

BBVA Bancomer, S.A.

Financial Report

january-june 2019

Index

Relevant Information	3
Decree and distribution of dividends.....	3
Expiration of Bank Certificate	3
Issuance of Bank Certificate	3
Management and Discussion Analysis.....	4
Commercial Activity	4
Performing Loans.....	4
Asset quality	5
Non-performing loans	5
Loan Portfolio Credit Quality Classification	6
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 Stakeholder’s Equity.....	21
Regulatory pronouncements recently issued.....	22

Relevant Information

Decree and distribution of dividends

During the second quarter of 2019, BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Mexico) decreed the second installment of the dividend payment at the Ordinary General Shareholders' Meeting, at a rate of \$0.519194741697916 for each outstanding shares. The dividend was paid on June 12, 2019.

Expiration of Bank Certificate

On June 2019, the Bank Certificate with the key "CB-BACOMER 16" matured, its issuance was on June 2016 for an amount of 4,000 million pesos (MXN).

Issuance of Bank Certificate

On June 2019, BBVA Mexico issued two Bank Certificates in the amount of 5,000 million pesos (MXN) each, where the issuance "CB BACOMER 19" will have a term of 3 years with a coupon rate of TIE 28 + 7, while the "CB BACOMER 19-2" issue has an 8-year term with a coupon rate of 8.49%.

Management and Discussion Analysis

Commercial Activity

Performing Loans

As of June 2019, the loan portfolio reached 1,173,256 million pesos, equivalent to an annual growth of 4.3%.

Analyzing the business segments, the commercial portfolio grew 0.7% annually. Mainly, driven by a greater dynamism of government entity loans increasing by 4.8% over the previous year.

On the other hand, consumer lending grew 8.7% in annual terms. Inside this portfolio, payroll, personal and car loans showed a 12.5% increase with a total balance at the end of June 2019 of 180,103 million pesos. In the credit card portfolio, the good performance of the customers can be seen in the marginal evolution of the balance (+2.9% Y-o-Y), as they pay the total amount of their debt at the end of the month. However, credit card billing registered a positive trend with an annual growth of 11.7%.

Mortgage loans grew 10.2% on an annual basis, with a balance of 221,360 million pesos at the end of June. This evolution allows BBVA Mexico to remain the 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 May 2019.

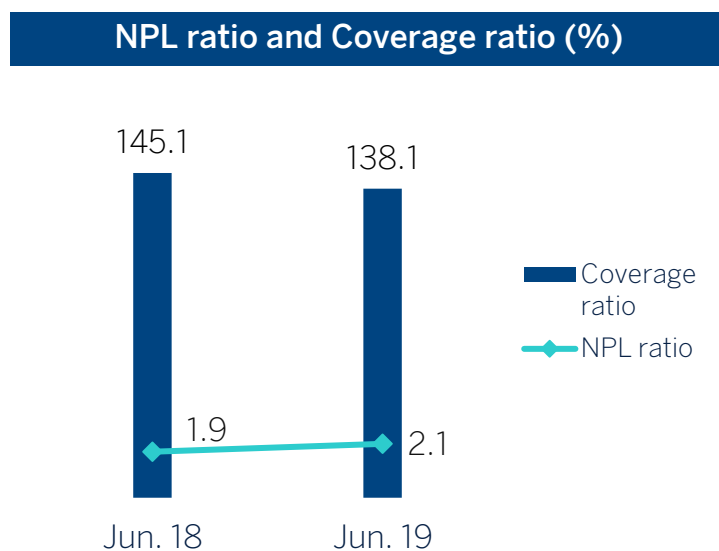
Performing Loans	6M	3M	6M	%	
<i>Figures in million pesos</i>	2018	2019	2019	Q-o-Q	Y-o-Y
Businesses	508,093	496,663	509,557	2.6	0.3
Financial entities	28,311	25,475	25,275	(0.8)	(10.7)
Government loans	72,741	76,904	76,897	(0.0)	5.7
State-owned entities	51,619	51,181	53,460	4.5	3.6
Government	124,360	128,085	130,357	1.8	4.8
Commercial loans	660,764	650,223	665,189	2.3	0.7
Consumer	263,701	278,611	286,707	2.9	8.7
Mortgage	200,916	214,927	221,360	3.0	10.2
Total Performing Loans	1,125,381	1,143,761	1,173,256	2.6	4.3

Asset quality

Non-performing loans

Non-performing loans registered an annual increase of 12.9%. However, BBVA Mexico's strict risk management is reflected in the NPL ratio increasing only by 15 basis points to 2.1% from 1.9% on June 2018.

Non Performing Loans	6M	3M	6M	%	
<i>Figures in million pesos</i>	2018	2019	2019	Q-o-Q	Y-o-Y
Businesses	7,102	8,765	8,926	1.8	25.7
Financial entities	0	0	0	n.a.	n.a.
Government entities	0	0	0	n.a.	n.a.
Commercial loans	7,102	8,765	8,926	1.8	25.7
Consumer	8,911	8,924	9,385	5.2	5.3
Mortgage	5,777	6,030	6,291	4.3	8.9
Total Non Performing Loans	21,790	23,719	24,602	3.7	12.9



Loan Portfolio Credit Quality Classification

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

BBVA México								
Performing Loan Rating								
June 2019								
<i>Figures in million pesos</i>								
Ratings	Commercial Loans		Mortgage		Consumer		Credit Card	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
A1	646,522	1,488	201,925	466	54,907	456	45,864	787
A2	55,315	577	4,707	99	15,754	398	15,632	616
B1	9,640	159	2,206	60	50,648	1,682	9,139	525
B2	4,065	88	2,426	72	32,504	1,485	8,912	646
B3	15,271	484	1,644	62	7,899	439	8,484	756
C1	4,739	263	5,542	316	6,932	507	8,268	977
C2	668	81	3,540	670	5,662	564	10,067	2,411
D	6,055	2,043	4,380	1,484	2,885	662	2,551	1,245
E	6,674	3,719	1,284	658	7,826	5,181	2,175	1,855
Additional		0		0		0		0
Total required	748,949	8,902	227,654	3,887	185,017	11,374	111,092	9,818

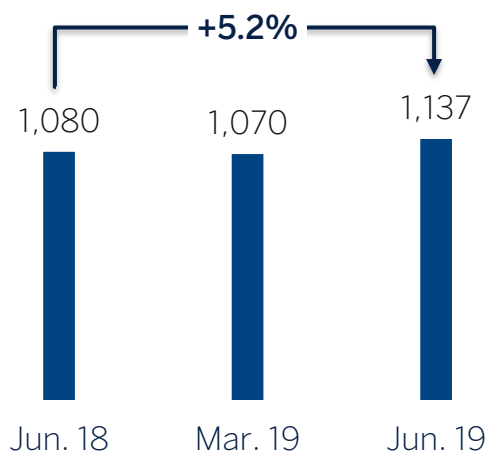
Deposits

Bank deposits (defined as demand and time customer deposits) grew 5.2% on an annual basis. This result is driven by a 3.0% annual growth in demand deposits, while time deposits registered a growth of 11.0% in the same period. However, BBVA Mexico maintains a profitable funding mix with a higher relative weight of low-cost deposits.

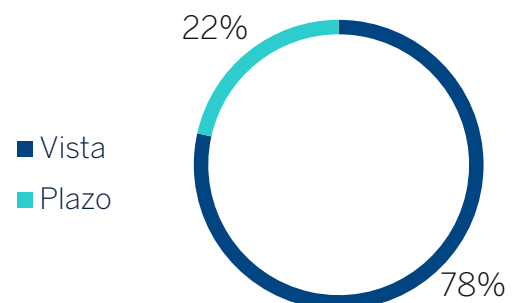
Total deposits exceed 1.2 trillion pesos with an annual growth of 5.8%.

Deposits	6M 2018	3M 2019	6M 2019	% Q-o-Q	% Y-o-Y
<i>Figures in million pesos</i>					
Demand deposits	859,552	839,784	885,478	5.4	3.0
Time Deposits	243,894	252,874	270,713	7.1	11.0
Customer Deposits	220,601	230,359	251,070	9.0	13.8
Money Market	23,293	22,515	19,643	(12.8)	(15.7)
Bonds	82,307	93,316	98,651	5.7	19.9
Deposits global account without movement	3,427	3,566	3,614	1.3	5.5
Total Deposits	1,189,180	1,189,540	1,258,456	5.8	5.8

Bank Deposits (mp)



Bank Deposits Mix (%)

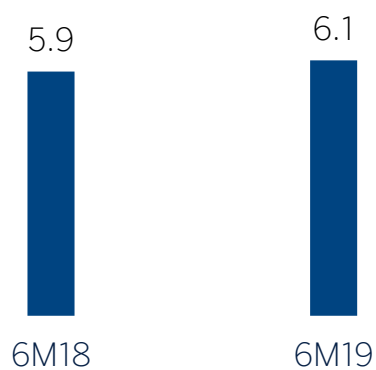


Results

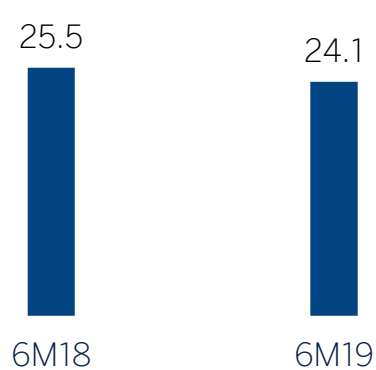
At the end of June 2019, BBVA Mexico recorded solid results, net income stood at 23,959 million pesos, 3.9% higher than the same period of 2018.

BBVA México Income Statement	2Q 2018	1Q 2019	2Q 2019	Q-o-Q	% Y-o-Y	6M 2018	6M 2019	%
<i>Figures in million pesos</i>								
Net interest income	30,022	31,821	32,154	1.0	7.1	59,507	63,975	7.5
Provisions for loan losses	(8,591)	(7,657)	(9,246)	20.8	7.6	(16,331)	(16,903)	3.5
Net interest income after provisions for loan losses	21,431	24,164	22,908	(5.2)	6.9	43,176	47,072	9.0
Total Fees & Commissions	7,144	6,884	7,069	2.7	(1.0)	13,767	13,953	1.4
Trading income	1,595	1,766	1,418	(19.7)	(11.1)	3,304	3,184	(3.6)
Other operating income	800	(101)	(33)	(67.3)	n.a.	909	(134)	n.a.
Total operating revenues	30,970	32,713	31,362	(4.1)	1.3	61,156	64,075	4.8
Non-interest expense	(14,846)	(15,364)	(15,606)	1.6	5.1	(29,463)	(30,970)	5.1
Net operating income	16,124	17,349	15,756	(9.2)	(2.3)	31,693	33,105	4.5
Share in net income of unconsolidated subsidiaries and affiliates	41	5	18	n.a.	(56.1)	17	23	35.3
Income before income tax and profit sharing	16,165	17,354	15,774	(9.1)	(2.4)	31,710	33,128	4.5
Net Taxes	(4,325)	(4,903)	(4,270)	(12.9)	(1.3)	(8,658)	(9,173)	5.9
Income before discontinued operations	11,840	12,451	11,504	(7.6)	(2.8)	23,052	23,955	3.9
Non-controlling interest	(1)	3	1	n.a.	n.a.	(1)	4	n.a.
Net Income	11,839	12,454	11,505	(7.6)	(2.8)	23,051	23,959	3.9

NIM (total assets, %)¹



ROE (%)



¹ Net Interest Margin (NIM) on total assets.

Net Interest Income

Net interest income's (NII) breakdown shows a 7.4% increase of the income coming from the banking activity, because of higher volumes in commercial lending activity. When adding financial revenue coming from net repos, the NII grew 7.5% in annual terms.

Additionally, adjusted by provisions for loan losses, the NII maintained a positive performance in the first semester of the year, growing 9.0% compared to June of the previous year.

Net Interest Income	2Q	1Q	2Q		%	6M	6M	%
<i>Figures in million pesos</i>	2018	2019	2019	Q-o-Q	Y-o-Y	2018	2019	Y-o-Y
Loans and deposits financial revenues	29,832	31,446	32,002	1.8	7.3	59,083	63,448	7.4
Margin fees	486	503	509	1.2	4.7	960	1,012	5.4
Banking net interest income	30,318	31,949	32,511	1.8	7.2	60,043	64,460	7.4
Repos financial revenues	(296)	(128)	(357)	178.9	20.6	(536)	(485)	(9.5)
Net interest income	30,022	31,821	32,154	1.0	7.1	59,507	63,975	7.5
Provisions for loan losses	(8,591)	(7,657)	(9,246)	20.8	7.6	(16,331)	(16,903)	3.5
Net interest income after provisions	21,431	24,164	22,908	(5.2)	6.9	43,176	47,072	9.0

Fees and Commissions

Fees and commissions increased 1.4% in annual terms. This growth was driven by a positive evolution of the commissions coming from credit and debit cards, because of higher transaction volumes.

Fees & Commissions	2Q	1Q	2Q		%	6M	6M	%
<i>Figures in million pesos</i>	2018	2019	2019	Q-o-Q	Y-o-Y	2018	2019	Y-o-Y
Bank fees	1,791	1,764	1,797	1.9	0.3	3,467	3,561	2.7
Credit and debit card	3,516	3,782	3,821	1.0	8.7	6,982	7,603	8.9
Investment funds	1,216	922	961	4.2	(21.0)	1,920	1,883	(1.9)
Others	621	416	490	17.8	(21.1)	1,398	906	(35.2)
Commissions and fee income	7,144	6,884	7,069	2.7	(1.0)	13,767	13,953	1.4

Other income (expenses) of the operation

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

Other Income	2Q	1Q	2Q	%		6M	6M	%
<i>Figures in million pesos</i>	2018	2019	2019	Q-o-Q	Y-o-Y	2018	2019	Y-o-Y
Sales and recoveries of loan portfolio	146	26	118	n.a.	(19.2)	257	144	(44.0)
Interest of loans to employees	167	186	189	1.6	13.2	328	375	14.3
Dividends collected unlisted	63	0	109	n.a.	73.0	63	109	73.0
Result of operation of foreclosed asset:	84	168	127	(24.4)	51.2	214	295	37.9
Write-offs	(112)	(245)	(287)	17.1	156.3	(274)	(532)	94.2
Legal contingencies	(160)	(101)	(129)	27.7	(19.4)	(231)	(230)	(0.4)
Donations	(135)	(180)	(214)	18.9	58.5	(220)	(394)	79.1
Other income	747	45	54	20.0	(92.8)	772	99	(87.2)
Other operating income	800	(101)	(33)	(67.3)	n.a.	909	(134)	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 June 2019, we had 1,821 offices and 12,811 ATMs to serve our customer base.

The adequate management and expenditure control has allowed BBVA Mexico 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 38.2% in the first half of 2019.

Non-Interest Expenses	2Q	1Q	2Q	%		6M	6M	%
<i>Figures in million pesos</i>	2018	2018	2019	Q-o-Q	Y-o-Y	2018	2019	Y-o-Y
Administrative and operating expenses	9,825	10,035	10,179	1.4	3.6	19,401	20,214	4.2
Manageable expenses	9,825	10,035	10,179	1.4	3.6	19,401	20,214	4.2
Rents	1,311	1,404	1,460	4.0	11.4	2,621	2,864	9.3
Depreciation and amortization	1,408	1,461	1,481	1.4	5.2	2,793	2,942	5.3
Taxes	1,005	1,124	1,150	2.3	14.4	2,086	2,274	9.0
Deposit guarantee fund (IPAB)	1,297	1,340	1,336	(0.3)	3.0	2,562	2,676	4.4
Non-manageable expenses	5,021	5,329	5,427	1.8	8.1	10,062	10,756	6.9
Administrative and promotional expenses	14,846	15,364	15,606	1.6	5.1	29,463	30,970	5.1

Financial Indicators

BBVA México	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	6M 2018	6M 2019
Infrastructure Indicators (#)							
Branches	1,836	1,831	1,833	1,836	1,821	1,836	1,821
ATMs	11,924	12,130	12,610	12,572	12,811	11,924	12,811
Employees	31,715	32,107	32,255	32,929	33,462	31,715	33,462
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	4.6	5.2	5.0	5.1	4.8	4.6	4.9
b) NIM (total assets)	5.9	6.2	6.3	6.2	6.2	5.9	6.1
c) Operating efficiency	2.9	3.0	2.9	3.0	3.0	2.9	3.0
d) Efficiency (cost to income)	37.5	39.9	37.1	38.1	38.4	38.0	38.2
e) Productivity index	48.1	46.3	48.4	44.8	45.3	46.7	45.1
f) ROE	25.8	24.2	24.3	25.3	22.8	25.5	24.1
g) ROA	2.3	2.2	2.3	2.4	2.2	2.3	2.3
Asset Quality Indicators (%)							
h) NPL ratio	1.9	1.9	2.0	2.0	2.1	1.9	2.1
i) Coverage ratio	145.1	143.1	136.7	137.5	138.1	145.1	138.1
Solvency Indicators (%)							
j) Core equity tier 1 ratio	11.5	11.6	12.0	12.0	11.9	11.5	11.9
k) Total capital ratio	14.8	14.7	15.3	14.6	14.2	14.8	14.2
l) Leverage ratio	8.8	9.4	9.3	9.9	9.4	8.8	9.4
Liquidity Indicators (%)							
m) Liquidity ratio (CNBV requirement)	70.8	67.1	71.0	69.1	69.7	70.8	69.7
n) Liquidity ratio (Loans / Deposits)	101.7	104.9	102.5	104.3	101.2	101.7	101.2
o) Liquidity Coverage Coefficient (Local LCR)	135.88	134.42	145.90	149.38	138.12	135.88	138.12

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 + commissions and fee income + trading income + other operating income (expense)
- 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
- n) Liquid Assets: Cash and cash equivalents + Trading (securities) + Available for sale (securities)
- o) Liquid Liabilities: Demand deposits + Interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term
- p) Loans / Deposits: Performing loans / Core deposits (demand + time)
- q) CCL (Local LCR – Liquidity Coverage Ratio): Computable Liquid Assets / 30-day stressed Net Outflows (BBVA Mexico information)

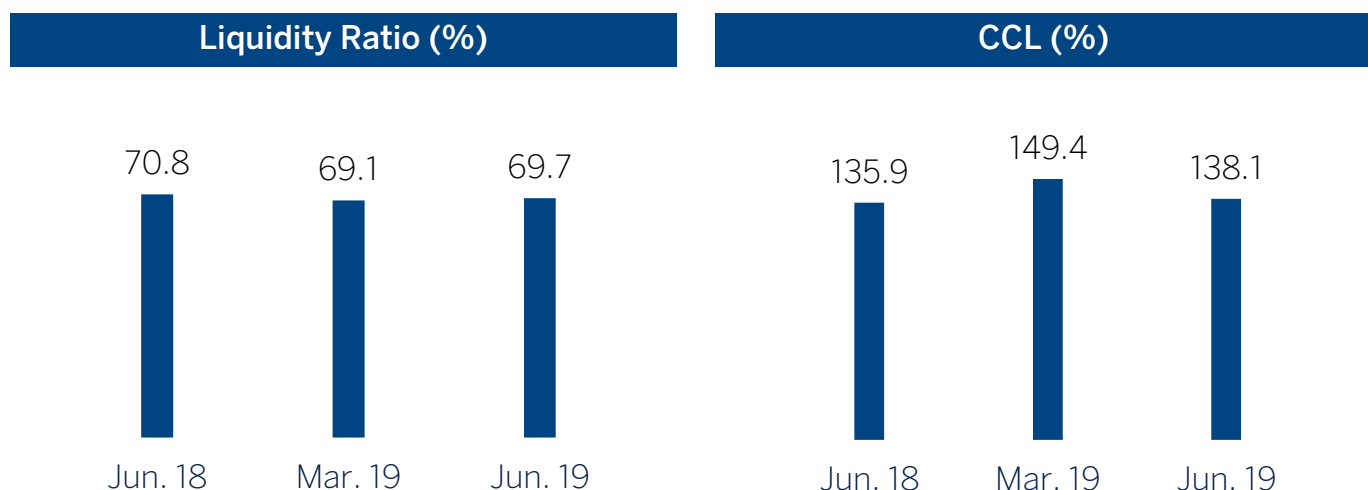
Capital and Liquidity

BBVA Mexico estimated capitalization index stood at 14.2% at the end of June 2019, composed by 11.9% of Tier 1 capital and 2.3% of Tier 2 capital.

BBVA Mexico fully covers the minimum capital requirements. By the end of 2019, BBVA Mexico 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 México Capitalization	June 2018		March 2019		June 2019	
<i>Figures in million pesos</i>						
Tier 1 capital		184,062		196,606		196,216
Tier 2 capital		43,864		38,449		38,254
Net capital		227,926		235,055		234,470
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Risk-weighted assets	1,080,125	1,545,151	1,087,132	1,605,476	1,133,748	1,654,258
Tier 1 as % of risk-weighted assets	17.0%	11.9%	18.1%	12.2%	17.3%	11.9%
Tier 2 as % of risk-weighted assets	4.1%	2.8%	3.5%	2.4%	3.4%	2.3%
Net capital ratio	21.1%	14.8%	21.6%	14.6%	20.7%	14.2%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 69.7%. The Liquidity Coverage Ratio (Local LCR) stood at 138.12%, with a minimum required of 100%, this allows BBVA Mexico to have comfortable liquidity levels for further growth.



Ratings

BBVA Bancomer, S.A. 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	Negative
Bank Deposits - Domestic Currency	A3	P-2	Negative
National Scale Rating Bank Deposits	Aaa.mx	MX-1	
Baseline Credit Assessment (BCA)	baa1		
Fitch			
Issuer Default Rating - Foreign Currency	BBB+	F2	Stable
Issuer Default Rating - Local Currency	BBB+	F2	Stable
National Scale Rating	AAA(mex)	F1+ (mex)	Stable
Viability Rating (VR)	bbb+		

Issuances

BBVA Bancomer, S.A. 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	TIIIE28 + 0.80%		A3/Aaa.mx	AAA(mex)	
Bond 4th Issuance 2012 - BACOMER 22224	1,000	MXN	07-jun-12	26-may-22	10.0	TIIIE28 + 0.85%		A3/Aaa.mx	AAA(mex)	
Senior Notes Dlls 2014	750	USD	10-abr-14	10-abr-24	10.0	4.38%		A3	BBB+	
Bond 2nd Issuance 2017 - BACOMER 17	5,142	MXN	26-may-17	26-may-20	3.0	TIIIE28+0.23%		A3/Aaa.mx	AAA(mex)	
Bond 3rd Issuance 2017 - BACOMER 17-2	1,858	MXN	26-may-17	26-may-22	5.0	TIIIE28+0.35%		A3/Aaa.mx	AAA(mex)	
Bond 4th Issuance 2018 - BACOMER 18V	3,500	MXN	27-sep-18	23-sep-21	3.0	TIIIE28+0.1%		A3/Aaa.mx	AAA(mex)	
Bond 5th Issuance 2018 - BACOMER 18	3,500	MXN	27-sep-18	21-sep-21	3.0	TIIIE28+0.19%		A3/Aaa.mx	AAA(mex)	
Bond 6th Issuance 2019 - BACOMER 19	5,000	MXN	19-jun-19	19-jun-22	3.0	TIIIE+0.07%		A3/Aaa.mx	AAA(mex)	
Bond 7th Issuance 2019 - BACOMER 19-2	5,000	MXN	19-jun-19	19-jun-27	8.0	8.49%		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%		Baa3	BB	
Subordinated Debentures Tier 2 2021	1,250	USD	10-mar-11	10-mar-21	10.0	6.50%		Baa2	BB+	
Subordinated Debentures Tier 2 2022	1,500	USD	19-jul-12	30-sep-22	10.2	6.75%		Baa2	BB+	
Subordinated Debentures Tier 2 2029 (15NC10)	200	USD	06-nov-14	06-nov-29	15NC10	5.35%		Baa3	BB+	
Subordinated Debentures Tier 2 2033 (15NC10)	1,000	USD	18-ene-18	18-ene-33	15NC10	5.13%	BB+		BB+	
Mortgage Securitization										
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, S.A.					
Assets	Jun	Sep	Dec	Mar	Jun
<i>Figures in million pesos</i>	2018	2018	2018	2019	2019
CASH AND CASH EQUIVALENTS	154,141	136,293	232,851	201,073	222,087
Margin call accounts	12,938	11,501	10,548	10,740	12,912
SECURITIES	483,223	436,757	410,261	417,809	433,963
Trading	325,029	272,340	263,419	249,876	281,339
Available for sale	141,038	141,957	124,201	134,961	119,566
Held to maturity	17,156	22,460	22,641	32,972	33,058
Debtors from repurchase agreement	67	60	66	56	157
Derivatives	129,678	119,668	140,617	110,532	112,162
Trading	115,704	107,868	125,804	96,345	97,222
Hedging Transactions	13,974	11,800	14,813	14,187	14,940
Valuation adjustments derived from hedges of financial assets	112	(55)	(518)	102	699
PERFORMING LOANS	1,125,381	1,123,811	1,140,319	1,143,761	1,173,256
Commercial loans	660,764	652,379	658,508	650,223	665,189
Business or commercial activity	508,093	492,217	498,432	496,663	509,557
Financial entities	28,311	26,867	30,898	25,475	25,275
Government entities	124,360	133,295	129,178	128,085	130,357
Consumer	263,701	266,785	273,234	278,611	286,707
Mortgage	200,916	204,647	208,577	214,927	221,360
Residential Mortgages	188,996	193,230	197,825	204,275	211,171
Social Housing	11,920	11,417	10,752	10,652	10,189
NON PERFORMING LOANS	21,790	21,953	23,274	23,719	24,602
Commercial loans	7,102	7,051	8,015	8,765	8,926
Business or commercial activity	7,102	7,051	8,015	8,765	8,926
Financial entities	0	0	0	0	0
Government entities	0	0	0	0	0
Consumer	8,911	9,035	9,034	8,924	9,385
Mortgage	5,777	5,867	6,225	6,030	6,291
Residential Mortgages	5,119	5,243	5,603	5,455	5,734
Social Housing	658	624	622	575	557
TOTAL LOANS	1,147,171	1,145,764	1,163,593	1,167,480	1,197,858
Allowance for loan losses	(31,621)	(31,418)	(31,811)	(32,609)	(33,981)
TOTAL LOANS, NET	1,115,550	1,114,346	1,131,782	1,134,871	1,163,877
Receivable benefits from securitization transactions	119	107	87	99	50
Other accounts receivable, net	102,190	91,277	76,778	74,803	93,423
Repossessed assets, net	2,122	1,907	1,759	1,600	1,489
Property, furniture and equipment, net	39,524	39,185	40,169	39,421	38,989
Equity investments	1,278	907	534	529	556
Deferred taxes, net	15,716	13,957	16,667	16,160	18,308
Other assets	8,061	8,500	6,658	7,835	7,619
Deferred charges, prepaid expenses and intangibles	8,061	8,500	6,658	7,835	7,619
Other assets, short and long term	0	0	0	0	0
TOTAL ASSETS	2,064,719	1,974,410	2,068,259	2,015,630	2,106,291

BBVA Bancomer, S.A.					
Liabilities & Stockholders' Equity					
	Jun	Sep	Dec	Mar	Jun
	2018	2018	2018	2019	2019
<i>Figures in million pesos</i>					
TOTAL DEPOSITS	1,189,180	1,161,226	1,200,889	1,189,540	1,258,456
Demand deposits	859,552	812,555	864,651	839,784	885,478
Time Deposits	243,894	255,503	244,511	252,874	270,713
Customer deposits	220,601	228,209	222,013	230,359	251,070
Money market	23,293	27,294	22,498	22,515	19,643
Bonds	82,307	89,695	88,162	93,316	98,651
Deposits global account without movements	3,427	3,473	3,565	3,566	3,614
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	24,737	17,061	17,861	16,883	16,034
Payable on demand	7,556	0	0	0	0
Short- term	8,728	8,181	9,425	8,728	8,186
Long- term	8,453	8,880	8,436	8,155	7,848
Creditors from repurchase agreements	196,110	197,992	203,713	234,277	211,923
Securities creditors	4	3	1	2	5
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	82,999	60,732	39,438	46,603	60,788
Repurchase	0	0	0	0	0
Securities lending	82,999	60,732	39,438	46,603	60,788
DERIVATIVES	132,464	120,954	138,077	110,498	113,921
Trading	121,676	111,500	129,005	102,481	106,001
Hedge transactions	10,788	9,454	9,072	8,017	7,920
Valuation adjustments derived from hedges of financial liabilities	403	(708)	1,485	2,192	4,054
OTHER PAYABLES	145,199	126,146	166,019	109,747	132,469
Profit taxes payable	0	0	519	320	852
Employee profit sharing (PTU) payable	2	2	2	1	2
Transaction settlement creditors	91,458	59,597	101,467	57,785	71,321
Creditors from collaterals received in cash	21,233	19,937	27,302	19,276	15,789
Accrued liabilities and other	32,506	46,610	36,729	32,365	44,505
Subordinated debt	99,231	93,647	99,029	97,904	96,799
Deferred credits and advanced collections	8,503	7,673	7,524	8,016	7,880
TOTAL LIABILITIES	1,878,830	1,784,726	1,874,036	1,815,662	1,902,329
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	145,849	149,644	154,182	159,930	163,925
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	119,786	112,055	106,475	144,658	136,781
Unrealized gain on available- for- sale securities	(1,943)	(1,394)	(2,246)	(1,200)	(866)
Result from valuation of cash flow hedging instruments	22	(404)	(106)	(121)	(157)
Accumulated effect by conversion	440	440	440	440	440
Redefined benefits to employees	(2,408)	(2,355)	(3,342)	(3,202)	(3,133)
Net income	23,051	34,401	46,060	12,454	23,959
MAJORITY STOCKHOLDERS' EQUITY	185,852	189,647	194,185	199,933	203,928
Non- controlling interest in consolidated subsidiaries	37	37	38	35	34
TOTAL STOCKHOLDERS EQUITY	185,889	189,684	194,223	199,968	203,962
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,064,719	1,974,410	2,068,259	2,015,630	2,106,291

Memorandum accounts

BBVA Bancomer, S.A. Memorandum accounts	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019
<i>Figures in million pesos</i>					
Contingent assets and liabilities	554	607	658	661	615
Credit commitments	576,798	565,398	588,114	598,409	614,354
In trusts	431,631	433,864	414,525	417,071	419,498
Under mandate	24,258	24,262	24,257	24,262	24,265
Assets in trust or under mandate	455,889	458,126	438,782	441,333	443,763
Assets in custody or under administration	189,719	197,580	183,836	242,903	227,975
Collaterals received by the institution	86,694	66,805	45,946	54,639	92,544
Collaterals received and sold or pledged as collateral by the institution	82,999	62,734	40,437	50,599	87,336
Investment banking transactions on behalf of third parties, net	1,273,071	1,293,144	1,231,184	1,315,162	1,388,763
Accrued interest on non-performing loans	4,706	5,293	6,066	6,483	7,202
Other record accounts	3,446,049	3,471,319	3,570,501	3,595,697	3,715,254

“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, S.A.							
Financial Results	2Q	3Q	4Q	1Q	2Q	6M	6M
<i>Figures in million pesos</i>	2018	2018	2018	2019	2019	2018	2019
Interest Income	46,812	47,881	49,193	48,627	50,599	91,558	99,226
Interest Expenses	(16,790)	(16,503)	(17,166)	(16,806)	(18,445)	(32,051)	(35,251)
Net interest income	30,022	31,378	32,027	31,821	32,154	59,507	63,975
Provisions for loan losses	(8,591)	(7,244)	(8,724)	(7,657)	(9,246)	(16,331)	(16,903)
Net interest income after provisions for loan losses	21,431	24,134	23,303	24,164	22,908	43,176	47,072
Fees & Commissions received	11,015	10,799	11,532	10,894	11,464	21,238	22,358
Fees & Commissions paid	(3,871)	(3,788)	(4,480)	(4,010)	(4,395)	(7,471)	(8,405)
Total Fees & Commissions	7,144	7,011	7,052	6,884	7,069	13,767	13,953
Trading income	1,595	(54)	221	1,766	1,418	3,304	3,184
Other operating income	800	(415)	10	(101)	(33)	909	(134)
Total operating revenues	30,970	30,676	30,586	32,713	31,362	61,156	64,075
Non-interest expense	(14,846)	(15,128)	(14,577)	(15,364)	(15,606)	(29,463)	(30,970)
Operating income	16,124	15,548	16,009	17,349	15,756	31,693	33,105
Share in net income of unconsolidated subsidiaries and affiliates	41	10	9	5	18	17	23
Income before tax	16,165	15,558	16,018	17,354	15,774	31,710	33,128
Current income tax and profit sharing	(5,120)	(2,786)	(6,390)	(4,780)	(6,555)	(9,558)	(11,335)
Deferred income tax and profit sharing	795	(1,422)	2,032	(123)	2,285	900	2,162
Net taxes	(4,325)	(4,208)	(4,358)	(4,903)	(4,270)	(8,658)	(9,173)
Income before discontinued operations	11,840	11,350	11,660	12,451	11,504	23,052	23,955
Minority Interest	(1)	0	(1)	3	1	(1)	4
NET INCOME	11,839	11,350	11,659	12,454	11,505	23,051	23,959

"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, S.A.	
Cash Flow Statement (from January 1st to June 30th 2019)	
<i>Figures in million pesos</i>	
Net income	23,959
Adjustments derived from items not involving cash flow	
Depreciation of property, furniture and fixtures	1,637
Amortization of intangible assets	1,305
Provisions	(1,023)
Income taxes	9,173
Share in net income of unconsolidated subsidiaries and affiliated companies	(23)
Noncontrolling interest	(4)
Operating activities	
Change in margin call accounts	(2,529)
Change in investments in securities	(22,530)
Change in debtors from repurchase agreement	(91)
Change in derivatives (assets)	28,582
Change in loan portfolio (net)	(35,920)
Change in receivable benefits from securitization transactions	37
Change in repossessed assets	271
Change in other operating assets	(18,102)
Change in deposits	61,544
Change in interbank loans and other loans from other entities	(1,792)
Change in creditors from repurchase agreements	8,211
Change in securities lending	4
Change in collaterals sold or delivered in guarantee	21,350
Change in derivatives (liabilities)	(23,004)
Change in other operating liabilities	(33,840)
Change in hedging instruments (of hedge items related to operation activities)	28
Income taxes payment	(8,900)
Net cash flows used in operating activities	(26,681)
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	115
Payments for the acquisition of property furniture and fixtures	(572)
Proceeds from the disposal of subsidiaries	1
Proceeds from cash dividends	1
Payments for acquisition of intangible assets	(1,069)
Net cash flows used in investment activities	(1,524)
Financing activities	
Cash dividends paid	(15,754)
Net cash flows used in financing activities	(15,754)
Net increase or decrease in cash and cash equivalents	(8,935)
Effects of changes in cash and cash equivalents	(1,829)
Cash and cash equivalents at the beginning of the year	232,851
Cash and cash equivalents at the end of the year	222,087

"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 Stakeholder's Equity

BBVA Bancomer, S.A.	Subscribed Capital		Earned Capital		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	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								
<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				(15,754)						(15,754)		(15,754)
Total	-	-	-	30,306	-	-	-	-	(46,060)	(15,754)	-	(15,754)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									23,959	23,959	(4)	23,955
Result from valuation of securities available for sale					1,380					1,380		1,380
Result from valuations of Cash Flow Hedging						(51)				(51)		(51)
Redefined benefits to employees								209				209
Total	-	-	-	-	1,380	(51)	-	209	23,959	25,497	(4)	25,493
Balances as of June 30th 2019	24,143	15,860	6,901	136,781	(866)	(157)	440	(3,133)	23,959	203,928	34	203,962

"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 published in the Diario Oficial de la Federación (DOF) of November 15, 2018, the Comisión Nacional Bancaria de Valores (CNBV) has modified the following FRS, which had previously been published in DOF of December 27, 2017; this will be effective as of January 1, 2020.

In accordance with the amendments published in the DOF on December 14, 2018, the Comisión Nacional de Seguros y Fianzas (CNSF) has ruled that the FRS 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 defines fair value as the starting price that would be received for selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is mentioned that the fair value is a market-based determination and not a specific value of an asset or a liability and that, in determining the fair value, the entity must use assumptions that market participants would use when setting the price of an asset or a liability under current market conditions at a certain date, including assumptions about risk. As a result, the entity's intention to hold an asset or liquidate, or otherwise satisfy a liability, is not relevant in determining fair value.

In the event that the provisions contained in this FRS cause changes in the valuation or disclosure of any element of the financial statements, the Institution must comply with the regulatory provisions of each particular FRS that corresponds prospectively.

Mexican FRS C-3 "Accounts receivable"- Main changes issued for this FRS are shown below:

- It leaves the Bulletin C-3 "Accounts receivable" without effect.
- Specifies that accounts receivable based on a contract represent a financial instrument, while some of the other accounts receivable generated by a legal or fiscal provision may have certain characteristics of a financial instrument, such as generating interest, but they are not financial instruments themselves.
- It establishes that the estimate for uncollectibility for trade accounts receivable is recognized from the moment the income is accrued, based on the expected credit losses.
- It establishes that, from the initial recognition, the value of money over time must be considered, so if the effect of the present value of the account receivable is important in view of its term, it must be adjusted based on its present value. The effect of the present value is relevant when it is agreed to collect the account receivable, in whole or in part, for a term greater than one year, since in these cases there is a financing operation.

The accounting changes that arise must be recognized retrospectively, however, the valuation effects can be recognized prospectively.

Mexican FRS C-9 “Provisions, contingencies and commitments”- It leaves without effect the Bulletin C-9 “Liabilities, provisions, contingent assets and liabilities and commitments”, its scope is reduced by relocating the issue related to the accounting treatment of financial liabilities in FRS C-19 “Financial instruments payable” and it modifies the definition of a liability as “virtually unavoidable” and including the term “likely”. 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 indicates that, to determine the recognition of the expected loss, the historical experience of the credit loss entity, current conditions and reasonable and sustainable forecasts should be considered for the different quantifiable future events that could affect the amount of future cash flows to be recovered from the financial instruments receivable (IFC).

It also notes that the expected loss should be recognized when, having increased credit risk, it is concluded that a portion of the IFC’s future cash flows shall not be recovered. The accounting changes that arise must be recognized retrospectively.

Mexican FRS C-19 “Financial instruments payable”- The main characteristics issued for this FRS are shown below:

- The possibility of valuing certain financial liabilities at fair value when certain conditions are met is established.
- Value long-term liabilities at fair value at their initial recognition
- By restructuring a liability, without substantially modifying the future cash flows to settle it, the costs 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.
- It incorporates what is established in IFRIC 19 “Extinction of Financial Liabilities with Capital Instruments”, an issue that was not included in the existing regulations.
- The effect of extinguishing a financial liability must be presented as a financial result in the statement of comprehensive income.
- Enter the concepts of amortized cost to value financial liabilities and the effective interest method, based on the effective interest rate.

The accounting changes that arise must be recognized retrospectively.

Mexican FRS C-20 “Financial instruments receivable”- The main characteristics issued for this FRS are shown below:

- The way of classifying the financial instruments in the asset is modified, since the concept of intention to acquire and hold them to determine their classification is discarded, instead the concept of the business model of the administration is adopted.
- The classification includes financial instruments whose objective is to collect the contractual cash flows and obtain a gain on the contractual interest they generate, having a loan characteristic.
- They include both financial instruments generated by sales of goods or services, financial leases or loans, as well as those acquired in the market.

The accounting changes that arise must be recognized retrospectively.

Mexican FRS D-1 “Revenues from clients’ contracts” - The most significant changes refer to:

- Control transfer, based on the opportunity to recognized income.
- Identification of the obligations to be complied with in an agreement.
- The allocation of the transaction price between the obligations to be complied with based on the independent sales price.
- The introduction of the concept of conditioned account receivable.
- The recognition of rights to collection.
- The valuation of income.

The initial application date is the beginning of the period in which the Institution applies this rule for the first time.

Mexican FRS D-2 “Revenue, costs from agreements with clients” – The main change in this rule is the separation of the regulations related to the recognition of revenue from contracts with customers from the regulations corresponding to the recognition of costs from agreements with clients.

The initial application date is the beginning of the period in which the Institution applies this rule for the first time.

Mexican FRS D-5 “Leasing”- It is effective from January 1, 2019. Early application allowed for those who use FRS D-1 “Revenue from contracts with customers” and FRS D-2 “Costs from contracts with customers”, before the date of initial application of this FRS. It renders the Bulletin D-5 “Leases” void. The application for the first time of this FRS generates accounting changes in the financial statements mainly for the lessee and grants different options for recognition. Among the main changes are the following:

- Eliminates the classification of leases as operational or capitalizable for a lessee, and the latter must recognize a liability for leasing at the present value of the payments and an asset for use rights for that same amount, of all leases with a duration greater than 12 months, unless the underlying asset is of low value.
- An expense for depreciation or amortization of the right-of-use assets and an interest expense on the lease liabilities are recognized.
- It modifies the recognition of the gain or loss when a seller-lessee transfers an asset to another entity and leases that asset on the way back.
- The accounting recognition by the lessor has no changes in relation to the previous Bulletin D-5, and only some disclosure requirements are added.

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

II. 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:

Improvements to 2019 Mexican FRS

In December 2018, the CINIF issued a document titled “Improvements to Mexican FRS 2019”, which includes specific amendments to some existing Mexican FRS. The main amendments made to the FRS do not generate accounting changes in the annual financial statements.

* * *

BBVA Bancomer

Financial Report

january-june 2019

Contact Investor Relations

Tel. (52 55) 5621-2555

investorrelations.mx@bbva.com

<https://investors.bbva.mx/>