

BBVA Bancomer

Financial Report January–March 2019

BBVA Bancomer

Index

Relevant Information.....	3
Management and Discussion Analysis	4
Commercial Activity.....	4
Performing Loans	4
Asset quality	5
Deposits	7
Results.....	8
Net Interest Income	9
Fees and Commissions.....	9
Other income (expenses) of the operation	10
Non-Interest Expenses	10
Financial Indicators.....	11
Capital and Liquidity	13
Ratings	14
Issuances	15
Financial Statements	16
Balance Sheet (Last 5 quarters)	16
Memorandum accounts.....	18
P&L (Last 5 quarters).....	19
Cash Flow	20
Variation in Stakeholders' Equity	21
Regulatory pronouncements recently issued	22

Relevant Information

Decree and distribution of dividends

During the first quarter of 2019, BBVA Bancomer, S.A. Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Bancomer) decreed the first dividend at the Ordinary General Shareholders' Meeting, at a rate of \$0.519194741697916 for each outstanding shares. The dividend was paid on March 20, 2019.

Note: Please find the regulatory pronouncements recently issued at the end of the document.

Management and Discussion Analysis

Commercial Activity

Performing Loans

As of March 2019, the loan portfolio reached 1,143,761 million pesos, equivalent to an annual growth of 8.2%.

Analyzing the business segments, the commercial portfolio grew 8.3% annually. In detail, loans to businesses (corporates, medium enterprises, homebuilders and SMEs) showed higher dynamism with an annual increase of 11.3%.

Consumer lending grew 7.5% in annual terms. Inside this portfolio, payroll, personal and car loans showed a 12.0% increase with a total balance at the end of March 2019 of 174,675 million pesos. In the credit card portfolio, the good performance of BBVA Bancomer's customers can be seen in the marginal evolution of the balance (+0.6% Y-o-Y), as they pay the total amount of their debt at the end of the month. However, the billing with credit cards registered a positive trend with an annual growth of 9.0%.

Mortgage loans grew 8.7% on an annual basis, with a balance of 214,927 million pesos at the end of March. 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 from the National Banking Commission (CNBV) as of January 2019.

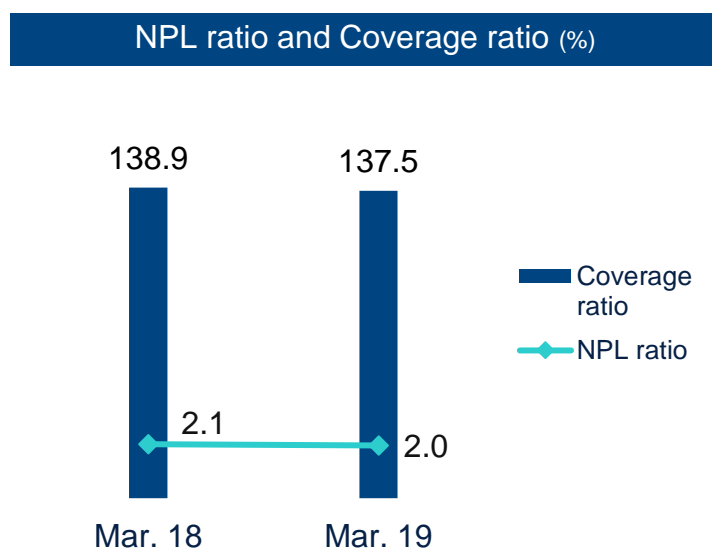
Performing Loans	3M	12M	3M	%	
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	Y-o-Y
Businesses	446,273	498,432	496,663	(0.4)	11.3
Financial entities	28,581	30,898	25,475	(17.6)	(10.9)
Government loans	69,051	77,145	76,904	(0.3)	11.4
State-owned entities	56,723	52,034	51,181	(1.6)	(9.8)
Government	125,774	129,178	128,085	(0.8)	1.8
Commercial loans	600,628	658,508	650,223	(1.3)	8.3
Consumer	259,176	273,234	278,611	2.0	7.5
Mortgage	197,664	208,577	214,927	3.0	8.7
Total Performing Loans	1,057,468	1,140,319	1,143,761	0.3	8.2

Asset quality

Non-performing loans

BBVA Bancomer’s strict risk management is reflected in the positive evolution of asset quality. The NPL ratio improved in the last twelve months to close the first quarter at 2.0%.

Non Performing Loans	3M	12M	3M	%	
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	Y-o-Y
Businesses	6,382	8,015	8,765	9.4	37.3
Financial entities	0	0	0	n.a.	n.a.
Government entities	0	0	0	n.a.	n.a.
Commercial loans	6,382	8,015	8,765	9.4	37.3
Consumer	9,051	9,034	8,924	(1.2)	(1.4)
Mortgage	6,768	6,225	6,030	(3.1)	(10.9)
Total Non Performing Loans	22,201	23,274	23,719	1.9	6.8



Loan Portfolio Credit Quality Classification

More than 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
March 2019

Figures in million pesos

Ratings	Commercial Loans		Mortgage		Consumer		Credit Card	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
A1	628,546	1,428	196,883	482	52,809	438	44,283	742
A2	49,835	515	4,372	96	15,875	399	15,065	593
B1	16,354	278	2,176	59	47,782	1,581	8,828	507
B2	5,260	91	2,508	74	31,541	1,431	8,602	624
B3	17,324	566	1,460	54	7,793	434	8,261	737
C1	2,366	120	4,883	287	6,669	483	8,203	968
C2	896	105	3,465	692	4,828	486	10,407	2,514
D	5,696	1,652	4,337	1,501	2,808	652	2,733	1,319
E	6,851	3,699	876	445	7,301	4,829	1,935	1,655
Additional		0		0		0		0
Total required	733,128	8,454	220,960	3,690	177,406	10,733	108,317	9,659

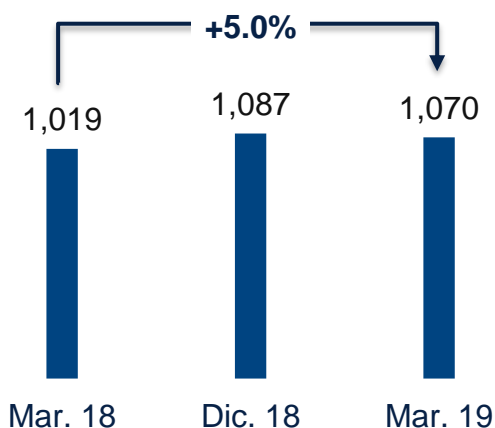
Deposits

Bank deposits (defined as demand and time customer deposits) showed an annual growth of 5.0%. Inside the breakdown, demand deposits increased 3.9% since March 2018, while time deposits registered a growth of 10.2% in the same period. However, BBVA Bancomer maintains a profitable funding mix with a higher relative weight of low-cost deposits.

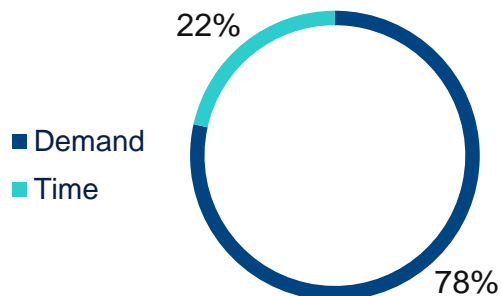
Total deposits exceed 1.1 billion pesos and reached an annual growth of 6.0%.

Deposits	3M 2018	12M 2018	3M 2019	% Q-o-Q	Y-o-Y
<i>Figures in million pesos</i>					
Demand deposits	807,977	864,651	839,784	(2.9)	3.9
Time Deposits	229,447	244,511	252,874	3.4	10.2
Customer Deposits	211,458	222,013	230,359	3.8	8.9
Money Market	17,989	22,498	22,515	0.1	25.2
Bonds	81,552	88,162	93,316	5.8	14.4
Deposits global account without movements	3,211	3,565	3,566	0.0	11.1
Total Deposits	1,122,187	1,200,889	1,189,540	(0.9)	6.0

Banking Deposits (mp)



Banking Deposits Mix (%)

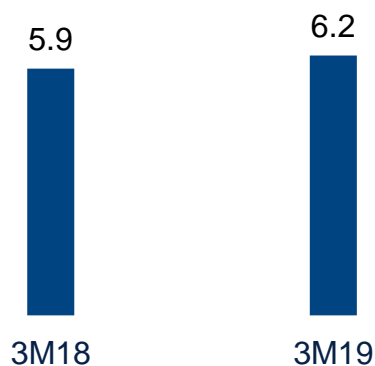


Results

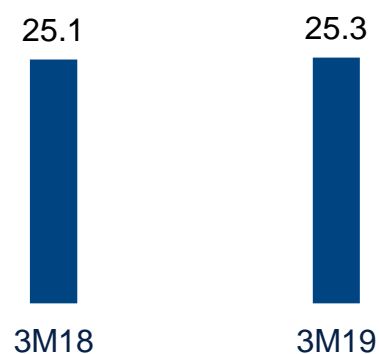
At the end of March 2019, BBVA Bancomer recorded solid results, net income stood at 12,454 million pesos, 11.1% higher than the same period of 2018.

BBVA Bancomer Income Statement	1Q 2018	4Q 2018	1Q 2019	% Q-o-Q	3M 2018	3M 2019	% Y-o-Y
<i>Figures in million pesos</i>							
Net interest income	29,485	32,027	31,821	(0.6)	29,485	31,821	7.9
Provisions for loan losses	(7,740)	(8,724)	(7,657)	(12.2)	(7,740)	(7,657)	(1.1)
Net interest income after provisions for loan losses	21,745	23,303	24,164	3.7	21,745	24,164	11.1
Total Fees & Commission	6,623	7,052	6,884	(2.4)	6,623	6,884	3.9
Trading income	1,709	221	1,766	n.a.	1,709	1,766	3.3
Other operating income	110	11	(101)	n.a.	110	(101)	n.a.
Total operating revenues	30,187	30,587	32,713	7.0	30,187	32,713	8.4
Non-interest expense	(14,617)	(14,577)	(15,364)	5.4	(14,617)	(15,364)	5.1
Net operating income	15,570	16,010	17,349	8.4	15,570	17,349	11.4
Share in net income of unconsolidated subsidiaries and affiliates	(24)	9	5	(44.4)	(24)	5	n.a.
Income before income tax and profit sharing	15,546	16,019	17,354	8.3	15,546	17,354	11.6
Net Taxes	(4,333)	(4,358)	(4,903)	12.5	(4,333)	(4,903)	13.2
Income before discontinued operations	11,213	11,661	12,451	6.8	11,213	12,451	11.0
Non-controlling interest	-	(1)	3	n.a.	-	3	n.a.
Net Income	11,213	11,660	12,454	6.8	11,213	12,454	11.1

NIM (total assets, %)¹



ROE (%)



¹ Net Interest Margin (NIM) on total assets.

Net Interest Income

Net interest income's (NII) breakdown showed that the banking operation registered an annual growth of 7.5%, driven mainly by higher volumes of commercial activity. When adding the net repos financial revenues, the NII grew 7.9% in annual terms.

Additionally, adjusted by provisions for loan losses, the NII increased 11.1% when compared to March of the previous year, benefiting from the performance of provisions due to the positive evolution in the asset quality of the lending portfolio.

Net Interest Income	1Q	4Q	1Q	%	3M	3M	%
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	2018	2019	Y-o-Y
Loans and deposits financial revenues	29,251	31,619	31,446	(0.5)	29,251	31,446	7.5
Margin fees	474	511	503	(1.6)	474	503	6.1
Banking net interest income	29,725	32,130	31,949	(0.6)	29,725	31,949	7.5
Repos financial revenues	(240)	(103)	(128)	24.3	(240)	(128)	(46.7)
Net interest income	29,485	32,027	31,821	(0.6)	29,485	31,821	7.9
Provisions for loan losses	(7,740)	(8,724)	(7,657)	(12.2)	(7,740)	(7,657)	(1.1)
Net interest income after provisions	21,745	23,303	24,164	3.7	21,745	24,164	11.1

Fees and Commissions

Commissions increased 3.9% in annual terms. This growth is driven by favorable trends in commissions related to the management and operation volumes of investment funds. Likewise, there is a positive evolution of the commissions derived from credit and debit cards, as a result of higher volume transactions.

Fees & Commissions	1Q	4Q	1Q	%	3M	3M	%
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	2018	2019	Y-o-Y
Bank fees	1,676	1,857	1,764	(5.0)	1,676	1,764	5.3
Credit and debit card	3,466	3,800	3,782	(0.5)	3,466	3,782	9.1
Investment funds	704	956	922	(3.6)	704	922	31.0
Others	777	439	416	(5.2)	777	416	(46.5)
Commissions and fee income	6,623	7,052	6,884	(2.4)	6,623	6,884	3.9

Other income (expenses) of the operation

The unfavorable result in this line is mainly related to the donation to BBVA Bancomer's Foundation. This donation has been doubled in order to continue supporting social programs that have a positive impact in the country.

Other Income	1Q	4Q	1Q	%	3M	3M	%
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	2018	2019	Y-o-Y
Sales and recoveries of loan portfolio	111	241	26	(89.2)	111	26	(76.6)
Interest of loans to employees	161	184	186	1.1	161	186	15.5
Dividends collected unlisted	0	39	0	(100.0)	0	0	
Result of operation of foreclosed assets	130	(195)	168	n.a.	130	168	29.2
Write-offs	(162)	(199)	(245)	23.1	(162)	(245)	51.2
Legal contingencies	(71)	(24)	(100)	n.a.	(71)	(100)	40.8
Donations	(85)	(218)	(180)	(17.4)	(85)	(180)	111.8
Other income	26	183	44	(76.0)	26	44	69.2
Other operating income	110	11	(101)	n.a.	110	(101)	n.a.

Non-Interest Expenses

The strict expenditure control is reflected in an annual growth of 5.1%. Additionally, one of the aspects in which the continuous investment can be seen is in the strengthening of the bank's infrastructure. At the end of March 2019, we had 1,836 offices and 12,640 ATMs to serve our customer base.

The adequate management and expenditure control has allowed BBVA Bancomer to consolidate its position as one of the most efficient institutions in the financial system, with an efficiency ratio, measured as expenses to income, of 38.1% at the end of March 2019.

Non-Interest Expenses	1Q	4Q	1Q	%	3M	3M	%
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	2018	2019	Y-o-Y
Administrative and operating expenses	9,576	9,382	10,035	7.0	9,576	10,035	4.8
Manageable expenses	9,576	9,382	10,035	7.0	9,576	10,035	4.8
Rents	1,310	1,347	1,404	4.2	1,310	1,404	7.2
Depreciation and amortization	1,385	1,461	1,461	-	1,385	1,461	5.5
Taxes	1,081	1,033	1,124	8.8	1,081	1,124	4.0
Deposit guarantee fund (IPAB)	1,265	1,354	1,340	(1.0)	1,265	1,340	5.9
Non-manageable expenses	5,041	5,195	5,329	2.6	5,041	5,329	5.7
Administrative and promotional expenses	14,617	14,577	15,364	5.4	14,617	15,364	5.1

Financial Indicators

BBVA Bancomer	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	3M 2018	3M 2019
Infrastructure Indicators (#)							
Branches	1,833	1,836	1,831	1,833	1,836	1,833	1,836
ATMs	11,798	11,924	12,130	12,610	12,640	11,798	12,640
Employees	31,249	31,715	32,107	32,255	32,929	31,249	32,929
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	4.7	4.6	5.2	5.0	5.1	4.7	5.1
b) NIM (total assets)	5.9	5.9	6.2	6.3	6.2	5.9	6.2
c) Operating efficiency	2.9	2.9	3.0	2.9	3.0	2.9	3.0
d) Efficiency (cost to income)	38.5	37.5	39.9	37.1	38.1	38.5	38.1
e) Productivity index	45.3	48.1	46.3	48.4	44.8	45.3	44.8
f) ROE	25.1	25.8	24.2	24.3	25.3	25.1	25.3
g) ROA	2.3	2.3	2.2	2.3	2.4	2.3	2.4
Asset Quality Indicators (%)							
h) NPL ratio	2.1	1.9	1.9	2.0	2.0	2.1	2.0
i) Coverage ratio	138.9	145.1	143.1	136.7	137.5	138.9	137.5
Solvency Indicators (%)							
j) Core equity tier 1 ratio	11.9	11.5	11.6	12.0	11.95	11.9	12.0
k) Total capital ratio	15.2	14.8	14.7	15.3	14.64	15.2	14.6
l) Leverage ratio	9.0	8.8	9.4	9.3	9.9	9.0	9.9
Liquidity Indicators (%)							
m) Liquidity ratio (CNBV requirement)	77.9	70.8	67.1	71.0	69.1	77.9	69.1
n) Liquidity ratio (Loans / Deposits)	101.6	101.7	104.9	102.5	104.3	101.6	104.3
o) Liquidity Coverage Coefficient (Local LCR)	147.55	135.88	134.42	145.90	149.38	147.55	149.38

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: $\text{CET1 Capital} / \text{Risk Weighted Assets}$ to credit risk, market and operational (applied in Mexico since January 2013)
- k) Total Capital Ratio: $\text{Net Capital} / \text{Risk Weighted Assets}$ to credit risk, market and operational (applied in Mexico since January 2013)
- l) Leverage Ratio: $\text{Risk Capital} / \text{Exposure}$

LIQUIDITY

- m) Liquidity Ratio: $\text{Liquid assets} / \text{Liquid liabilities}$
- n) Liquid Assets: $\text{Cash and cash equivalents} + \text{Trading (securities)} + \text{Available for sale (securities)}$
- o) Liquid Liabilities: $\text{Demand deposits} + \text{Interbank loans and loans from other entities payable on demand} + \text{Interbank loans and loans from other entities short term}$
- p) Loans / Deposits: $\text{Performing loans} / \text{Core deposits (demand + time)}$
- q) CCL (Local LCR – Liquidity Coverage Ratio): $\text{Computable Liquid Assets} / \text{30-day stressed Net Outflows}$ (BBVA Bancomer information)

Capital and Liquidity

BBVA Bancomer’s estimated capitalization index stood at 14.64% at the end of March 2019, which is composed by 12.25% of Tier 1 capital and 2.39% of Tier 2 capital.

BBVA Bancomer fully covers the minimum capital requirements. By the end of 2019, BBVA Bancomer will have a minimum requirement of 12.0% for the total capital ratio, derived from the additional allocation of capital after being classified as a domestic systemically important financial institution (Grade IV).

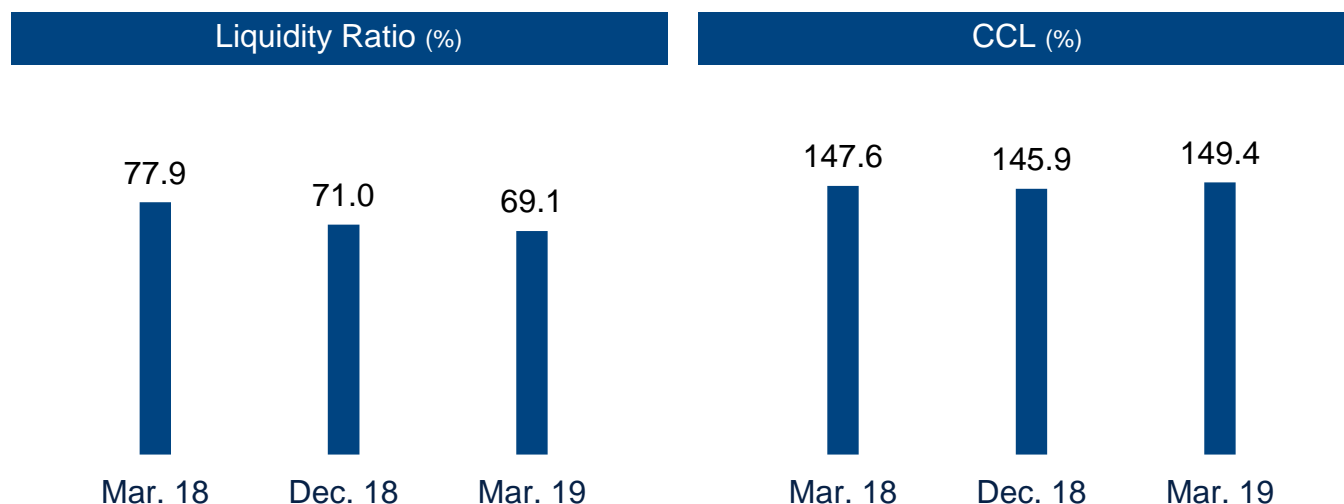
BBVA Bancomer

Capitalization

Figures in million pesos

	March 2018		December 2018		March 2019	
Tier 1 capital	180,000		192,852		196,606	
Tier 2 capital	42,140		43,807		38,449	
Net capital	222,140		236,660		235,055	
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Risk-weighted assets	994,095	1,464,976	1,096,252	1,549,713	1,087,132	1,605,476
Tier 1 as % of risk-weighted assets	18.1%	12.3%	17.6%	12.4%	18.1%	12.2%
Tier 2 as % of risk-weighted assets	4.2%	2.9%	4.0%	2.8%	3.5%	2.4%
Net capital ratio	22.3%	15.2%	21.6%	15.3%	21.6%	14.6%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 69.1%. The Liquidity Coverage Ratio (Local LCR) stood at 149.38%, with a minimum required of 100%, this allows BBVA Bancomer to have comfortable liquidity levels for further growth.



Ratings

BBVA Bancomer Ratings	Long Term	Short Term	Outlook
Standard and Poor's			
Issuer Credit Rating - Foreign Currency	BBB+	A-2	Negative
Issuer Credit Rating - Local Currency	BBB+	A-2	Negative
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	a-		
Moody's			
Bank Deposits - Foreign Currency	A3	P-2	Stable
Bank Deposits - Domestic Currency	A3	P-2	Stable
National Scale Rating Bank Deposits	Aaa.mx	MX-1	
Baseline Credit Assessment (BCA)	baa1		
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 Currency	Issue Date	Due/Call Date	Term (years)	Rate	Ratings		
							S&P	Moody's	Fitch
Senior Debt									
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	MXN	06-sep-10	24-ago-20	10.0	7.83%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2011 - BACOMER 21145	1,000	MXN	15-abr-11	02-abr-21	10.0	TIIE28 + 0.80%		A3/Aaa.mx	AAA(mex)
Bond 4th Issuance 2012 - BACOMER 22224	1,000	MXN	07-jun-12	26-may-22	10.0	TIIE28 + 0.85%		A3/Aaa.mx	AAA(mex)
Senior Notes Dlls 2014	750	USD	10-abr-14	10-abr-24	10.0	4.38%		A3	A-
Bond 1st Issuance 2016 - BACOMER 16	4,000	MXN	30-jun-16	27-jun-19	3.0	TIIE28 + 0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17	5,142	MXN	26-may-17	26-may-20	3.0	TIIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17-2	1,858	MXN	26-may-17	26-may-22	3.0	TIIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 4rd Issuance 2017 - BACOMER 18V	3,500	MXN	27-sep-18	23-sep-21	3.0	TIIE28+0.1%		A3/Aaa.mx	AAA(mex)
Bond 5th Issuance 2017 - BACOMER 18	3,500	MXN	27-sep-18	21-sep-21	3.0	TIIE28+0.19%		A3/Aaa.mx	AAA(mex)
Subordinated Debentures									
Capital Notes Tier 1 2020	1,000	USD	22-abr-10	22-abr-20	10.0	7.25%			Ba1 BB+
Subordinated Debentures Tier 2 2021	1,250	USD	10-mar-11	10-mar-21	10.0	6.50%			Baa3 BBB-
Subordinated Debentures Tier 2 2022	1,500	USD	19-jul-12	30-sep-22	10.2	6.75%			Baa3 BBB-
Subordinated Debentures Tier 2 2029 (15NC10)	200	USD	06-nov-14	06-nov-29	15NC10	5.35%			Ba1 BBB-
Subordinated Debentures Tier 2 2033 (15NC10)	1,000	USD	18-ene-18	18-ene-33	15NC10	5.13%	BB+		BBB-
Mortgage Securitization									
1st Issuance - BACOMCB 07	2,540	MXN	21-dic-07	13-mar-28	20.2	9.05%	mxAAA	A3/Aaa.mx	AAA(mex)
2nd Issuance - BACOMCB 08	1,114	MXN	14-mar-08	14-jul-28	20.3	8.85%	mxAAA		AAA(mex)
4th Issuance - BACOMCB 08-2	5,509	MXN	01-dic-08	19-ago-30	21.7	9.91%	mxAAA	A3/Aaa.mx	
5th Issuance Serie 3 - BACOMCB 09-3	3,616	MXN	07-ago-09	24-may-29	19.8	10.48%	mxAAA		AAA(mex)
1st Issuance - BMERCB 13	4,192	MXN	21-jun-13	07-abr-33	19.8	6.38%	mxAAA		AAA(mex)

Financial Statements

Balance Sheet (Last 5 quarters)

BBVA Bancomer

Assets	Mar	Jun	Sep	Dec	Mar
	2018	2018	2018	2018	2019
<i>Figures in million pesos</i>					
CASH AND CASH EQUIVALENTS	187,426	154,141	136,293	232,851	201,073
Margin call accounts	11,736	12,938	11,501	10,548	10,740
SECURITIES	463,101	483,223	436,757	410,261	417,809
Trading	319,326	325,029	272,340	263,419	249,876
Available for sale	128,843	141,038	141,957	124,201	134,961
Held to maturity	14,932	17,156	22,460	22,641	32,972
Debtors from repurchase agreement	141	67	60	66	56
Derivatives	118,816	129,678	119,668	140,617	110,532
Trading	107,188	115,704	107,868	125,804	96,345
Hedging Transactions	11,628	13,974	11,800	14,813	14,187
Valuation adjustments derived from hedges of financial assets	461	112	(55)	(518)	102
PERFORMING LOANS	1,057,468	1,125,381	1,123,811	1,140,319	1,143,761
Commercial loans	600,628	660,764	652,379	658,508	650,223
Business or commercial activity	446,273	508,093	492,217	498,432	496,663
Financial entities	28,581	28,311	26,867	30,898	25,475
Government entities	125,774	124,360	133,295	129,178	128,085
Consumer	259,176	263,701	266,785	273,234	278,611
Mortgage	197,664	200,916	204,647	208,577	214,927
Residential Mortgages	185,197	188,996	193,230	197,825	204,275
Social Housing	12,467	11,920	11,417	10,752	10,652
NON PERFORMING LOANS	22,201	21,790	21,953	23,274	23,719
Commercial loans	6,382	7,102	7,051	8,015	8,765
Business or commercial activity	6,382	7,102	7,051	8,015	8,765
Financial entities	0	0	0	0	0
Government entities	0	0	0	0	0
Consumer	9,051	8,911	9,035	9,034	8,924
Mortgage	6,768	5,777	5,867	6,225	6,030
Residential Mortgages	6,014	5,119	5,243	5,603	5,455
Social Housing	754	658	624	622	575
TOTAL LOANS	1,079,669	1,147,171	1,145,764	1,163,593	1,167,480
Allowance for loan losses	(30,841)	(31,621)	(31,418)	(31,811)	(32,609)
TOTAL LOANS, NET	1,048,828	1,115,550	1,114,346	1,131,782	1,134,871
Receivable benefits from securitization transactions	142	119	107	87	99
Other accounts receivable, net	89,740	102,190	91,277	76,778	74,803
Repossessed assets, net	2,357	2,122	1,907	1,759	1,600
Property, furniture and equipment, net	40,365	39,524	39,185	40,169	39,421
Equity investments	1,239	1,278	907	534	529
Deferred taxes, net	14,885	15,716	13,957	16,667	16,160
Other assets	9,072	8,061	8,500	6,658	7,835
Deferred charges, prepaid expenses and intangibles	9,072	8,061	8,500	6,658	7,835
Other assets, short and long term	0	0	0	0	0
TOTAL ASSETS	1,988,309	2,064,719	1,974,410	2,068,259	2,015,630

BBVA Bancomer
Liabilities & Stockholders' Equity
Figures in million pesos

	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019
TOTAL DEPOSITS	1,122,187	1,189,180	1,161,226	1,200,889	1,189,540
Demand deposits	807,977	859,552	812,555	864,651	839,784
Time Deposits	229,447	243,894	255,503	244,511	252,874
Customer deposits	211,458	220,601	228,209	222,013	230,359
Money market	17,989	23,293	27,294	22,498	22,515
Bonds	81,552	82,307	89,695	88,162	93,316
Deposits global account without movements	3,211	3,427	3,473	3,565	3,566
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	15,533	24,737	17,061	17,861	16,883
Payable on demand	0	7,556	0	0	0
Short- term	7,488	8,728	8,181	9,425	8,728
Long- term	8,045	8,453	8,880	8,436	8,155
Creditors from repurchase agreements	245,039	196,110	197,992	203,713	234,277
Securities creditors	4	4	3	1	2
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	74,375	82,999	60,732	39,438	46,603
Repurchase	1	0	0	0	0
Securities lending	74,375	82,999	60,732	39,438	46,603
DERIVATIVES	119,688	132,464	120,954	138,077	110,498
Trading	109,487	121,676	111,500	129,005	102,481
Hedge transactions	10,201	10,788	9,454	9,072	8,017
Valuation adjustments derived from hedges of financial liabilities	660	403	(708)	1,485	2,192
OTHER PAYABLES	128,998	145,199	126,146	166,019	109,747
Profit taxes payable	0	0	0	519	320
Employee profit sharing (PTU) payable	2	2	2	2	1
Transaction settlement creditors	83,088	91,458	59,597	101,467	57,785
Creditors from collaterals received in cash	17,761	21,233	19,937	27,302	19,276
Accrued liabilities and other	28,147	32,506	46,610	36,729	32,365
Subordinated debt	91,386	99,231	93,647	99,029	97,904
Deferred credits and advanced collections	8,647	8,503	7,673	7,524	8,016
TOTAL LIABILITIES	1,806,517	1,878,830	1,784,726	1,874,036	1,815,662
SUBSCRIBED CAPITAL	40,003	40,003	40,003	40,003	40,003
Paid- in capital	24,143	24,143	24,143	24,143	24,143
Share premium	15,860	15,860	15,860	15,860	15,860
EARNED CAPITAL	141,753	145,849	149,644	154,182	159,930
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	127,466	119,786	112,055	106,475	144,658
Unrealized gain on available- for- sale securities	(1,633)	(1,943)	(1,394)	(2,246)	(1,200)
Result from valuation of cash flow hedging instruments	(174)	22	(404)	(106)	(121)
Accumulated effect by conversion	440	440	440	440	440
Redefined benefits to employees	(2,459)	(2,408)	(2,355)	(3,342)	(3,202)
Net income	11,212	23,051	34,401	46,060	12,454
MAJORITY STOCKHOLDERS' EQUITY	181,756	185,852	189,647	194,185	199,933
Non- controlling interest in consolidated subsidiaries	36	37	37	38	35
TOTAL STOCKHOLDERS EQUITY	181,792	185,889	189,684	194,223	199,968
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,988,309	2,064,719	1,974,410	2,068,259	2,015,630

Memorandum accounts

BBVA Bancomer Memorandum accounts	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019
<i>Figures in million pesos</i>					
Contingent assets and liabilities	559	554	607	658	661
Credit commitments	563,892	576,798	565,398	588,114	598,409
In trusts	412,185	431,631	433,864	414,525	417,071
Under mandate	24,272	24,258	24,262	24,257	24,262
Assets in trust or under mandate	436,457	455,889	458,126	438,782	441,333
Assets in custody or under administration	184,019	189,719	197,580	183,836	242,903
Collaterals received by the institution	94,618	86,694	66,805	45,946	54,639
Collaterals received and sold or pledged as collateral by the institution	90,917	82,999	62,734	40,437	50,599
Investment banking transactions on behalf of third parties, net	1,152,283	1,273,071	1,293,144	1,231,184	1,315,162
Accrued interest on non- performing loans	4,586	4,706	5,293	6,066	6,483
Other record accounts	3,338,586	3,446,049	3,471,319	3,570,501	3,595,697

"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 Dávalos
CFO

Natalia Ortega Gómez
Head of Internal Audit

Ana Luisa Ordorica Amezcua
Head of Accounting

P&L (Last 5 quarters)

BBVA Bancomer
Financial Results

	1Q	2Q	3Q	4Q	1Q	3M	3M
	2018	2018	2018	2018	2019	2018	2019
<i>Figures in million pesos</i>							
Interest Income	44,746	46,812	47,881	49,193	48,627	44,746	48,627
Interest Expenses	(15,261)	(16,790)	(16,503)	(17,166)	(16,806)	(15,261)	(16,806)
Net interest income	29,485	30,022	31,378	32,027	31,821	29,485	31,821
Provisions for loan losses	(7,740)	(8,591)	(7,244)	(8,724)	(7,657)	(7,740)	(7,657)
Net interest income after provisions for loan losses	21,745	21,431	24,134	23,303	24,164	21,745	24,164
Fees & Commissions received	10,223	11,015	10,799	11,532	10,894	10,223	10,894
Fees & Commissions paid	(3,600)	(3,871)	(3,788)	(4,480)	(4,010)	(3,600)	(4,010)
Total Fees & Commissions	6,623	7,144	7,011	7,052	6,884	6,623	6,884
Trading income	1,709	1,595	(54)	221	1,766	1,709	1,766
Other operating income	110	800	(417)	11	(101)	110	(101)
Total operating revenues	30,187	30,970	30,674	30,587	32,713	30,187	32,713
Non-interest expense	(14,617)	(14,846)	(15,128)	(14,577)	(15,364)	(14,617)	(15,364)
Operating income	15,570	16,124	15,546	16,010	17,349	15,570	17,349
Share in net income of unconsolidated subsidiaries and affiliates	(24)	41	10	9	5	(24)	5
Income before tax	15,546	16,165	15,556	16,019	17,354	15,546	17,354
Current income tax and profit sharing	(4,438)	(5,120)	(2,786)	(6,390)	(4,780)	(4,438)	(4,780)
Deferred income tax and profit sharing	105	795	(1,422)	2,032	(123)	105	(123)
Net taxes	(4,333)	(4,325)	(4,208)	(4,358)	(4,903)	(4,333)	(4,903)
Income before discontinued operations	11,213	11,840	11,348	11,661	12,451	11,213	12,451
Minority Interest	0	(1)	0	(1)	3	-	3
NET INCOME	11,213	11,839	11,348	11,660	12,454	11,213	12,454

“This consolidated income statement 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 Dávalos

CFO

Natalia Ortega Gómez

Head of Internal Audit

Ana Luisa Ordorica Amezcua

Head of Accounting

Cash Flow

BBVA Bancomer

Cash Flow Statement (from January 1st to March 31st 2019)

Figures in million pesos

Net income	12,454
Adjustments derived from items not involving cash flow	
Depreciation of property, furniture and fixtures	815
Amortization of intangible assets	646
Provisions	(1,686)
Income taxes	4,903
Share in net income of unconsolidated subsidiaries and affiliated companies	(5)
Noncontrolling interest	(3)
Operating activities	
Change in margin call accounts	(289)
Change in investments in securities	(6,610)
Change in debtors from repurchase agreement	10
Change in derivatives (assets)	29,459
Change in loan portfolio (net)	(5,382)
Change in receivable benefits from securitization transactions	(12)
Change in repossessed assets	159
Change in other operating assets	506
Change in deposits	(8,810)
Change in interbank loans and other loans from other entities	(957)
Change in creditors from repurchase agreements	30,564
Change in securities lending	1
Change in collaterals sold or delivered in guarantee	7,166
Change in derivatives (liabilities)	(26,525)
Change in subordinated debt	(27)
Change in other operating liabilities	(53,533)
Change in hedging instruments (of hedge items related to operation activities)	(352)
Income taxes payment	(4,841)
Net cash flows used in operating activities	(39,473)
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	79
Payments for the acquisition of property furniture and fixtures	(146)
Proceeds from cash dividends	1
Payments for acquisition of intangible assets	(509)
Net cash flows used in investment activities	(575)
Financing activities	
Cash dividends paid	(7,877)
Net cash flows used in financing activities	(7,877)
Net increase or decrease in cash and cash equivalents	(30,801)
Effects of changes in cash and cash equivalents	(977)
Cash and cash equivalents at the beginning of the year	232,851
Cash and cash equivalents at the end of the year	201,073

“This consolidated cash flow statement 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 Dávalos
CFO

Natalia Ortega Gómez
Head of Internal Audit

Ana Luisa Ordorica Amezcua
Head of Accounting

Variation in Stakeholders' Equity

BBVA Bancomer	Subscribed Capital		Earned Capital			Result from Valuation of Cash Flow Hedging Instruments			Result from Conversion of Foreign Subsidiaries	Redefined benefits to employees	Net Income	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									
<i>Figures in million pesos</i>														
Balances as of December 31st, 2018	24,143	15,860	6,901	106,475	(2,246)		(106)	440	(3,342)	46,060	194,185	38	194,223	
HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS														
Transfer from net income to results of prior years				46,060						(46,060)				
Decree of dividends				(7,877)							(7,877)		(7,877)	
Total	-	-	-	38,183	-		-	-	-	(46,060)	(7,877)	-	(7,877)	
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES														
Net income										12,454	12,454	(3)	12,451	
Result from valuation of securities available for sale					1,046						1,046		1,046	
Result from valuations of Cash Flow Hedging							(15)				(15)		(15)	
Redefined benefits to employees									140		140		140	
Total	-	-	-	-	1,046		(15)	-	140	12,454	13,625	(3)	13,622	
Balances as of March 31st 2019	24,143	15,860	6,901	144,658	(1,200)		(121)	440	(3,202)	12,454	199,933	35	199,968	

“This consolidated variation in stakeholders' equity statement 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 Dávalos

CFO

Natalia Ortega Gómez

Head of Internal Audit

Ana Luisa Ordorica Amezcua

Director Contabilidad Corporativa

Regulatory pronouncements recently issued

- I. In accordance with the amendments to the General Provisions Applicable to Credit Institutions (the CUB) published in the DOF of November 15, 2018, the CNBV (Comisión Nacional Bancaria de Valores) has modified the following NIFs, which had previously been published in DOF of December 27, 2017, will be effective as of January 1, 2020.

In accordance with the amendments published in the DOF on December 14, 2018, the CNSF (Comisión Nacional de Seguros y Fianzas) has ruled that the NIFs referred in Paragraph 2 of Criterion A-2 “Application of particular standards” of Annex 22.1.2, will be effective as of January 1, 2020.

Below is a brief description of the main changes with application on January 1, 2020:

Mexican FRS B-17 “Fair Value Determination”- It was issued to a) define the fair value; b) establish in a single regulatory framework the fair value determination; and c) standardize the disclosures on fair value determination. It is noteworthy that this Mexican FRS is a reference framework for the conceptual determination and it generates methodologies for determining fair value.

Mexican FRS C-3 “Accounts receivable”- Main changes refer to specifying that:

- a) accounts receivable are based on an agreement that represents a financial instrument;
- b) the allowance for uncollectible commercial accounts is recognized upon income accrual, based on the expected loan losses.
- c) since initial recognition, it is required to consider the time value of money. Therefore, if the effect of the account receivable’s present value is significant in relation to its term, it should be adjusted considering such present value.
- d) it is required to present an analysis of the change between opening balances and the final estimation for uncollectibility.

Mexican FRS C-9 “Provisions, contingencies and commitments”- The term “likely” in the definition of “liability” was adjusted, eliminating the term “virtually unavoidable”. First time adoption of this Mexican FRS does not generate accounting changes in the financial statements of the entities.

Mexican FRS C-16 “Impairment of financial instruments to be collected (IFC)”- It determines when and how expected losses for IFC impairment must be recorded, which must be recognized when the credit risk has increased. It is concluded that a portion of the IFC’s future cash flows shall not be recovered and the standard proposes the recognition of the unexpected loss based on the historical experience of credit losses; and the current conditions and reasonable unsustainable forecast of the different quantifiable future events that could affect the amount of the future cash flows to be recovered from the IFC, which involves the preparation of estimates to be adjusted periodically based on the past experience. Likewise, for the IFC earning

interest, it is required to determine how and when they are estimated to be recovered given that the recoverable amount must be stated at present value.

Mexican FRS C-19 “Financial instruments payable”- It establishes: a) the possibility of valuing, subsequent to its initial recognition, certain financial liabilities at fair value upon meeting certain exceptional conditions; b) valuing long-term liabilities at fair value at their initial recognition, considering its fair value over time when their term is greater than one year or if they do not meet the normal loan conditions; and c) upon restructuring the liability, without substantially modifying the future cash flows to settle it, the cost and commissions disbursed in this process shall affect the amount of the liability and shall be amortized using a modified effective interest rate, instead of affecting directly the net income or loss.

Mexican FRS C-20 “Financial instruments receivable”- It specifies the classification of financial instruments in assets based on the business model: a) for a profit generated from a contractual yield, previously specified in an agreement, the amortized cost is recognized; b) if they are also used to generate a profit based on their purchase and sale, they are recognized based on fair value. The embedded derivative instrument modifying the capital and interest cash flows of the host instrument shall not be bifurcated; everything shall be valued at fair value as if it were a trading financial instrument.

Mexican FRS D-1 “Revenues from clients’ contracts” - The most significant changes refer to the establishment of an income recognition model based on the following steps: a) control transfer, based on the opportunity to recognized income; b) identification of the different obligations to be complied with in an agreement; c) allocation of the transaction amount between the different obligations to be complied with based on the independent sales price; d) introduction of the concept of conditioned account receivable, upon fulfilling an obligation and generating an unconditional right to the consideration given that to have the consideration payment enforceable, only the lapse of time is required; e) the recognition of rights to collection, which in some cases, may have an unconditional right to the consideration before having fulfilled an obligation; and f) the valuation of the income considering aspects such as the recognition of important financing components, the consideration other than cash and the consideration payable to a client.

Mexican FRS D-2 “Costs from agreements with clients” - It separates provisions on recognition of costs from agreements with clients and provisions corresponding to recognition of income from agreements with clients and extends the scope to include costs related to the type of agreements with clients.

Mexican FRS D-5 “Leasing”- Introduces a single model for the recognition of leases by the lessee and requires the lessee to recognize the assets and liabilities of all leases with a duration of more than 12 months, unless the underlying asset is of low value. The lessee is required to recognize an asset by right of use that represents its right to use the leased underlying asset and a lease liability that represents its obligation to make lease payments.

As of the date of this document, BBVA Bancomer is in the process of establishing the effect of the new accounting principles on its financial information.

- II. In accordance with the amendments to the General Provisions Applicable to Credit Institutions (CUB) issued by the CNBV and published in the DOF of January 4, 2018 and according to the Third and Fourth Transitory, the following NIFs will be effective as of January 1, 2019.

A brief description of the main changes and those that can be applied in advance are shown below:

Early recognition of changes in criterion B-6 Credit portfolio and D-2 Income statement.

The accounting criteria **B-6 Credit portfolio and D-2 Income statement**, to cancel, in the period in which they occur, the surpluses in the balance of provisions for loan losses, as well as to recognize the recovery of credits previously punished or eliminated against the provisions for loan losses.

These changes will be effective as of January 1, 2019. However, the Commission established the option to apply the changes, from the day following the publication of the provision, giving notice the exercise of the option to the CNBV no later than 10 working days after the date on which the anticipated application of the aforementioned criteria will begin.

As indicated in the Relevant Events note, during 2Q 2018 BBVA Bancomer opted to recognize in advance the cancellation of surpluses and recoveries on loans written off or eliminated, in the line of “provisions for loan losses”.

III. New Financial Reporting Standards issued by the CINIF

The Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, A.C.) (CINIF from its Spanish acronym) has issued the Mexican Financial Reporting Standards (Mexican FRS) and Improvements thereto as mentioned below:

Mexican FRS C-9 “Provisions, contingencies and commitments”- It shall be in effect for fiscal years beginning as of January 1, 2018, allowing its early adoption, provided it is done in conjunction with the initial adoption of Mexican FRS C-19 “Payable Financial Instruments”. It supersedes Bulletin C-9 “Liability, Provisions, Contingent Assets and Liabilities and Commitments”. First time adoption of this Mexican FRS does not generate accounting changes in the financial statements. Among the main aspects covered by this Mexican FRS are the following:

- It reduces its scope by relocating the topic related to the accounting treatment of financial liabilities in Mexican FRS C-19 “Financial instruments payable”.
- The definition of “liability” has been modified to eliminate the concept of “virtually unavoidable” and include the term “likely”.
- Terminology used across the standard is updated to uniform its presentation according to the other Mexican FRS.

Improvements to 2018 Mexican FRS

In December 2017, the CINIF issued a document titled “Improvements to Mexican FRS 2018”, which includes specific amendments to some existing Mexican FRS. The main amendments that give rise to accounting changes are as follows:

Mexican FRS B-2 “Statement of cash flows”- It requires new disclosures on liabilities associated to financing activities, whether they required or not the use of cash or cash equivalents, preferably with the reconciliation of opening and ending balances. This improvement comes into effect for fiscal years beginning as from January 1, 2018; early adoption is allowed. Accounting changes must be recognized on a retrospective basis.

Mexican FRS B-10 “Effects of inflation”- It requires disclosure of the percentage of accrued inflation for the last three years, which was the basis to rate the economic environment at which the entity operated in the current year as inflationary or non-inflationary, as well as the percentage of accrued inflation of three years, including two previous ones and the own period, which shall be the basis to rate the economic environment at which the entity shall operate in the following year. This improvement comes into effect for fiscal years beginning as from January 1, 2018; early adoption is allowed. Accounting changes must be recognized on a retrospective basis.

Mexican FRS C-6 “Property, plant and equipment” and Mexican FRS C-8 “Intangible Assets” – It establishes that a depreciation and amortization method of an asset based on the amount of income associated to the use thereof is not appropriate, given that such amount of income may be affected by factors other than the consumption pattern of the asset’s economic benefits. It clarifies the meaning of the concept asset’s consumption of future economic benefits. This improvement comes into effect for year beginning as from January 1, 2018 and the arising accounting changes must be recognized on a retrospective basis.

These improvement to the Mexican FRS did not generate significant effects in the consolidated financial statements of the Bank.

Improvements to Mexican FRS 2018 that do not generate change

Mexican FRS B-7 “Business Acquisitions”- This Mexican FRS establishes that in the process of business acquisition, the contingent liabilities of the business acquired must be recognized, when it is probable that there will be an outflow of economic resources in the future to liquidate said terms.

Mexican FRS B-15 “Conversion of foreign currencies”- Mentions that valuations of assets, liabilities, stockholders’ equity, income, costs and expenses are carried out in the functional currency, given that it is the basis of the economy of the entity.

Mexican FRS C-3 “Accounts receivable”- This Mexican FRS establishes only the valuation, presentaton and disclosure standards for the initial and subsequent recognition of accounts receivable that do not accrue interest, whether explicit or implicit. Additionally, it specifies that accounts receivable that accrue interest or without explicit interest, but that are long-term, are treated in FRS C-20, financial instruments to collect principal and interest.

* * *

Financial report January–March 2019

BBVA Bancomer

Contact

Investor Relations

Phone: (52 55) 5621-2555

investorrelations.mx@bbva.com

<https://investors.bancomer.com>