.7	3.2	17,983	18,277	1.6
Rents	1,116	1,193	1,183	-0.4	7.9	2,361	2,376	6.1
Depreciation and amortization	1,232	1,350	1,350	0.0	9.6	2,424	2,700	11.4
Taxes	848	953	938	-1.6	10.6	1,723	1,891	9.8
Deposit guarantee fund (IPAB)	1,129	1,222	1,192	-2.5	5.6	2,232	2,414	8.2
Non-manageable expenses	4,325	4,718	4,663	-1.2	7.8	8,740	9,381	7.3
Administrative and promotional expenses	13,424	13,605	14,053	3.3	4.7	26,723	27,658	3.5

Financial Indicators

BBVA Bancomer	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	6M 2016	6M 2017
Infrastructure Indicators (#)							
Branches	1,821	1,833	1,836	1,836	1,841	1,821	1,841
ATMs	11,133	11,319	11,434	11,534	11,583	11,133	11,583
Employees	30,182	30,922	31,083	30,503	30,622	30,182	30,622
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	4.0	4.1	4.4	4.3	4.5	4.3	4.4
b) NIM (total assets)	5.6	5.6	5.7	5.7	5.9	5.8	5.7
c) Operating efficiency	3.0	3.0	3.7	2.9	3.0	3.0	2.9
d) Efficiency (cost to income)	40.7	41.9	50.4	38.7	39.2	40.9	39.0
e) Productivity index	42.8	44.5	38.1	46.7	44.9	43.0	45.8
f) ROE	24.5	21.1	17.7	25.0	24.0	24.2	24.2
g) ROA	2.0	1.8	1.5	2.1	2.1	2.0	2.1
Asset Quality Indicators (%)							
h) NPL ratio	2.3	2.3	2.2	2.2	2.2	2.3	2.2
i) Coverage ratio	129.3	131.1	131.8	132.9	136.1	129.3	136.1
Solvency Indicators (%)							
j) Core equity tier 1 ratio	10.8	10.7	10.7	11.1	11.7	10.8	11.7
k) Total capital ratio	14.0	13.8	13.7	13.6	14.2	14.0	14.2
l) Leverage ratio	6.8	7.0	6.7	8.5	8.7	6.8	8.7
Liquidity Indicators (%)							
m) Liquidity ratio (CNBV requirement)	75.6	73.8	74.9	71.8	74.1	75.6	74.1
n) Liquidity ratio (Loans / Deposits)	101.8	104.0	105.0	104.7	103.7	101.8	103.7
o) Liquidity Coverage Coefficient (Local LCR)	121.78	120.57	124.43	125.21	115.47	121.78	115.47

PROFITABILITY

- a) *Net Interest Margin adjusted (NIM adjusted): Financial margin after provisions for loan losses (annualized) / Average productive assets*
Average productive assets: Cash + Securities + Repo debtors + securities lending + derivatives + performing loans + Receivable benefits from securitization transactions + Valuation adjustments derived from hedges of financial assets
- b) *Net Interest Margin (NIM): Net interest income (annualized) / Average total assets*
- c) *Operating efficiency: Expenses (annualized) / Average total assets*
- d) *Efficiency index: Administrative and promotional expenses / Net interest income + fees and commissions, net interest income + net income + other income (expense) of the operation*
- e) *Productivity Index: Commissions and fees, net / Promotion and administrative expenses*
- f) *Return on equity (ROE): Net income (annualized) / Average capital*
- g) *Return on assets (ROA): Net income (annualized) / Average total assets*

ASSET QUALITY

- h) *NPL ratio: Past due loans / Total gross portfolio*
- i) *Coverage Ratio: Allowance for loan losses / Portfolio overdue*

SOLVENCY

- j) *Core Equity Tier 1 Ratio: CET1 Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013)*
- k) *Total Capital Ratio: Net Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013)*
- l) *Leverage Ratio: Risk Capital / Exposure*

LIQUIDITY

m) *Liquidity Ratio: Liquid assets / Liquid liabilities*

Liquid Assets: Cash and cash equivalents + Trading (securities) + Available for sale (securities)

Liquid Liabilities: Demand deposits + Interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term

n) *Loans / Deposits: Performing loans / Core deposits (demand + time)*

o) *CCL (Local LCR - Liquidity Coverage Ratio): Computable Liquid Assets / Outputs - Inputs*

Capital and Liquidity

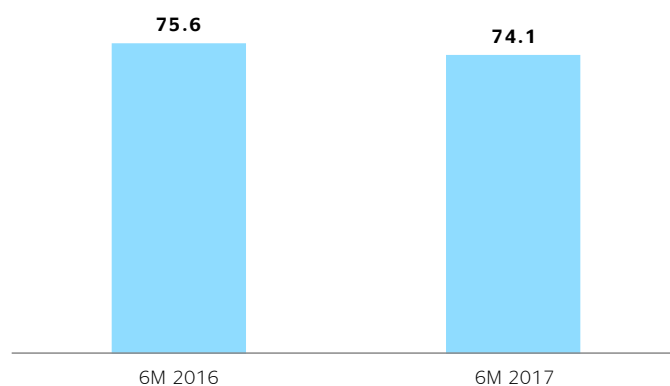
Net capital ratio of BBVA Bancomer stood at 14.2% at the end of June 2017, which is composed by 12.2% of Tier 1 capital and 2.0% of Tier 2 capital.

BBVA Bancomer fully covers the minimum capital requirements. For this year 2017, derived from the additional allocation of capital for being classified as domestic systemically important entity (Grade IV), BBVA Bancomer has a minimum requirement of 11.25% for the total capital ratio.

BBVA Bancomer Capitalization (estimate)		June 2016		March 2017		June 2017	
Million pesos							
Tier 1 capital		151,779		159,670		169,351	
Tier 2 capital		32,433		27,531		27,547	
Net capital		184,212		187,201		196,898	
Risk-weighted assets		924,725	1,320,346	970,440	1,373,146	981,685	1,385,630
		Credit Risk	Operative & Credit Risk	Credit Risk	Operative & Credit Risk	Credit Risk	Operative & Credit Risk
Tier 1 as % of risk-weighted assets		16.4%	11.5%	16.5%	11.6%	17.3%	12.2%
Tier 2 as % of risk-weighted assets		3.5%	2.5%	2.8%	2.0%	2.8%	2.0%
Net capital ratio		19.9%	14.0%	19.3%	13.6%	20.1%	14.2%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 74.1%. The Liquidity Coverage Ratio (Local LCR) stood at 115.47%, with a required minimum of 80%, this allows BBVA Bancomer to have comfortable levels for further growth.

LIQUIDITY RATIO (regulatory, %)



Ratings

BBVA Bancomer Ratings			
	Long Term	Short Term	Outlook
Standard and Poor's			
Issuer Credit Rating - Foreign Currency	BBB+	A-2	Stable
Issuer Credit Rating - Local Currency	BBB+	A-2	Stable
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	a-		
Moody's			
Bank Deposits - Foreign Currency	A3	P-2	Negative
Bank Deposits - Domestic Currency	A3	P-2	Negative
National Scale Rating Bank Deposits	Aaa.mx	MX-1	
Baseline Credit Assessment (BCA)	baa2		
Fitch			
Issuer Default Rating - Foreign Currency	A-	F1	Negative
Issuer Default Rating - Local Currency	A-	F1	Negative
National Scale Rating	AAA(mex)	F1 + (mex)	Stable
Viability Rating (VR)	a-		

Issuances

BBVA Bancomer
Issuances

Instruments	Amount - Original Cy	Issue Date	Due/Call Date	Term (years)	Rate	Ratings		
Senior Debt						S&P	Moody's	Fitch
Bond 3rd Issuance UDIS (2,240) - BACOMER 07U	2,240 UDIS	02-feb-07	09-jul-26	19.4	4.36%		A3/Aaa.mx	AAA(mex)
Bond 7th Issuance UDIS (1,092) - BACOMER 10U	1,092 UDIS	06-sep-10	24-ago-20	10.0	3.70%		A3/Aaa.mx	AAA(mex)
Bond 8th Issuance - BACOMER 10	\$1,078	06-sep-10	24-ago-20	10.0	7.83%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2011 - BACOMER 21145	\$1,000	15-abr-11	02-abr-21	10.0	TIE28 + 0.80%		A3/Aaa.mx	AAA(mex)
Bond 4th Issuance 2012 - BACOMER 22224	\$1,000	07-jun-12	26-may-22	10.0	TIE28 + 0.85%		A3/Aaa.mx	AAA(mex)
Senior Notes Dlls 2014	US\$750	10-abr-14	10-abr-24	10.0	4.38%		A3	A-
Bond 4th Issuance 2015 - BACOMER 15	\$5,000	27-mar-15	23-mar-18	3.0	TIE28 + 0.14%		A3/Aaa.mx	AAA(mex)
Bond 1st Issuance 2016 - BACOMER 16	\$4,000	30-jun-16	27-jun-19	3.0	TIE28 + 0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017- BACOMER 17	\$3,500	26-may-17	22-may-20	3.0	TIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017- BACOMER 17-2	\$3,500	26-may-17	22-may-20	3.0	TIE28+0.23%		A3/Aaa.mx	AAA(mex)
Subordinated Debentures								
Capital Notes Tier 1 2020	US\$1000	22-abr-10	22-abr-20	10.0	7.25%		Ba1	BB+
Subordinated Debentures Tier 2 2021	US\$1,250	10-mar-11	10-mar-21	10.0	6.50%		Baa3	BBB-
Subordinated Debentures Tier 2 2022	US\$1,500	19-jul-12	30-sep-22	10.2	6.75%		Baa3	BBB-
Subordinated Debentures Tier 2 2029 (15NC10)	US\$200	06-nov-14	06-nov-24	15NC10	5.35%		Ba1	BBB-
Mortgage Securitization								
1st Issuance - BACOMCB 07	\$2,540	21-dic-07	13-mar-28	20.2	9.05%	mxAAA	A3/Aaa.mx	AAA(mex)
2nd Issuance - BACOMCB 08	\$1,114	14-mar-08	14-jul-28	20.3	8.85%	mxAAA		AAA(mex)
4th Issuance - BACOMCB 08-2	\$5,509	01-dic-08	19-ago-30	21.7	9.91%	mxAAA	A3/Aaa.mx	
5th Issuance Serie 3 - BACOMCB 09-3	\$3,616	07-ago-09	24-may-29	19.8	10.48%	mxAAA		AAA(mex)
1st Issuance - BMERCB 13	\$4,192	21-jun-13	07-abr-33	19.8	6.38%	mxAAA		AAA(mex)

Financial Statements

Balance Sheets (Last 5 quarters)

BBVA Bancomer					
Assets	Jun	Sep	Dec	Mar	Jun
Million pesos	2016	2016	2016	2017	2017
CASH AND CASH EQUIVALENTS	130,262	158,524	186,749	143,241	170,744
Margin call accounts	3,005	7,816	8,998	11,809	11,546
SECURITIES	440,054	399,234	401,350	436,872	430,317
Trading	274,523	225,691	235,030	274,826	274,138
Available for sale	148,409	156,246	150,664	146,163	140,039
Held to maturity	17,122	17,297	15,656	15,883	16,140
Debtors from repurchase agreement	96	150	289	85	10,957
Derivatives	141,545	144,285	167,891	141,122	115,386
Trading	122,576	124,309	148,957	127,174	102,714
Hedging Transactions	18,969	19,976	18,934	13,948	12,672
Valuation adjustments derived from hedges of financial assets	2,378	2,044	262	766	956
PERFORMING LOANS	948,102	967,374	999,701	1,004,294	1,026,476
Commercial loans	539,753	548,698	572,221	571,213	587,129
Business or commercial activity	380,193	392,330	409,974	416,209	432,722
Financial entities	20,317	21,165	19,606	23,431	24,803
Government entities	139,243	135,203	142,641	131,573	129,604
Consumer	232,903	240,799	245,965	247,246	250,903
Mortgage	175,446	177,877	181,515	185,835	188,444
Residential Mortgages	159,367	162,524	166,694	171,528	174,762
Social Housing	16,079	15,353	14,821	14,307	13,682
NON PERFORMING LOANS	22,780	23,186	22,759	22,560	23,278
Commercial loans	6,203	6,403	6,323	6,464	6,542
Business or commercial activity	5,881	6,078	6,000	6,450	6,541
Financial entities	321	324	322	3	0
Government entities	1	1	1	11	1
Consumer	7,791	8,675	8,755	8,675	9,337
Mortgage	8,786	8,108	7,681	7,421	7,399
Residential Mortgages	7,777	7,207	6,828	6,606	6,610
Social Housing	1,009	901	853	815	789
TOTAL LOANS	970,882	990,560	1,022,460	1,026,854	1,049,754
Allowance for loan losses	(29,451)	(30,390)	(30,005)	(29,972)	(31,682)
TOTAL LOANS, NET	941,431	960,170	992,455	996,882	1,018,072
Receivable benefits from securitization transactions	223	210	197	182	182
Other accounts receivable, net	100,561	91,567	80,807	77,545	95,615
Repossessed assets, net	5,099	4,552	3,866	3,509	3,351
Property, furniture and equipment, net	40,851	41,550	42,563	41,904	41,418
Equity investments	1,223	1,211	1,207	1,200	1,216
Long-Term assets available for sale	12	0	0	0	0
Deferred taxes, net	13,390	11,874	14,998	14,867	15,951
Other assets	14,308	8,869	7,049	7,360	7,165
Deferred charges, prepaid expenses and intangibles	13,254	7,794	6,293	6,582	6,366
Other assets, short and long term	1,054	1,075	756	779	799
TOTAL ASSETS	1,834,393	1,832,056	1,908,681	1,877,344	1,922,876

BBVA Bancomer					
Liabilities & Stockholders' Equity	Jun	Sep	Dec	Mar	Jun
<i>Million pesos</i>	2016	2016	2016	2017	2017
TOTAL DEPOSITS	1,016,952	1,017,356	1,035,624	1,041,991	1,078,905
Demand deposits	715,336	721,918	754,858	768,334	781,292
Time Deposits	215,844	208,183	197,606	191,153	208,268
Customer deposits	175,128	181,343	173,800	173,847	179,675
Money market	40,716	26,840	23,806	17,306	28,593
Bonds	82,837	83,962	79,990	79,501	86,227
Deposits global gccount without movements	2,935	3,293	3,170	3,003	3,118
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	25,002	18,511	19,204	27,345	16,935
Payable on demand	10,757	3,430	413	10,861	67
Short- term	5,972	6,530	8,619	6,899	7,648
Long- term	8,273	8,551	10,172	9,585	9,220
Creditors from repurchase agreements	229,169	234,898	264,485	266,772	249,359
Securities creditors	1	1	1	1	1
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	33,221	37,949	34,416	38,159	64,497
Repurchase	139,737	142,694	159,036	136,284	121,458
Securities lending	33,221	37,949	34,416	38,159	64,497
DERIVATIVES	139,737	142,694	159,036	136,284	121,458
Trading	128,074	129,138	148,027	128,106	113,305
Hedge transactions	11,663	13,556	11,009	8,178	8,153
Valuation adjustments derived from hedges of financial liabilities	8,397	8,623	5,095	3,795	4,091
OTHER PAYAB LES	136,622	119,380	130,922	110,132	137,321
Profit taxes payable	0	0	1,005	1,406	1,626
Employee profit sharing (PTU) payable	2	4	2	2	2
Transaction settlement creditors	74,782	61,880	59,192	50,165	91,380
Creditors from collaterals received in cash	33,137	30,572	36,271	22,215	16,353
Accrued liabilities and other	28,701	26,924	34,452	36,344	27,960
Subordinated debt	83,454	87,245	93,185	84,616	72,539
Deferred credits and advanced collections	7,951	7,860	7,731	8,172	8,100
TOTAL LIABILITIES	1,680,506	1,674,517	1,749,699	1,717,267	1,753,206
SUBSCRIBED CAPITAL	39,864	39,864	39,864	40,003	40,003
Paid- in capital	24,138	24,138	24,138	24,143	24,143
Share premium	15,726	15,726	15,726	15,860	15,860
EARNED CAPITAL	113,986	117,638	119,081	120,039	129,631
Capital reserves	6,881	6,881	6,881	6,901	6,901
Results of prior years	89,016	85,211	82,742	105,915	104,928
Unrealized gain on available- for- sale securities	(750)	(1486)	(3967)	(2521)	(1734)
Result from valuation of cash flow hedging instruments	362	302	141	-210	-328
Accumulated effect by conversion	419	440	440	440	440
Redefined benefits to employees	-1	-1	-467	-457	-446
Net income	18,059	26,291	33,311	9,971	19,870
MAJORITY STOCKHOLDERS' EQUITY	153,850	157,502	158,945	160,042	169,634
Non- controlling interest in consolidated subsidiaries	37	37	37	35	36
TOTAL STOCKHOLDERS' EQUITY	153,887	157,539	158,982	160,077	169,670
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,834,393	1,832,056	1,908,681	1,877,344	1,922,876

Memorandum accounts

BBVA Bancomer Memorandum accounts	Jun 2016	Sep 2016	Dec 2016	Mar 2017	Jun 2017
Million pesos					
Contingent assets and liabilities	397	343	394	489	529
Credit commitments	493,165	532,941	553,195	541,497	531,227
In trusts	380,625	423,132	438,732	420,242	411,620
Under mandate	24,231	24,217	24,206	24,199	24,201
Assets in trust or under mandate	404,856	447,350	462,938	444,441	435,821
Assets in custody or under administration	186,626	186,853	181,474	178,602	181,522
Collaterals received by the institution	35,713	43,496	44,789	44,184	102,424
Collaterals received and sold or pledged as collateral by the institution	35,673	43,461	44,752	42,567	89,064
Investment banking transactions on behalf of third parties, net	1,140,703	916,030	889,097	1,104,631	1,159,397
Accrued interest on non-performing loans	13,123	10,559	7,762	8,506	8,912
Other record accounts	2,977,923	3,126,558	3,189,623	3,144,162	3,218,677

This consolidated balance sheet is prepared in accordance with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, based on the Articles 99, 101 and 102 of the Mexican Credit Institutions Law, of general and compulsory observance, consistently applied, reflecting the operations conducted by the Bank up to the above date, which were realized and valued in accordance with sound banking practices and applicable legal and administrative disposals.

This consolidated financial statement was approved by the Board of Directors under the responsibility of the managers who subscribe it.

EDUARDO OSUNA OSUNA
CEO

LUIS IGNACIO DE LA LUZ DAVALOS
CFO

NATALIA ORTEGA GOMEZ
HEAD OF INTERNAL AUDIT

SERGIO PEREZ GAYTAN
HEAD OF ACCOUNTING

P&L (Last 5 quarters)

BBVA Bancomer							
Financial Results							
	2Q	3Q	4Q	1Q	2Q	6M	6M
<i>Million pesos</i>	2016	2016	2016	2017	2017	2016	2017
Interest Income	32,653	34,325	36,972	39,000	41,151	66,582	80,151
Interest Expenses	(7,680)	(8,726)	(10,333)	(11,974)	(13,353)	(15,716)	(25,327)
Net interest income	24,973	25,599	26,639	27,026	27,798	50,866	54,824
Provisions for loan losses	(8,492)	(8,539)	(7,982)	(8,213)	(8,211)	(15,862)	(16,424)
Net interest income after provisions for loan losses	16,481	17,060	18,657	18,813	19,587	35,004	38,400
Fees & Commissions received	8,272	9,097	10,079	9,662	9,607	17,063	19,269
Fees & Commissions paid	(2,530)	(2,945)	(3,520)	(3,303)	(3,297)	(5,573)	(6,600)
Total Fees & Commissions	5,742	6,152	6,559	6,359	6,310	11,490	12,669
Trading income	627	1,178	1,070	1,431	1,344	1,314	2,775
Other operating income	1,677	16	(162)	325	366	1,697	691
Total de ingresos (egresos) de la operación	24,527	24,406	26,124	26,928	27,607	49,505	54,535
Non-interest expense	(13,424)	(13,820)	(17,201)	(13,605)	(14,053)	(26,723)	(27,658)
Operating income	11,103	10,586	8,923	13,323	13,554	22,782	26,877
Share in net income of unconsolidated subsidiaries and affiliates	166	(148)	(4)	(4)	16	168	12
Income before tax	11,269	10,438	8,919	13,319	13,570	22,950	26,889
Current income tax and profit sharing	(4,114)	(885)	(3,803)	(3,682)	(4,627)	(6,286)	(8,309)
Deferred income tax and profit sharing	1,798	(1,854)	1,903	333	956	1,057	1,289
Net taxes	(2,316)	(2,739)	(1,900)	(3,349)	(3,671)	(5,229)	(7,020)
Income before discontinued operations	8,953	7,699	7,019	9,970	9,899	17,721	19,869
Discontinued operations	207	534	0	0	0	338	0
Minority Interest	0	(1)	1	1	0	0	1
NET INCOME	9,160	8,232	7,020	9,971	9,899	18,059	19,870

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Cash Flows

BBVA Bancomer	
Cash Flow Statement (from January 1st to June 30th, 2017)	
Million pesos	
Net income	19,870
Adjustments derived from items not involving cash flow	
Profit or loss derived from the valuation of investment and financing activities	0
Depreciation of property, furniture and fixtures	1,618
Amortization of intangible assets	1,082
Provisions	567
Income taxes	7,020
Share in net income of unconsolidated subsidiaries and affiliated companies	(12)
Noncontrolling interest	(1)
Operating activities	
Change in margin call accounts	(2,860)
Change in investments in securities	(31,225)
Change in debtors from repurchase agreement	(10,439)
Change in derivatives (assets)	46,243
Change in loan portfolio (net)	(45,699)
Change in receivable benefits from securitization transactions	15
Change in repossessed assets	514
Change in other operating assets	(16,214)
Change in deposits	65,682
Change in interbank loans and other loans from other entities	(2,108)
Change in creditors from repurchase agreements	(15,126)
Change in collaterals sold or delivered in guarantee	30,081
Change in derivatives (liabilities)	(34,723)
Change in subordinated debt	(10,377)
Change in other operating liabilities	11,094
Change in hedging instruments (of hedge items related to operation activities)	1,969
Income taxes payment	(7,682)
Net cash flows used in operating activities	(20,855)
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	160
Payments for the acquisition of property furniture and fixtures	(633)
Payments for acquisition of intangible assets	(787)
Net cash flows used in investment activities	(1,260)
Financing activities	
Cash dividends paid	6
Proceeds from share issuance	(12,628)
Net cash flows used in financing activities	(12,622)
Net increase or decrease in cash and cash equivalents	(14,867)
Effects of changes in cash and cash equivalents	(11,412)
Cash and cash equivalents at the beginning of the year	186,749
Cash and cash equivalents at the end of the year	160,470

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Variation in Stakeholders' Equity

BBVA Bancomer Million pesos	Subscribed Capital			Earned Capital						Majority Stockholder's Equity	Non Controlling Interest in Consolidated Subsidiaries	Total Stockholder's Equity
	Paid in Capital	Share Premium	Capital Reserves	Results of prior years	Unrealized Gain on Available for Sale Securities	Result from Valuation of Cash Flow Hedging Instruments	Result from Conversion of Foreign Subsidiaries	Redefined benefits to employees	Net Income			
Balances as of December 31th, 2016	24,138	15,726	6,881	82,742	(3,967)	141	440	(467)	33,311	158,945	37	158,982
HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS												
Subscription of shares (Hipotecaria Nacional merger)	5	134	20	24						183		183
Transfer from net income to results of prior years				33,311					(33,311)	-		-
Payment of cash dividends				(10,163)						(10,163)		(10,163)
Total	5	134	20	23,172	-	-	-	-	(33,311)	(9,980)	-	(9,980)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									19,870	19,870	(1)	19869
Result from valuation of securities available for sale					2,233					2,233		2,233
Result from valuations of Cash Flow Hedging							(469)			(469)		(469)
				(986)						(986)		(986)
Redefined benefits to employees								21		21		21
Total	-	-	-	(986)	2,233	(469)	-	21	19,870	20,669	(1)	20,668
Balances as of June 30th, 2017	24,143	15,860	6,901	104,928	(1,734)	(328)	440	(446)	19,870	169,634	36	169,670

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January - June 2017

Financial Report BBVA Bancomer

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