

January - December 2017

Financial Report

BBVA Bancomer

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Relevant Events

Decree and distribution of dividends

BBVA Bancomer S.A. Multiple Banking Institution has made the fourth partial payment of dividends decreed at the Ordinary General Shareholders' Meeting for the fiscal year 2016, at a rate of \$0.437536249497604 per outstanding share.

Support for natural disasters

By means of Official Letter No. P-290/2017 dated September 15, 2017 and Official Letter No. 320-1/14057/2017 dated October 10, the CNBV authorized credit institutions to apply special accounting criteria and special criteria, respectively, in order to support the economic recovery of their clients who inhabit or have their sources of income payment in the localities declared as "disaster areas" derived from natural phenomena by the hurricanes "Lidia" and "Katia" and the earthquakes that occurred on 7 and 19 of September 2017.

The application of the support is that the loan portfolio subject to the support is considered effective for up to three months according to the benefit received, or up to six months in the case of group microcredit, with the corresponding effects in accounting terms, the determination of the rating and for the preventive estimation of credit risks. Likewise, the benefits must be implemented no later than 120 days after the date of the loss.

The foregoing shall apply to those creditors who have been classified as effective as of the date of the claim. The special accounting criteria applicable by the type of credit are the following:

- 1.- Loans with a single payment of principal at periodic maturity and payment of interest, as well as credits with a single payment of principal and interest at maturity, that are renewed or restructured will be considered as non-performing loan portfolio, in terms of what is established in Paragraph 79 of the B-6. For this purpose, it is required that the new maturity, which in its case grants the borrower, is not greater than three months from the date on which it had expired.
- 2.- For credits with periodic payments of principal and interest, which are subject to restructuring or renewal, may be considered as effective at the time of the execution of this act, without applying what is established in criterion B-6 "Loan portfolio" (Paragraphs 82 and 84).
- 3.- The credits that from the beginning are stipulated as revolving, are restructured or renewed within 120 calendar days following the date of the loss, will not be considered as overdue portfolio. Regarding the aforementioned criteria, these will not be considered as restructured according to criterion B-6 (Paragraph 40).

Given the application of these special accounting criteria, as of December 31 2017, the decrease in the current portfolio would have been 2,512.47 million pesos; since the balances of the credits that received the supports would have been registered in the non-performing loans portfolio in the absence of the deferral. Likewise, the impact on results by the creation in preventive reserves for credit risks would have been 1,097.04 million pesos. The NPL ratio considering the loans for support (Mortgages, Credit Cards, Consumer, SMEs and Business Credit Cards) would have been 4.7%, 55 basis points above and the Total Capital Ratio would have had almost no impact.

Management and Discussion Analysis

Commercial Activity

Performing Loans

As of December 2017, the loan portfolio reached a balance of 1,056,335 million pesos, equivalent to an annual growth of 5.7%.

Inside the breakdown, the commercial portfolio grew at 5.7% over the year. In detail, credits to business or commercial activity (that includes corporate, medium enterprises, developers and SMEs) showed the higher dynamism with an annual increase of 10.4%.

Consumer lending grew at 4.8% in annual terms. Inside this portfolio, payroll, personal and car loans showed a 6.4% increase to reach a total balance of 152,396 million pesos at the end of December 2017. In the credit card portfolio (2.5% Y-o-Y), BBVA Bancomer still has a large part of the customers that pay the total amount of the debt at the end of the month, which limits the revolving.

Mortgage loans registered an annual growth of 6.8%, with a balance of 193,834 million pesos at the end of December. This evolution allows BBVA Bancomer to remain leader in the mortgage market by granting one out of four new mortgages in the private sector according to the public information of the CNBV as of November 2017.

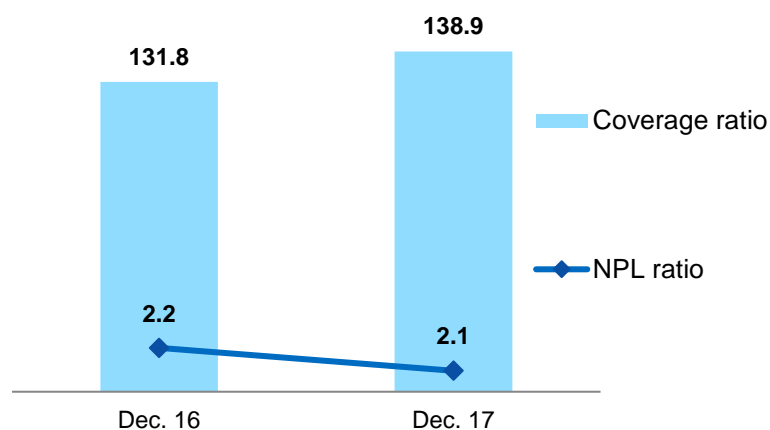
Performing Loans <i>Million pesos</i>	12M 2016	9M 2017	12M 2017	%	
				Q-o-Q	Y-o-Y
Business or commercial activity	409,974	443,915	452,669	2.0	10.4
Financial entities	19,606	30,477	27,899	(8.5)	42.3
Government loans	80,290	71,542	71,516	(0.0)	(10.9)
Parastatals	62,351	56,815	52,748	(7.2)	(15.4)
Government entities	142,641	128,356	124,264	(3.2)	(12.9)
Commercial loans	572,221	602,749	604,832	0.3	5.7
Consumer	245,965	254,463	257,669	1.3	4.8
Mortgage	181,515	190,738	193,834	1.6	6.8
Total Performing Loans	999,702	1,047,950	1,056,335	0.8	5.7

Asset quality

Non-performing Loans

BBVA Bancomer's strict risk management is reflected in the evolution of asset quality. The NPL ratio had an improvement of 12 basis points and it stood at 2.1% at the end of December 2017.

Non Performing Loans <i>Million pesos</i>	12M 2016	9M 2017	12M 2017	%	
				Q-o-Q	Y-o-Y
Business or commercial activity	6,000	6,444	6,366	(1.2)	6.1
Financial entities	322	0	0	n.a.	n.a.
Government entities	1	1	1	(15.3)	-
Commercial loans	6,323	6,445	6,367	(1.2)	0.7
Consumer	8,755	9,850	9,703	(1.5)	10.8
Mortgage	7,681	6,789	6,676	(1.7)	(13.1)
Total Non Performing Loans	22,759	23,084	22,746	(1.5)	(0.1)

COVERAGE RATIO VS
NPL RATIO

Loan Portfolio Credit Quality Classification

More than 76% 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 December 2017		Commercial Loans		Mortgage		Consumer		Credit Card	
		Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>									
Ratings									
A1		565,607	1,342	173,993	298	45,425	384	41,446	816
A2		62,770	615	7,038	43	16,802	426	15,056	592
B1		18,113	198	2,306	21	39,298	1,307	9,898	566
B2		5,536	116	2,320	28	27,003	1,226	9,472	683
B3		12,021	393	1,436	25	8,413	468	8,880	795
C1		2,415	153	4,280	137	5,672	412	8,546	1,020
C2		364	37	3,344	283	4,717	478	12,100	2,847
D		4,452	1,298	4,435	1,040	2,506	581	1,906	923
E		4,763	2,649	1,355	754	7,263	5,059	2,707	2,323
Additional					1,260				
Total required		676,041	6,801	200,507	3,889	157,099	10,341	110,011	10,565

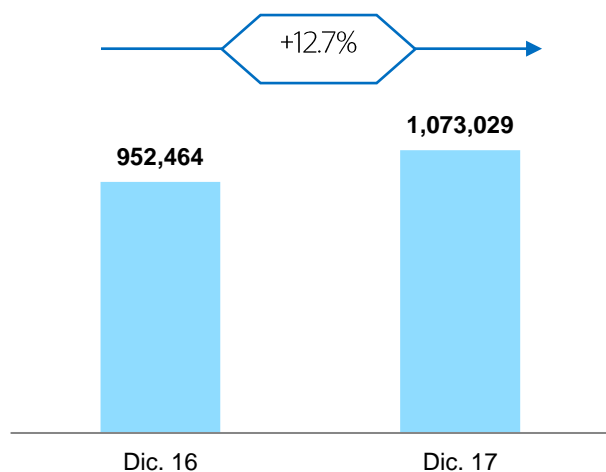
Deposits

Bank deposits (defined as demand and time deposits) showed an annual growth of 12.7%. This evolution allows BBVA Bancomer to maintain adequate liquidity levels with an annual increase of 10.7% in demand deposits, while time deposits registered a growth of 20.2% since December 2016. Given this, BBVA Bancomer maintains a very profitable funding mix with a higher relative weight of low-cost deposits.

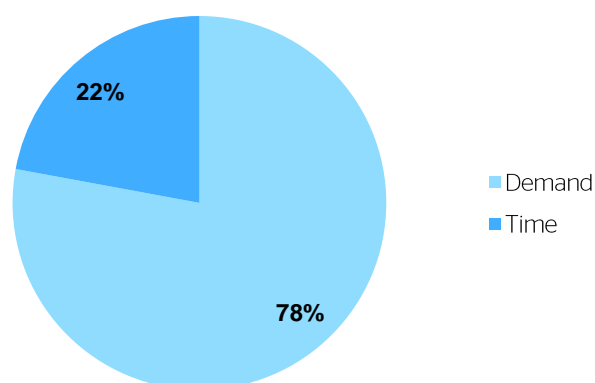
Total deposits also recorded a strong performance with an annual growth of 12.3%. Summing up all customer resources or funds, BBVA Bancomer manages 1.8 trillion pesos.

Deposits	12M 2016	9M 2017	12M 2017	% Q-o-Q	% Y-o-Y
<i>Million pesos</i>					
Demand deposits	754,858	828,229	835,427	0.9	10.7
Time Deposits	197,606	234,929	237,602	1.1	20.2
Banking Deposits	952,464	1,063,158	1,073,029	0.9	12.7
Bonds	79,990	88,224	86,280	(2.2)	7.9
Deposits global account without movements	3,170	3,203	3,324	3.8	4.9
Total Deposits	1,035,624	1,154,584	1,162,633	0.7	12.3

Banking Deposits (mp)



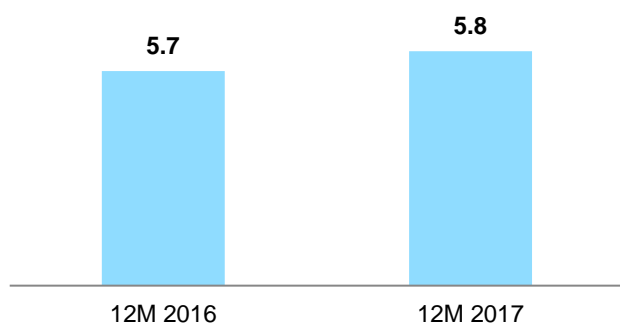
Banking Deposits Mix (%)



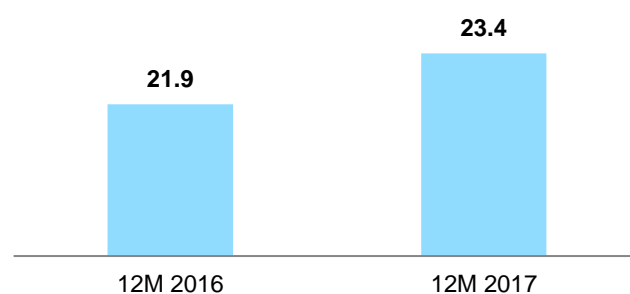
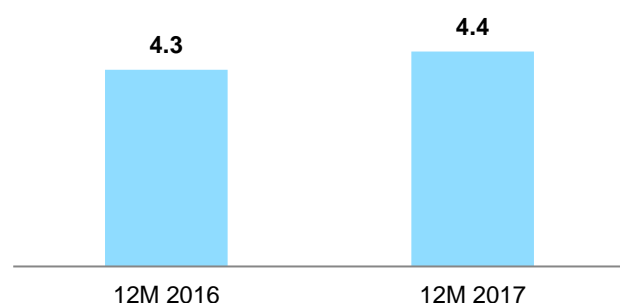
Results

During 2017, BBVA Bancomer recorded solid results, maintaining double-digit annual growth in net income. As of December 2017, net income stood at 39,143 million pesos, 17.5% higher than the same period of the previous year.

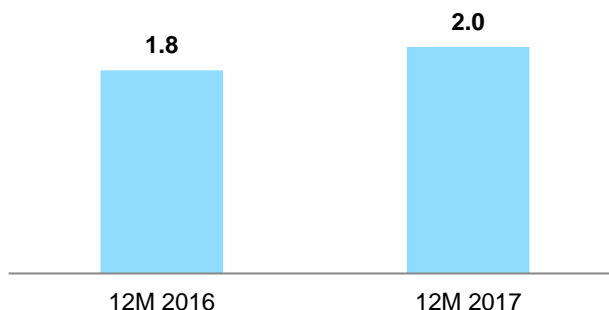
BBVA Bancomer Income Statement	4Q 2016	3Q 2017	4Q 2017	% Q-o-Q	% Y-o-Y	12M 2016	12M 2017	% Y-o-Y
<i>Million pesos</i>								
Net interest income	26,639	28,623	29,562	3.3	11.0	103,104	113,009	9.6
Provisions for loan losses	(7,982)	(9,145)	(8,502)	(7.0)	6.5	(32,383)	(34,071)	5.2
Net interest income after provisions for loan losses	18,657	19,478	21,060	8.1	12.9	70,721	78,938	11.6
Total Fees & Commission	6,559	6,388	6,764	5.9	3.1	24,201	25,821	6.7
Trading income	1,070	1,194	658	(44.9)	(38.5)	3,562	4,627	29.9
Other operating income	(162)	415	145	(65.1)	n.a.	1,551	1,251	(19.3)
Total operating revenues	26,124	27,475	28,627	4.2	9.6	100,035	110,637	10.6
Non-interest expense	(17,201)	(14,489)	(15,461)	6.7	(10.1)	(57,744)	(57,608)	(0.2)
Net operating income	8,923	12,986	13,166	1.4	47.6	42,291	53,029	25.4
Share in net income of unconsolidated subsidiaries and affiliates	(4)	14	8	(42.9)	n.a.	16	34	112.5
Income before income tax and profit sharing	8,919	13,000	13,174	1.3	47.7	42,307	53,063	25.4
Net Taxes	(1,900)	(3,526)	(3,374)	(4.3)	77.6	(9,868)	(13,920)	41.1
Net Income	7,020	9,473	9,800	3.5	39.6	33,311	39,143	17.5

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

Net interest income's (NII) breakdown showed that the banking operation registered an annual growth of 13.7%, driven by higher volumes of commercial activity. When adding the net repos financial revenues, the NII grew 9.6% per year.

Additionally, with the provisions for loan losses, which grew at an annual rate of 5.2%, the adjusted NII increased at 11.6% when compared to the closing of December of the previous year.

Net Interest Income <i>Million pesos</i>	4Q 2016	3Q 2017	4Q 2017	%		12M 2016	12M 2017	% Y-o-Y
				Q-o-Q	Y-o-Y			
Loans and deposits financial revenues	25,947	28,934	29,038	0.4	11.9	99,051	112,778	13.9
Margin fees	422	371	436	17.5	3.3	1,492	1,542	3.4
Banking net interest income	26,369	29,305	29,474	0.6	11.8	100,543	114,320	13.7
Repos financial revenues	270	(682)	88	n.a.	(67.4)	2,561	(1,311)	n.a.
Net interest income	26,639	28,623	29,562	3.3	11.0	103,104	113,009	9.6
Provisions for loan losses	(7,982)	(9,145)	(8,502)	(7.0)	6.5	(32,383)	(34,071)	5.2
Net interest income after provisions	18,657	19,478	21,060	8.1	12.9	70,721	78,938	11.6

Fees and Commissions

Commissions increased at 6.7% in annual terms, driven mainly by the ones coming from a higher transaction volume with credit cards and fees derived of investment funds.

Fees & Commissions <i>Million pesos</i>	4Q 2016	3Q 2017	4Q 2017	%		12M 2016	12M 2017	% Y-o-Y
				Q-o-Q	Y-o-Y			
Bank fees	1,620	1,625	1,707	5.0	5.4	6,443	6,587	2.2
Credit and debit card	3,384	3,385	3,644	7.7	7.7	12,444	13,600	9.3
Investment funds	707	801	832	3.9	17.7	2,699	3,131	16.0
Others	848	577	581	0.7	(31.5)	2,615	2,503	(4.3)
Commissions and fee income	6,559	6,388	6,764	5.9	3.1	24,201	25,821	6.7

Other income (expenses) of the operation

The negative comparison of this item is due to the extraordinary income recorded during the second quarter of the previous year mainly due to the extinction of the trust that had an asset backed security portfolio.

Other Income	4Q	3Q	4Q	% Q-o-Q Y-o-Y		12M	12M	% Var
Million pesos	2016	2017	2017			2016	2017	Annual
Extinction of Trust 781 - Securitization	0	0	0	n.a.	n.a.	1,307	0	(100.0)
Sales and recoveries of loan portfolio	323	486	442	(9.0)	37.0	1,100	1,555	41.4
Interest of loans to employees	147	154	157	1.9	6.8	566	609	7.7
Dividends collected unlisted	25	4	1	(75.0)	(96.0)	135	93	(31.2)
Result of operation of foreclosed assets	113	240	102	(57.5)	(9.6)	93	494	n.a.
Write-offs	(129)	(232)	(157)	(32.5)	21.4	(499)	(660)	32.3
Legal contingencies	(82)	(151)	(146)	(3.4)	77.8	(342)	(498)	45.5
Donations	(111)	(167)	(304)	82.2	173.9	(357)	(662)	85.3
Sale and disposal of fixed assets	(373)	0	(1)	n.a.	(99.7)	(373)	121	n.a.
Other income	(75)	81	49	(39.0)	n.a.	(79)	198	n.a.
Other operating income	(162)	415	145	(65.1)	n.a.	1,551	1,251	(19.3)

Non-Interest Expenses

The control in expenses is reflected in the evolution of this line, which decreases slightly (-0.2%) with respect to the previous year.

Meanwhile, the continuous investment allows BBVA Bancomer to keep strengthening the banking infrastructure, being the leader in the market. At the end of the December 2017, we have 1,840 offices and more than 11,700 ATMs as part of the customer service improvement.

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 to income, of 39.8% at the end of December 2017.

Non-Interest Expenses	4Q	3Q	4Q	% Q-o-Q Y-o-Y		12M	12M	% Y-o-Y
Million pesos	2016	2017	2017			2016	2017	
Administrative and operating expenses	12,777	9,579	10,449	9.1	(18.2)	40,028	38,305	(4.3)
Manageable expenses	12,777	9,579	10,449	9.1	(18.2)	40,028	38,305	(4.3)
Rents	978	1,343	1,271	(5.4)	30.0	4,559	4,990	9.5
Depreciation and amortization	1,350	1,361	1,368	0.5	1.3	5,071	5,429	7.1
Taxes	899	996	1,080	8.4	20.1	3,501	3,967	13.3
Deposit guarantee fund (IPAB)	1,197	1,210	1,293	6.9	8.0	4,585	4,917	7.2
Non-manageable expenses	4,424	4,910	5,012	2.1	13.3	17,716	19,303	9.0
Administrative and promotional expenses	17,201	14,489	15,461	6.7	(10.1)	57,744	57,608	(0.2)

Financial Indicators

BBVA Bancomer	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	12M 2016	12M 2017
Infrastructure Indicators (#)							
Branches	1,836	1,836	1,841	1,845	1,840	1,836	1,840
ATMs	11,434	11,534	11,583	11,519	11,724	11,434	11,724
Employees	31,083	30,503	30,622	30,806	30,826	31,083	30,826
Profitability Indicators (%)							
NIM adjusted (interest bearing assets)	4.4	4.3	4.5	4.4	4.6	4.3	4.4
NIM (total assets)	5.7	5.7	5.9	5.9	6.0	5.7	5.8
Operating efficiency	3.7	2.9	3.0	3.0	3.1	3.2	2.9
Efficiency (cost to income)	50.4	38.7	39.2	39.6	41.6	43.6	39.8
Productivity index	38.1	46.7	44.9	44.1	43.7	41.9	44.8
ROE	17.7	25.0	24.0	22.0	22.4	21.9	23.4
ROA	1.5	2.1	2.1	2.0	2.0	1.8	2.0
Asset Quality Indicators (%)							
NPL ratio	2.2	2.2	2.2	2.2	2.1	2.2	2.1
Coverage ratio	131.8	132.9	136.1	139.2	138.9	131.8	138.9
Solvency Indicators (%)							
Core equity tier 1 ratio	10.7	11.0	11.7	12.1	11.7	10.7	11.7
Total capital ratio	13.7	13.6	14.2	14.6	14.3	13.7	14.3
Leverage ratio	6.7	8.5	8.7	8.9	8.8	6.7	8.8
Liquidity Indicators (%)							
Liquidity ratio (CNBV requirement)	74.9	71.8	74.1	75.9	75.0	74.9	75.0
Liquidity ratio (Loans / Deposits)	105.0	104.7	103.7	98.6	98.4	105.0	98.4
Liquidity Coverage Coefficient (Local LCR)	124.43	125.21	115.47	124.06	139.65	124.43	139.65

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*

- j)** 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

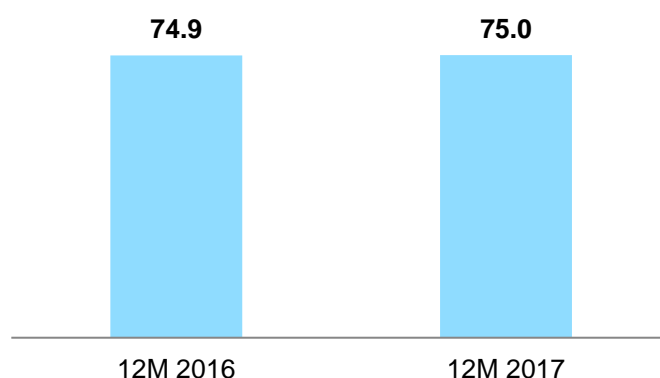
BBVA Bancomer's estimated capitalization index stood at 14.25% as of December 2017, which is composed by 12.23% of Tier 1 capital and 2.02% of Tier 2 capital.

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

BBVA Bancomer Capitalization (estimate) Million pesos	December 2016		June 2017		December 2017	
Tier 1 capital	158,728		169,351		176,789	
Tier 2 capital	32,406		27,547		29,182	
Net capital	191,134		196,898		205,971	
Risk-weighted assets	967,882	1,392,051	980,152	1,385,630	1,001,807	1,445,035
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Tier 1 as % of risk-weighted assets	16.40%	11.40%	17.28%	12.22%	17.65%	12.23%
Tier 2 as % of risk-weighted assets	3.35%	2.33%	2.81%	1.99%	2.91%	2.02%
Net capital ratio	19.75%	13.73%	20.09%	14.21%	20.56%	14.25%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 75.0%. The Liquidity Coverage Ratio (Local LCR) stood at 139.65%, with a minimum required of 80%, this allows BBVA Bancomer to have comfortable liquidity 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	Stable
Issuer Default Rating - Local Currency	A-	F1	Stable
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 Dils 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	\$5,142	26-may-17	26-may-20	3.0	TIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17-2	\$1,858	26-may-17	26-may-22	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	Dec	Mar	Jun	Sep	Dec
Million pesos	2016	2017	2017	2017	2017
CASH AND CASH EQUIVALENTS	186,749	143,241	170,744	231,961	217,126
Margin call accounts	8,998	11,809	11,546	12,518	14,359
SECURITIES	401,350	436,872	430,317	416,531	430,771
Trading	235,030	274,826	274,138	274,279	285,970
Available for sale	150,664	146,163	140,039	127,842	130,137
Held to maturity	15,656	15,883	16,140	14,410	14,664
Debtors from repurchase agreement	289	85	10,957	232	76
Derivatives	167,891	141,122	115,386	107,407	138,558
Trading	148,957	127,174	102,714	94,232	122,524
Hedging Transactions	18,934	13,948	12,672	13,175	16,034
Valuation adjustments derived from hedges of financial assets	262	766	956	1,102	286
PERFORMING LOANS	999,701	1,004,294	1,026,476	1,047,950	1,056,335
Commercial loans	572,221	571,213	587,129	602,749	604,832
Business or commercial activity	409,974	416,209	432,722	443,915	452,669
Financial entities	19,606	23,431	24,803	30,477	27,899
Government entities	142,641	131,573	129,604	128,356	124,264
Consumer	245,965	247,246	250,903	254,463	257,669
Mortgage	181,515	185,835	188,444	190,738	193,834
Residential Mortgages	166,694	171,528	174,762	177,609	181,287
Social Housing	14,821	14,307	13,682	13,129	12,547
NON PERFORMING LOANS	22,759	22,560	23,279	23,084	22,746
Commercial loans	6,323	6,464	6,543	6,445	6,367
Business or commercial activity	6,000	6,450	6,542	6,444	6,366
Financial entities	322	3	0	0	0
Government entities	1	11	1	1	1
Consumer	8,755	8,675	9,337	9,850	9,703
Mortgage	7,681	7,421	7,399	6,789	6,676
Residential Mortgages	6,828	6,606	6,610	5,994	5,913
Social Housing	853	815	789	795	763
TOTAL LOANS	1,022,460	1,026,854	1,049,755	1,071,033	1,079,081
Allowance for loan losses	(30,005)	(29,972)	(31,682)	(32,133)	(31,596)
TOTAL LOANS, NET	992,455	996,882	1,018,073	1,038,900	1,047,485
Receivable benefits from securitization transactions	197	182	182	165	158
Other accounts receivable, net	80,806	77,545	95,614	87,107	80,160
Reposessed assets, net	3,866	3,509	3,351	2,941	2,602
Property, furniture and equipment, net	42,563	41,904	41,418	40,626	41,349
Equity investments	1,207	1,200	1,216	1,228	1,235
Long- Term assets available for sale	0	0	0	0	0
Deferred taxes, net	14,998	14,867	15,951	14,715	14,931
Other assets	7,050	7,360	7,165	7,403	7,891
Deferred charges, prepaid expenses and intangibles	6,294	6,582	6,366	6,569	7,891
Other assets , short and long term	756	779	799	834	0
TOTAL ASSETS	1,908,681	1,877,344	1,922,876	1,962,836	1,996,987

BBVA Bancomer					
Liabilities & Stockholders' Equity					
Million pesos					
	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017
TOTAL DEPOSITS	1,035,624	1,041,991	1,078,905	1,154,585	1,162,633
Demand deposits	754,858	768,334	781,292	828,229	835,427
Time Deposits	197,606	191,153	208,268	234,929	237,602
Customer deposits	173,800	173,847	179,675	196,858	198,542
Money market	23,806	17,306	28,593	38,071	39,060
Bonds	79,990	79,501	86,227	88,224	86,280
Deposits global account without movements	3,170	3,003	3,118	3,203	3,324
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	19,204	27,345	16,935	16,869	17,380
Payable on demand	413	10,861	67	0	0
Short- term	8,619	6,899	7,648	7,441	9,164
Long- term	10,172	9,585	9,220	9,428	8,216
Creditors from repurchase agreements	264,485	266,772	249,359	270,756	225,828
Securities creditors	1	1	1	1	2
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	34,416	38,159	64,497	39,738	50,720
Repurchase	159,036	136,284	121,457	111,009	146,347
Securities lending	34,416	38,159	64,497	39,738	50,719
DERIVATIVES	159,036	136,284	121,457	111,009	146,347
Trading	148,027	128,106	113,304	101,894	134,984
Hedge transactions	11,009	8,178	8,153	9,115	11,363
Valuation adjustments derived from hedges of financial liabilities	5,095	3,795	4,091	3,783	3,629
OTHER PAYABLES	130,922	110,132	137,322	110,833	127,799
Profit taxes payable	1,005	1,406	1,626	4	0
Employee profit sharing (PTU) payable	2	2	3	3	2
Transaction settlement creditors	59,192	50,165	91,380	45,415	65,683
Creditors from collaterals received in cash	36,271	22,215	16,353	16,342	24,394
Accrued liabilities and other	34,452	36,344	27,960	49,069	37,720
Subordinated debt	93,185	84,616	72,539	72,476	78,966
Deferred credits and advanced collections	7,731	8,172	8,100	7,946	7,908
TOTAL LIABILITIES	1,749,699	1,717,267	1,753,206	1,787,996	1,821,212
SUBSCRIBED CAPITAL	39,864	40,003	40,003	40,003	40,003
Paid- in capital	24,138	24,143	24,143	24,143	24,143
Share premium	15,726	15,860	15,860	15,860	15,860
EARNED CAPITAL	119,082	120,039	129,632	134,801	135,736
Capital reserves	6,881	6,901	6,900	6,899	6,901
Results of prior years	82,742	105,915	104,930	100,292	93,654
Unrealized gain on available- for- sale securities	(3966)	(2521)	(1734)	(1525)	(2067)
Result from valuation of cash flow hedging instruments	141	(210)	(328)	(213)	123
Accumulated effect by conversion	440	440	440	440	440
Redefined benefits to employees	(467)	(457)	(446)	(435)	(2458)
Net income	33,311	9,971	19,870	29,343	39,143
MAJORITY STOCKHOLDERS' EQUITY	158,946	160,042	169,635	174,804	175,739
Non- controlling interest in consolidated subsidiaries	36	35	35	36	36
TOTAL STOCKHOLDERS' EQUITY	158,982	160,077	169,670	174,840	175,775
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,908,681	1,877,344	1,922,876	1,962,836	1,996,987

Memorandum accounts

BBVA Bancomer Memorandum accounts	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017
Million pesos					
Contingent assets and liabilities	394	489	529	489	565
Credit commitments	553,195	541,497	531,227	522,833	566,652
In trusts	438,732	420,242	411,620	424,421	419,391
Under mandate	24,206	24,199	24,201	24,202	24,197
Assets in trust or under mandate	462,938	444,441	435,821	448,623	443,588
Assets in custody or under administration	181,474	178,602	181,522	184,712	182,857
Collaterals received by the institution	44,789	44,184	102,424	53,507	57,648
Collaterals received and sold or pledged as collateral by the institution	44,752	42,567	89,064	50,880	53,821
Investment banking transactions on behalf of third parties, net	889,097	1,104,631	1,159,397	1,172,737	1,212,812
Accrued interest on non- performing loans	7,762	8,506	8,912	7,613	4,832
Other record accounts	3,189,623	3,144,162	3,218,677	3,319,468	3,305,997

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.

The Board of Directors under the responsibility of the managers who subscribe it approved this consolidated financial statement.

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							
	4Q	1Q	2Q	3Q	4Q	12M	12M
Million pesos	2016	2017	2017	2017	2017	2016	2017
Interest Income	36,972	39,000	41,151	42,875	44,639	137,879	167,665
Interest Expenses	(10,333)	(11,974)	(13,353)	(14,252)	(15,077)	(34,775)	(54,656)
Net interest income	26,639	27,026	27,798	28,623	29,562	103,104	113,009
Provisions for loan losses	(7,982)	(8,213)	(8,211)	(9,145)	(8,502)	(32,383)	(34,071)
Net interest income after provisions for loan losses	18,657	18,813	19,587	19,478	21,060	70,721	78,938
Fees & Commissions received	10,079	9,662	9,607	9,678	10,414	36,239	39,361
Fees & Commissions paid	(3,520)	(3,303)	(3,297)	(3,290)	(3,650)	(12,038)	(13,540)
Total Fees & Commissions	6,559	6,359	6,310	6,388	6,764	24,201	25,821
Trading income	1,070	1,431	1,344	1,194	658	3,562	4,627
Other operating income	(162)	325	366	415	145	1,551	1,251
Total operating revenues	26,124	26,928	27,607	27,475	28,627	100,035	110,637
Non-interest expense	(17,201)	(13,605)	(14,053)	(14,489)	(15,461)	(57,744)	(57,608)
Operating income	8,923	13,323	13,554	12,986	13,166	42,291	53,029
Share in net income of unconsolidated subsidiaries and affiliates	(4)	(4)	16	14	8	16	34
Income before tax	8,919	13,319	13,570	13,000	13,174	42,307	53,063
Current income tax and profit sharing	(3,803)	(3,682)	(4,627)	(2,431)	(3,124)	(10,974)	(13,864)
Deferred income tax and profit sharing	1,903	333	956	(1,095)	(250)	1,106	(56)
Net taxes	(1,900)	(3,349)	(3,671)	(3,526)	(3,374)	(9,868)	(13,920)
Income before discontinued operations	7,019	9,970	9,899	9,474	9,800	32,439	39,143
Discontinued operations	0	0	0	0	0	872	0
Minority Interest	1	1	0	(1)	0	0	0
NET INCOME	7,020	9,971	9,899	9,473	9,800	33,311	39,143

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CFO

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HEAD OF INTERNAL AUDIT

SERGIO PEREZ GAYTAN

HEAD OF ACCOUNTING

Cash Flows

BBVA Bancomer Cash Flow Statement (from January 1st to December 31st 2017) Million pesos	
Net income	39,143
Adjustments derived from items not involving cash flow	
Profit or loss derived from the valuation of investment and financing activities	
Depreciation of property, furniture and fixtures	3,207
Amortization of intangible assets	2,222
Provisions	2,506
Income taxes	13,919
Share in net income of unconsolidated subsidiaries and affiliated companies	(34)
Noncontrolling interest	1
Operating activities	
Change in margin call accounts	(5,478)
Change in investments in securities	(28,796)
Change in debtors from repurchase agreement	442
Change in derivatives (assets)	26,433
Change in loan portfolio (net)	(63,157)
Change in receivable benefits from securitization transactions	39
Change in repossessed assets	1,264
Change in other operating assets	299
Change in deposits	135,390
Change in interbank loans and other loans from other entities	(1,744)
Change in creditors from repurchase agreements	(38,657)
Change in collaterals sold or delivered in guarantee	16,304
Change in derivatives (liabilities)	(13,043)
Change in subordinated debt	(10,377)
Change in other operating liabilities	(2,758)
Change in hedging instruments (of hedge items related to operation activities)	2,039
Income taxes payment	(15,901)
Net cash flows used in operating activities	2,299
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	649
Payments for the acquisition of property furniture and fixtures	(2,642)
Proceeds from the disposal of subsidiaries	2
Payments for acquisition of intangible assets	(2,710)
Net cash flows used in investment activities	(4,701)
Financing activities	
Cash dividends paid	(23,903)
Proceeds from share issuance	6
Net cash flows used in financing activities	(23,897)
Net increase or decrease in cash and cash equivalents	34,665
Effects of changes in cash and cash equivalents	(4,288)
Cash and cash equivalents at the beginning of the year	186,749
Cash and cash equivalents at the end of the year	217,126

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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				(21,438)						(21,438)		(21,438)
Total	5	134	20	11,897	-	-	-	-	(33,311)	(21,255)	-	(21,255)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									39,143	39,143	(1)	39,142
Result from valuation of securities available for sale					1,900					1,900		1,900
Result from valuations of Cash Flow Hedging						(19)				(19)		(19)
				(985)						(985)		(985)
Redefined benefits to employees								(1,992)		(1,992)		(1,992)
Total	-	-	-	(985)	1,900	(19)	-	(1,992)	39,143	38,047	(1)	38,046
Balances as of december 31st 2017	24,143	15,860	6,901	93,654	(2,067)	122	440	(2,459)	39,143	175,737	36	175,773

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January - December 2017

Financial Report
BBVA Bancomer

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