

BBVA Bancomer

January - September 2017

Financial Report
BBVA Bancomer



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Relevant Events

Decree and distribution of dividends

During the third quarter of 2017, the third partial payment of dividends, approved at BBVA Bancomer S.A. Multiple Banking Institution's Ordinary General Shareholders' Meeting corresponding to the fiscal year 2016, at a rate of \$0.305703550315621 per share outstanding.

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 revolvents, 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 September 30 2017, the decrease in the current portfolio would have been 17.8 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 59.1 million pesos. IMOR and ICAP would have had almost no impact.

Management and Discussion Analysis

Commercial Activity

Performing Loans

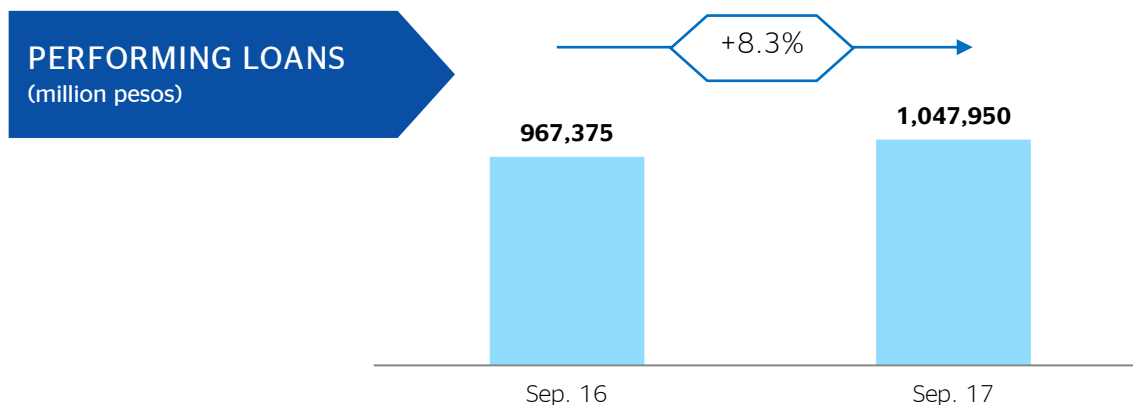
As of September 2017, the loan portfolio reached a balance of 1,047,950 million pesos, equivalent to an annual growth of 8.3%.

Commercial lending portfolio showed the greater dynamism with an annual growth of 9.9%. Inside this portfolio, credits to business or commercial activity (that includes corporate, medium enterprises, developers and SMEs) showed an annual increase of 13.1%.

The balance of the consumer portfolio was 5.7% higher than the previous year. The drivers within this portfolio are payroll, personal and car loans, that reached 152,567 million pesos at the end of September 2017, equivalent to an annual growth of 7.2%. Meanwhile, the credit card portfolio maintains a positive annual growth of 3.4%, reaching a balance of 101,895 million pesos.

Mortgage loans increased 7.2% over the same period of the previous year, reaching a balance of 190,738 million pesos. Furthermore, BBVA Bancomer remains 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 August 2017.

Performing Loans <i>Million pesos</i>			%		
	9M 2016	6M 2017	9M 2017	Q-o-Q	Y-o-Y
Business or commercial activity	392,330	432,722	443,915	2.6	13.1
Financial entities	21,165	24,803	30,477	22.9	44.0
Government loans	73,510	75,565	71,542	(5.3)	(2.7)
Parastatals	61,693	54,038	56,815	5.1	(7.9)
Government entities	135,203	129,604	128,356	(1.0)	(5.1)
Commercial loans	548,699	587,128	602,749	2.7	9.9
Consumer	240,799	250,903	254,463	1.4	5.7
Mortgage	177,877	188,444	190,738	1.2	7.2
Total Performing Loans	967,375	1,026,476	1,047,950	2.1	8.3



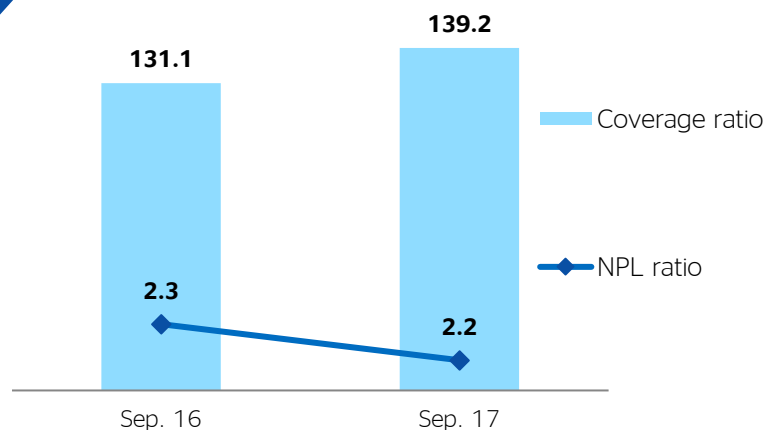
Asset quality

Non-performing Loans

Lending growth is being accompanied by an adequate asset quality. This is reflected in the improvement of 19 basis points in the NPL ratio, in comparison with the same month of the previous year. With this, the NPL ratio stood at 2.2% at the end of September 2017.

Non Performing Loans <i>Million pesos</i>	9M 2016	6M 2017	9M 2017	%	
				Q-o-Q	Y-o-Y
Business or commercial activity	6,078	6,541	6,444	(1.5)	6.0
Financial entities	324	0	0	n.a.	n.a.
Government entities	1	1	1	18.1	18.1
Commercial loans	6,403	6,542	6,445	(1.5)	0.7
Consumer	8,675	9,337	9,850	5.5	13.5
Mortgage	8,108	7,399	6,789	(8.2)	(16.3)
Total Non Performing Loans	23,186	23,278	23,084	(0.8)	(0.4)

COVERAGE RATIO VS NPL RATIO



Loan Portfolio Credit Quality Classification

Around 76% of the portfolio is classified with the minimum risk level, which means that BBVA Bancomer has an adequate asset quality.

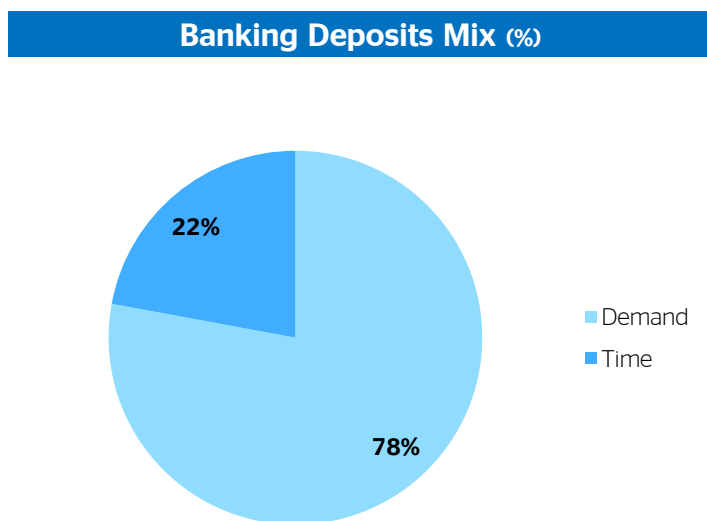
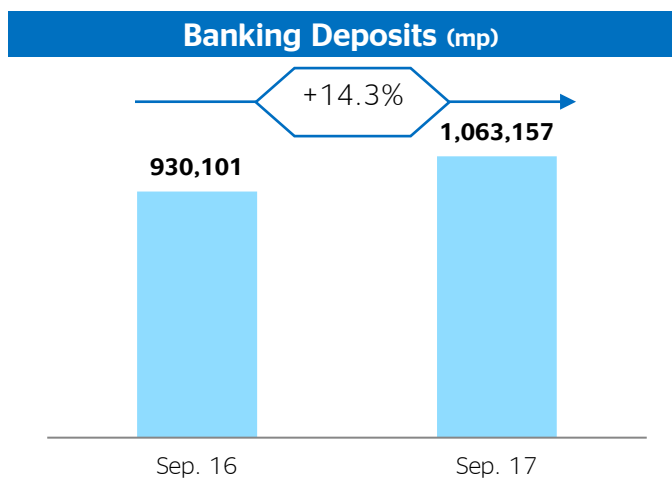
BBVA Bancomer Performing Loan Rating September 2017		Commercial Loans		Mortgage		Consumer		Credit Card	
		Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>									
Ratings									
A1	554,934	1,422	159,029	320	42,933	411	38,569	800	
A2	56,399	554	7,309	44	16,160	411	15,131	596	
B1	16,868	218	3,785	33	41,831	1,388	9,928	568	
B2	11,341	134	4,973	60	25,084	1,146	9,282	669	
B3	10,501	323	2,590	45	10,910	610	8,674	776	
C1	2,033	122	9,332	298	6,807	482	8,325	997	
C2	683	77	3,842	260	4,773	483	12,270	2,882	
D	4,787	1,353	2,833	779	2,652	593	1,985	970	
E	4,557	2,704	3,834	2,111	7,909	5,230	2,713	2,323	
Total required	662,103	6,907	197,527	3,950	159,059	10,755	106,877	10,581	

Deposits

Bank deposits (defined as demand and time deposits) showed an annual growth of 14.3%. Demand deposits had a constant growth and closed the year with a balance of 828,229 million pesos, equivalent to an annual growth of 14.7%. While time deposits had a growth of 12.8% since September 2016. This evolution allows BBVA Bancomer to maintain a very profitable funding mix with a higher relative weight of low-cost deposits. Total deposits also recorded a strong performance with an annual growth of 13.5%.

Summing up all customer resources or funds, BBVA Bancomer manages 1.8 trillion pesos.

Deposits <i>Million pesos</i>	9M 2016	6M 2017	9M 2017	%	
				Q-o-Q	Y-o-Y
Demand deposits	721,918	781,292	828,229	6.0	14.7
Time Deposits	208,183	208,268	234,928	12.8	12.8
Banking Deposits	930,101	989,560	1,063,157	7.4	14.3
Bonds	83,962	86,227	88,224	2.3	5.1
Deposits global account without movements	3,293	3,118	3,203	2.7	(2.7)
Total Deposits	1,017,356	1,078,905	1,154,584	7.0	13.5

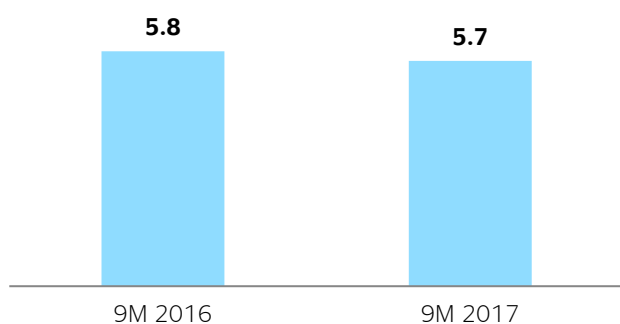


Results

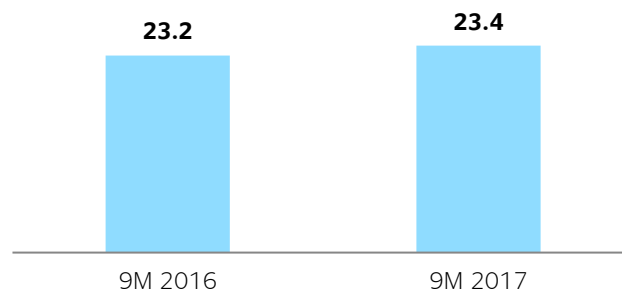
During the first nine months of the year, BBVA Bancomer recorded solid results, maintaining double-digit annual growth in net income. As of September 2017, net income stood at 29,343 million pesos, 11.6% higher than the same period of the previous year.

BBVA Bancomer Income Statement <i>Million pesos</i>					%				%	
	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	9M 2016	9M 2017	Y-o-Y		
Net interest income	25,599	27,798	28,623	3.0	11.8	76,465	83,447	9.1		
Provisions for loan losses	(8,539)	(8,211)	(9,146)	11.4	7.1	(24,401)	(25,570)	4.8		
Net interest income after provisions for loan losses	17,060	19,587	19,477	(0.6)	14.2	52,064	57,877	11.2		
Total Fees & Commission	6,152	6,310	6,388	1.2	3.8	17,642	19,057	8.0		
Trading income	1,178	1,344	1,194	(11.2)	1.4	2,492	3,969	59.3		
Other operating income	16	366	416	13.7	n.a.	1,713	1,107	(35.4)		
Total operating revenues	24,406	27,607	27,475	(0.5)	12.6	73,911	82,010	11.0		
Non-interest expense	(13,820)	(14,053)	(14,489)	3.1	4.8	(40,543)	(42,147)	4.0		
Net operating income	10,586	13,554	12,987	(4.2)	22.7	33,368	39,863	19.5		
Share in net income of unconsolidated subsidiaries and affiliates	(148)	16	14	(12.5)	n.a.	20	26	30.0		
Income before income tax and profit sharing	10,438	13,570	13,001	(4.2)	24.6	33,388	39,890	19.5		
Net Taxes	(2,739)	(3,671)	(3,526)	(3.9)	28.7	(7,968)	(10,546)	32.4		
Net Income	8,232	9,899	9,473	(4.3)	15.1	26,291	29,343	11.6		

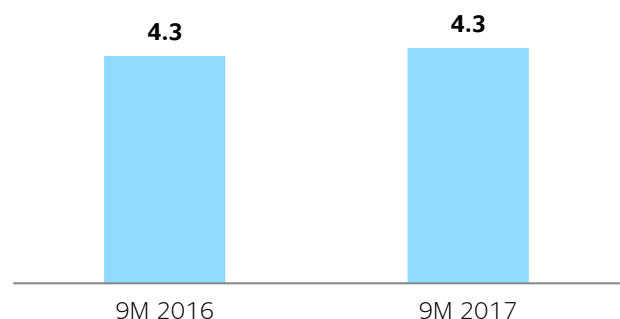
NIM (total assets, %)¹



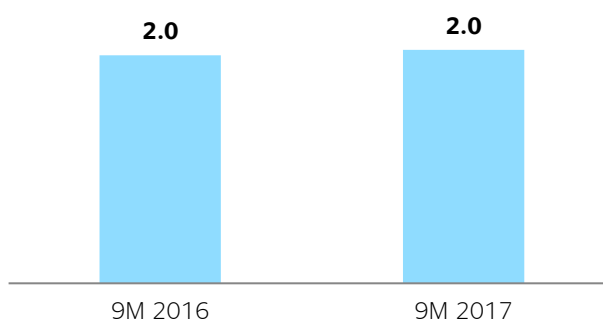
ROE (%)



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 14.4%, driven by higher volumes of commercial activity. When adding the net repos financial revenues, the NII grows 9.1% per year.

Additionally, with the provisions for loan losses, which grew at an annual rate of 4.8%, the adjusted NII increased at 11.2% when compared to the closing of September of the previous year.

Net Interest Income <i>Million pesos</i>	3Q	2Q	3Q	%		9M	9M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Y-o-Y
Loans and deposits financial revenues	24,964	28,173	28,934	2.7	15.9	73,104	83,740	14.5
Margin fees	385	372	371	(0.3)	(3.6)	1,070	1,106	3.4
Banking net interest income	25,349	28,545	29,305	2.7	15.6	74,174	84,846	14.4
Repos financial revenues	250	(747)	(682)	n.a.	n.a.	2,291	(1,399)	(161.1)
Net interest income	25,599	27,798	28,623	3.0	11.8	76,465	83,447	9.1
Provisions for loan losses	(8,539)	(8,211)	(9,146)	11.4	7.1	(24,401)	(25,570)	4.8
Net interest income after provisions	17,060	19,587	19,477	(0.6)	14.2	52,064	57,877	11.2

Fees and Commissions

Commissions increased at 8.0% in annual terms. The main ones are credit card commissions coming from a higher transaction volume and fees derived of investment funds.

Fees & Commissions <i>Million pesos</i>	3Q	2Q	3Q	%		9M	9M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Y-o-Y
Bank fees	1,634	1,627	1,625	(0.1)	(0.6)	4,823	4,880	1.2
Credit and debit card	3,201	3,329	3,385	1.7	5.7	9,060	9,956	9.9
Investment funds	689	760	801	5.4	16.3	1,992	2,299	15.4
Others	628	594	577	(2.9)	(8.1)	1,767	1,922	8.8
Commissions and fee income	6,152	6,310	6,388	1.2	3.8	17,642	19,057	8.0

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 <i>Million pesos</i>	3Q	2Q	3Q	%		9M	9M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Var Annual
Extinction of Trust 781 - Securitization	0	0	0	n.a.	n.a.	1,307	0	n.a.
Sales and recoveries of loan portfolio	259	384	486	26.5	87.7	777	1,113	43.3
Interest of loans to employees	142	150	154	2.7	8.5	419	453	8.0
Dividends collected unlisted	31	60	4	(93.0)	(86.5)	110	92	(16.5)
Result of operation of foreclosed assets	(82)	130	240	85.6	n.a.	(20)	392	n.a.
Write-offs	(270)	(187)	(232)	24.0	(14.2)	(370)	(504)	36.1
Legal contingencies	(21)	(108)	(151)	40.0	n.a.	(260)	(352)	35.3
Donations	(98)	(118)	(167)	40.9	70.1	(246)	(358)	45.4
Sale and disposal of fixed assets	4	120	0	(99.8)	(95.1)	0	122	n.a.
Other income	52	(64)	81	n.a.	56.4	(4)	149	n.a.
Other operating income	16	366	416	13.7	n.a.	1,713	1,107	(35.4)

Non-Interest Expenses

The continuous management and expenditure control is reflected in a low annual increase of 4.0%. The largest number of initiatives to control expenditures have focused on the line of administrative and operating expenses, which grew by 2.4% compared to the previous year.

Meanwhile, the continuous investment allows to keep strengthening the banking infrastructure, being the leader in the market in terms of infrastructure. At the end of the September 2017, we have 1,845 offices and more than 11,500 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 39.2% at the end of September 2017.

Non-Interest Expenses <i>Million pesos</i>	3Q	2Q	3Q	%		9M	9M	%
	2016	2017	2017	Q-o-Q	Y-o-Y	2016	2017	Y-o-Y
Administrative and operating expenses	9,268	9,390	9,579	2.0	3.4	27,213	27,856	2.4
Manageable expenses	9,268	9,390	9,579	2.0	3.4	27,251	27,856	2.2
Rents	1,220	1,183	1,343	13.5	10.1	3,581	3,719	3.9
Depreciation and amortization	1,297	1,350	1,361	0.8	4.9	3,721	4,061	9.1
Taxes	879	938	996	6.2	13.3	2,602	2,887	11.0
Deposit guarantee fund (IPAB)	1,156	1,192	1,210	1.5	4.7	3,388	3,624	7.0
Non-manageable expenses	4,552	4,663	4,910	5.3	7.9	13,292	14,291	7.5
Administrative and promotional expenses	13,820	14,053	14,489	3.1	4.8	40,543	42,147	4.0

Financial Indicators

BBVA Bancomer	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	9M 2016	9M 2017
Infrastructure Indicators (#)							
Branches	1,833	1,836	1,836	1,841	1,845	1,833	1,845
ATMs	11,319	11,434	11,534	11,583	11,519	11,319	11,519
Employees	30,922	31,083	30,503	30,622	30,806	30,922	30,806
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	4.1	4.4	4.3	4.5	4.4	4.3	4.3
b) NIM (total assets)	5.6	5.7	5.7	5.9	5.9	5.8	5.7
c) Operating efficiency	3.0	3.7	2.9	3.0	3.0	3.1	2.9
d) Efficiency (cost to income)	41.9	50.4	38.7	39.2	39.6	41.2	39.2
e) Productivity index	44.5	38.1	46.7	44.9	44.1	43.5	45.2
f) ROE	21.1	17.7	25.0	24.0	22.0	23.2	23.4
g) ROA	1.8	1.5	2.1	2.1	2.0	2.0	2.0
Asset Quality Indicators (%)							
h) NPL ratio	2.3	2.2	2.2	2.2	2.2	2.3	2.2
i) Coverage ratio	131.1	131.8	132.9	136.1	139.2	131.1	139.2
Solvency Indicators (%)							
j) Core equity tier 1 ratio	10.7	10.7	11.0	11.7	12.1	10.7	12.1
k) Total capital ratio	13.8	13.7	13.6	14.2	14.6	13.8	14.6
l) Leverage ratio	7.0	6.7	8.5	8.7	8.9	7.0	8.9
Liquidity Indicators (%)							
m) Liquidity ratio (CNBV requirement)	73.8	74.9	71.8	74.1	75.9	73.8	75.9
n) Liquidity ratio (Loans / Deposits)	104.0	105.0	104.7	103.7	98.6	104.0	98.6
o) Liquidity Coverage Coefficient (Local LCR)	120.6	124.4	125.2	115.5	124.1	120.6	124.1

PROFITABILITY

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

ASSET QUALITY

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

SOLVENCY

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

LIQUIDITY

- m) Liquidity Ratio: Liquid assets / Liquid liabilities*
Liquid Assets: Cash and cash equivalents + Trading (securities) + Available for sale (securities)
Liquid Liabilities: Demand deposits + Interbank loans and loans from other entities payable on demand + Interbank loans and loans from other entities short term
- n) Loans / Deposits: Performing loans / Core deposits (demand + time)*
- o) CCL (Local LCR - Liquidity Coverage Ratio): Computable Liquid Assets / Outputs - Inputs*

Capital and Liquidity

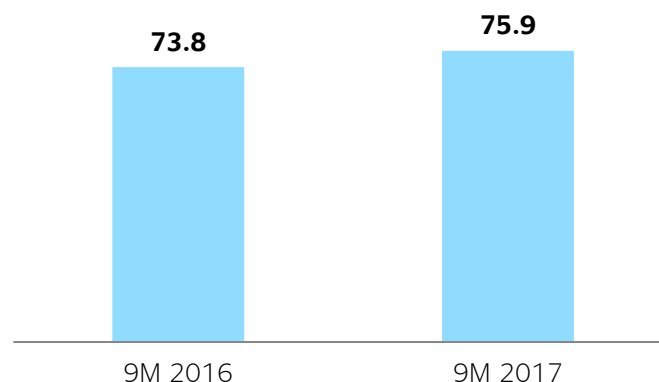
BBVA Bancomer’s estimated capitalization index stood at 14.6% as of September 2017, which is composed by 12.6% of Tier 1 capital and 2.0% of Tier 2 capital.

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

BBVA Bancomer Capitalization (estimate) Million pesos	September 2016		June 2017		September 2017	
Tier 1 capital	156,621		169,351		176,309	
Tier 2 capital	32,454		27,547		27,575	
Net capital	189,075		196,898		203,884	
Risk-weighted assets	956,915	1,371,945	980,152	1,385,630	976,308	1,398,256
	Credit Risk	Operative & Credit Risk	Credit Risk	Operative & Credit Risk	Credit Risk	Operative & Credit Risk
Tier 1 as % of risk-weighted assets	16.4%	11.4%	17.3%	12.2%	18.1%	12.6%
Tier 2 as % of risk-weighted assets	3.4%	2.4%	2.8%	2.0%	2.8%	2.0%
Net capital ratio	19.8%	13.8%	20.1%	14.2%	20.9%	14.6%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 75.9%. The Liquidity Coverage Ratio (Local LCR) stood at 124.06%, 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	TIIIE28 + 0.80%		A3/Aaa.mx	AAA(mex)
Bond 4th Issuance 2012 - BACOMER 22224	\$1,000	07-jun-12	26-may-22	10.0	TIIIE28 + 0.85%		A3/Aaa.mx	AAA(mex)
Senior Notes Dlls 2014	US\$750	10-abr-14	10-abr-24	10.0	4.38%		A3	A-
Bond 4th Issuance 2015 - BACOMER 15	\$5,000	27-mar-15	23-mar-18	3.0	TIIIE28 + 0.14%		A3/Aaa.mx	AAA(mex)
Bond 1st Issuance 2016 - BACOMER 16	\$4,000	30-jun-16	27-jun-19	3.0	TIIIE28 + 0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17	\$5,142	26-may-17	26-may-20	3.0	TIIIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17-2	\$1,858	26-may-17	26-may-22	3.0	TIIIE28+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	Sep	Dec	Mar	Jun	Sep
Million pesos	2016	2016	2017	2017	2017
CASH AND CASH EQUIVALENTS	158,524	186,749	143,241	170,744	231,961
Margin call accounts	7,816	8,998	11,809	11,546	12,518
SECURITIES	399,234	401,350	436,872	430,317	416,530
Trading	225,691	235,030	274,826	274,138	274,279
Available for sale	156,246	150,664	146,163	140,039	127,842
Held to maturity	17,297	15,656	15,883	16,140	14,410
Debtors from repurchase agreement	150	289	85	10,957	232
Derivatives	144,285	167,891	141,122	115,386	107,407
Trading	124,309	148,957	127,174	102,714	94,232
Hedging Transactions	19,976	18,934	13,948	12,672	13,175
Valuation adjustments derived from hedges of financial assets	2,044	262	766	956	1,102
PERFORMING LOANS	967,374	999,701	1,004,293	1,026,476	1,047,950
Commercial loans	548,698	572,221	571,211	587,128	602,749
Business or commercial activity	392,330	409,974	416,209	432,722	443,915
Financial entities	21,165	19,606	23,431	24,803	30,477
Government entities	135,203	142,640	131,572	129,604	128,356
Consumer	240,799	245,965	247,246	250,903	254,463
Mortgage	177,877	181,515	185,836	188,444	190,738
Residential Mortgages	162,524	166,694	171,528	174,762	177,609
Social Housing	15,353	14,821	14,307	13,682	13,129
NON PERFORMING LOANS	23,186	22,759	22,560	23,278	23,084
Commercial loans	6,403	6,323	6,464	6,542	6,445
Business or commercial activity	6,078	6,000	6,450	6,541	6,444
Financial entities	324	322	3	0	0
Government entities	1	1	11	1	1
Consumer	8,675	8,755	8,675	9,337	9,850
Mortgage	8,108	7,681	7,421	7,399	6,789
Residential Mortgages	7,207	6,828	6,606	6,610	5,994
Social Housing	901	853	815	789	795
TOTAL LOANS	990,560	1,022,460	1,026,853	1,049,754	1,071,034
Allowance for loan losses	(30,390)	(30,005)	(29,972)	(31,682)	(32,133)
TOTAL LOANS, NET	960,170	992,455	996,881	1,018,072	1,038,900
Receivable benefits from securitization transactions	210	197	182	182	165
Other accounts receivable, net	91,567	80,807	77,545	95,615	87,107
Reposessed assets, net	4,552	3,866	3,509	3,351	2,941
Property, furniture and equipment, net	41,550	42,563	41,904	41,418	40,626
Equity investments	1,211	1,207	1,200	1,216	1,228
Long-Term assets available for sale	0	0	0	0	0
Deferred taxes, net	11,874	14,998	14,867	15,951	14,715
Other assets	8,869	7,049	7,361	7,165	7,403
Deferred charges, prepaid expenses and intangibles	7,794	6,293	6,582	6,366	6,569
Other assets, short and long term	1,075	756	779	799	834
TOTAL ASSETS	1,832,056	1,908,681	1,877,344	1,922,876	1,962,836

BBVA Bancomer					
Liabilities & Stockholders' Equity					
<i>Million pesos</i>	Sep	Dec	Mar	Jun	Sep
	2016	2016	2017	2017	2017
TOTAL DEPOSITS	1,017,356	1,035,624	1,041,991	1,078,905	1,154,584
Demand deposits	930,101	952,464	959,487	989,560	1,063,157
Time Deposits	721,918	754,858	768,334	781,292	828,229
Customer deposits	181,343	173,800	173,847	179,675	196,858
Money market	26,840	23,806	17,306	28,593	38,071
Bonds	83,962	79,990	79,501	86,227	88,224
Deposits global account without movements	3,293	3,170	3,003	3,118	3,203
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	18,511	19,204	27,345	16,935	16,869
Payable on demand	3,430	413	10,861	67	0
Short-term	6,530	8,619	6,899	7,648	7,441
Long-term	8,551	10,172	9,585	9,220	9,428
Creditors from repurchase agreements	234,898	264,485	266,772	249,359	270,756
Securities creditors	1	1	1	1	1
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	37,949	34,416	38,159	64,497	39,738
Repurchase	142,694	159,036	136,284	121,458	111,009
Securities lending	37,949	34,416	38,159	64,497	39,738
DERIVATIVES	142,694	159,036	136,284	121,458	111,009
Trading	129,138	148,027	128,106	113,305	101,894
Hedge transactions	13,556	11,009	8,178	8,153	9,115
Valuation adjustments derived from hedges of financial liabilities	8,623	5,095	3,795	4,091	3,783
OTHER PAYABLES	119,380	130,922	110,132	137,321	110,833
Profit taxes payable	0	1,005	1,406	1,626	4
Employee profit sharing (PTU) payable	4	2	2	2	3
Transaction settlement creditors	61,880	59,192	50,165	91,380	45,415
Creditors from collaterals received in cash	30,572	36,271	22,215	16,353	16,342
Accrued liabilities and other	26,924	34,452	36,344	27,960	49,069
Subordinated debt	87,245	93,185	84,616	72,539	72,476
Deferred credits and advanced collections	7,860	7,731	8,172	8,100	7,946
TOTAL LIABILITIES	1,674,517	1,749,699	1,717,267	1,753,206	1,787,995
SUBSCRIBED CAPITAL	39,864	39,864	40,003	40,003	40,003
Paid-in capital	24,138	24,138	24,143	24,143	24,143
Share premium	15,726	15,726	15,860	15,860	15,860
EARNED CAPITAL	117,638	119,081	120,039	129,631	134,802
Capital reserves	6,881	6,881	6,901	6,901	6,901
Results of prior years	85,211	82,742	105,915	104,928	100,292
Unrealized gain on available-for-sale securities	(1486)	(3967)	(2521)	(1734)	(1525)
Result from valuation of cash flow hedging instruments	302	141	-210	-328	-213
Accumulated effect by conversion	440	440	440	440	440
Redefined benefits to employees	-1	-467	-457	-446	-435
Net income	26,291	33,311	9,971	19,870	29,343
MAJORITY STOCKHOLDERS' EQUITY	157,502	158,945	160,042	169,634	174,805
Non-controlling interest in consolidated subsidiaries	37	37	35	36	36
TOTAL STOCKHOLDERS' EQUITY	157,539	158,982	160,077	169,670	174,841
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,832,056	1,908,681	1,877,344	1,922,876	1,962,836

Memorandum accounts

BBVA Bancomer					
Memorandum accounts	Sep	Dec	Mar	Jun	Sep
Million pesos	2016	2016	2017	2017	2017
Contingent assets and liabilities	343	394	489	529	489
Credit commitments	532,941	553,195	541,497	531,227	522,833
In trusts	423,132	438,732	420,242	411,620	424,421
Under mandate	24,217	24,206	24,199	24,201	24,202
Assets in trust or under mandate	447,350	462,938	444,441	435,821	448,623
Assets in custody or under administration	186,853	181,474	178,602	181,522	184,712
Collaterals received by the institution	43,496	44,789	44,184	102,424	53,507
Collaterals received and sold or pledged as collateral by the institution	43,461	44,752	42,567	89,064	50,880
Investment banking transactions on behalf of third parties, net	916,030	889,097	1,104,631	1,159,397	1,172,737
Accrued interest on non- performing loans	10,559	7,762	8,506	8,912	7,613
Other record accounts	3,126,558	3,189,623	3,144,162	3,218,677	3,319,468

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					
	3Q	2Q	3Q	9M	9M
<i>Million pesos</i>	2016	2017	2017	2016	2017
Interest Income	34,325	41,151	42,875	100,908	123,026
Interest Expenses	(8,726)	(13,353)	(14,252)	(24,443)	(39,579)
Net interest income	25,599	27,798	28,623	76,465	83,447
Provisions for loan losses	(8,539)	(8,211)	(9,145)	(24,401)	(25,569)
Net interest income after provisions for loan losses	17,060	19,587	19,478	52,064	57,878
Fees & Commissions received	9,097	9,607	9,678	26,160	28,947
Fees & Commissions paid	(2,945)	(3,297)	(3,290)	(8,518)	(9,890)
Total Fees & Commissions	6,152	6,310	6,388	17,642	19,057
Trading income	1,178	1,344	1,194	2,492	3,969
Other operating income	16	366	416	1,713	1,107
Total de ingresos (egresos) de la operación	24,406	27,607	27,476	73,911	82,011
Non-interest expense	(13,820)	(14,053)	(14,489)	(40,543)	(42,147)
Operating income	10,586	13,554	12,987	33,368	39,864
Share in net income of unconsolidated subsidiaries and affiliates	(148)	16	14	20	26
Income before tax	10,438	13,570	13,001	33,388	39,890
Current income tax and profit sharing	(885)	(4,627)	(2,431)	(7,171)	(10,740)
Deferred income tax and profit sharing	(1,854)	956	(1,095)	(797)	194
Net taxes	(2,739)	(3,671)	(3,526)	(7,968)	(10,546)
Income before discontinued operations	7,699	9,899	9,475	25,420	29,344
Discontinued operations	534	0	0	872	0
Minority Interest	(1)	0	(1)	(1)	0
NET INCOME	8,232	9,899	9,474	26,291	29,344

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Cash Flows

BBVA Bancomer Cash Flow Statement (from January 1st to September 30th 2017) <small>Million pesos</small>	
Net income	29,343
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	2,419
Amortization of intangible assets	1,642
Provisions	2,546
Income taxes	10,546
Share in net income of unconsolidated subsidiaries and affiliated companies	(26)
Noncontrolling interest	1
Operating activities	
Change in margin call accounts	(3,821)
Change in investments in securities	(16,987)
Change in debtors from repurchase agreement	286
Change in derivatives (assets)	54,725
Change in loan portfolio (net)	(65,806)
Change in receivable benefits from securitization transactions	32
Change in repossessed assets	925
Change in other operating assets	(7,690)
Change in deposits	140,516
Change in interbank loans and other loans from other entities	(2,141)
Change in creditors from repurchase agreements	6,270
Change in collaterals sold or delivered in guarantee	5,322
Change in derivatives (liabilities)	(46,134)
Change in subordinated debt	(10,889)
Change in other operating liabilities	(15,951)
Change in hedging instruments (of hedge items related to operation activities)	2,051
Income taxes payment	(11,739)
Net cash flows used in operating activities	28,969
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	638
Payments for the acquisition of property furniture and fixtures	(1,119)
Proceeds from the disposal of subsidiaries	2
Payments for acquisition of intangible assets	(1,581)
Net cash flows used in investment activities	(2,060)
Financing activities	
Cash dividends paid	(17,265)
Proceeds from share issuance	6
Net cash flows used in financing activities	(17,259)
Net increase or decrease in cash and cash equivalents	56,121
Effects of changes in cash and cash equivalents	(10,909)
Cash and cash equivalents at the beginning of the year	186,749
Cash and cash equivalents at the end of the year	231,961

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Variation in Stakeholders' Equity

BBVA Bancomer Million pesos	Subscribed Capital		Eamed 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				(14,800)						(14,800)		(14,800)
Total	5	134	20	18,535	-	-	-	-	(33,311)	(14,617)	-	(14,617)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									29,343	29,343	(1)	29342
Result from valuation of securities available for sale					2,442					2,442		2,442
Result from valuations of Cash Flow Hedging							(354)			(354)		(354)
				(986)						(986)		(986)
Redefined benefits to employees								32		32		32
Total	-	-	-	(986)	2,442	(354)	-	32	29,343	30,477	(1)	30,476
Balances as of september 30th 2017	24,143	15,860	6,901	100,291	(1,525)	(213)	440	(435)	29,343	174,805	36	174,841

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January - September 2017

Financial Report BBVA Bancomer

Contact

Investor Relations
Phone: (52 55) 5621-2555
investorrelations.mx@bbva.com
<https://investors.bancomer.com>