

BBVA Bancomer

Financial Report January–March 2018

BBVA Bancomer

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Relevant Events

Decree and distribution of dividends

During the first quarter of 2018, BBVA Bancomer S.A. Multiple Banking Institution made the first partial payment of dividends decreed at the Ordinary General Shareholders' Meeting for the fiscal year 2017, at a rate of \$0.351367101494780 per outstanding share.

Expiration of Bank Securitization Certificate

In March 2018, the issuance of the CB Bacomer_15 Securities Certificate expired, which was issued in March 2015 for an amount for 5,000 million pesos (mp).

Issuance of Subordinated Non-Preferred and Non-Convertible Obligations

Last January 2018, BBVA Bancomer issued Subordinated Notes of Capital for USD 1,000 millions for a term of 15 years with a coupon rate of 5.13%, with a 10-year amortization option.

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 2017, 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 support, is considered effective for up to three months according to the benefit received, or up to 6 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 instrumented 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.- Loans that from the beginning are stipulated as revolving, are restructured or renewed within 120 calendar days following the date of the loss, will not be considered as overdue loans. 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 March 31 2018, the decrease in the current portfolio would have been 40,977 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 from the creation of preventive reserves for credit risks would have been 200,834 pesos. The NPL ratio considering the support portfolios (Mortgages, Credit Cards, Consumer, SMEs and Business Credit Cards) and the Total Capital Ratio would have had almost no impact.

Management and Discussion Analysis

Commercial Activity

Performing Loans

As of March 2018, the loan portfolio reached 1,057,468 million pesos, equivalent to an annual growth of 5.3%.

Inside the breakdown, the commercial portfolio grew at 5.1% over the year. In detail, credits to business or commercial activity (that includes corporate, medium enterprises, developers and SMEs) showed the higher dynamism with an annual increase of 7.2%.

Consumer lending, including credit cards, grew at 4.8% in annual terms. Inside this portfolio, payroll, personal and car loans showed a 5.5% increase to reach a total balance of 155,905 million pesos at the end of March 2018. In the credit card portfolio (3.8% Y-o-Y), BBVA Bancomer still has a large part of the customers that pay the total amount of the debt at the end of the month, which limits the revolving.

Mortgage loans registered an annual growth of 6.4%, with a balance of 197,664 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 of the CNBV as of February 2018.

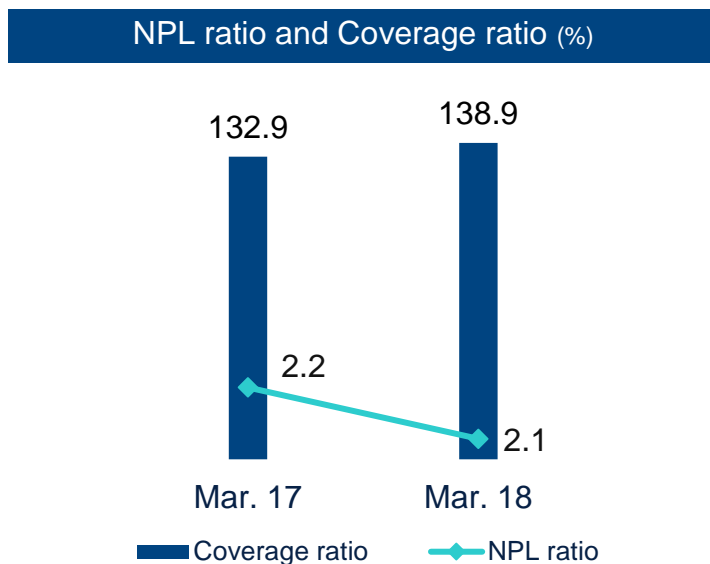
Performing Loans	3M	12M	3M	%	
<i>Figures in million pesos</i>	2017	2017	2018	Q-o-Q	Y-o-Y
Business or commercial activity	416,209	452,669	446,273	(1.4)	7.2
Financial entities	23,431	27,899	28,581	2.4	22.0
Government loans	77,510	71,516	69,051	(3.4)	(10.9)
Parastatals	54,062	52,748	56,723	7.5	4.9
Government entities	131,572	124,264	125,774	1.2	(4.4)
Commercial loans	571,212	604,832	600,628	(0.7)	5.1
Consumer	247,246	257,669	259,176	0.6	4.8
Mortgage	185,835	193,833	197,664	2.0	6.4
Total Performing Loans	1,004,293	1,056,334	1,057,468	0.1	5.3

Asset quality

Non-performing loans

BBVA Bancomer’s strict risk management is reflected in the evolution of asset quality. The NPL ratio had an improvement of 14 basis points and it stood at 2.1% at the end of March 2018.

Non Performing Loans	3M	12M	3M	%	
<i>Figures in million pesos</i>	2017	2017	2018	Q-o-Q	Y-o-Y
Business or commercial activity	6,450	6,366	6,382	0.3	(1.1)
Financial entities	3	0	0	n.a.	n.a.
Government entities	11	0	0		(100.0)
Commercial loans	6,464	6,366	6,382	0.3	(1.3)
Consumer	8,674	9,703	9,051	(6.7)	4.3
Mortgage	7,421	6,676	6,768	1.4	(8.8)
Total Non Performing Loans	22,559	22,745	22,201	(2.4)	(1.6)



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 2018

Figures in million pesos

	Commercial Loans		Mortgage		Consumer		Credit Card	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Ratings								
A1	567,854	1,298	177,067	271	46,442	392	41,041	710
A2	65,441	651	6,084	37	16,465	417	14,892	587
B1	15,707	226	2,353	20	41,304	1,373	9,698	555
B2	8,494	104	2,842	34	28,278	1,276	9,453	681
B3	10,379	323	1,208	21	8,320	462	8,834	790
C1	2,650	167	4,908	159	5,623	409	8,012	953
C2	429	42	3,554	292	4,485	453	11,608	2,766
D	3,980	1,207	4,856	1,127	2,432	572	1,925	931
E	5,309	2,811	1,563	863	7,134	4,755	2,281	1,951
Additional				1,155				
Total required	680,243	6,829	204,435	3,979	160,483	10,109	107,744	9,924

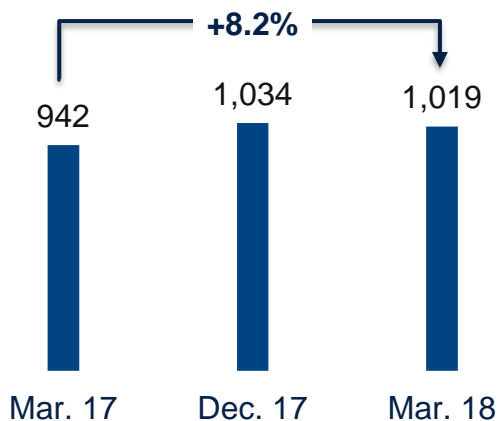
Deposits

Bank deposits (defined as demand and customer deposits) showed an annual growth of 8.2%. This evolution allows BBVA Bancomer to maintain adequate liquidity levels with an annual increase of 5.2% in demand deposits, while time deposits registered a growth of 20.0% since March 2017. Given this, BBVA Bancomer maintains a very profitable funding mix with a higher relative weight of low-cost deposits.

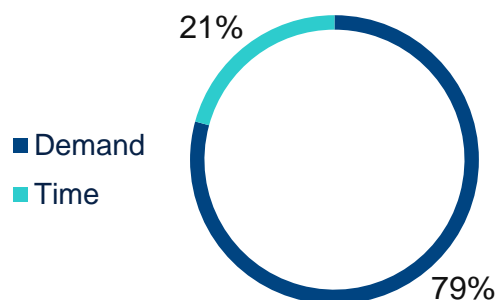
Total deposits also recorded a strong performance with an annual growth of 7.7%. Summing up all customer resources or funds, BBVA Bancomer manages 1.8 trillion pesos.

Deposits	3M 2017	12M 2017	3M 2018	% Q-o-Q	Y-o-Y
<i>Figures in million pesos</i>					
Demand deposits	768,334	835,427	807,977	(3.3)	5.2
Time Deposits	191,153	237,602	229,447	(3.4)	20.0
Customer Deposits	173,847	198,542	211,458	6.5	21.6
Money Market	17,306	39,060	17,989	(53.9)	3.9
Bonds	79,501	86,280	81,552	(5.5)	2.6
Deposits global account without movements	3,003	3,324	3,211	(3.4)	6.9
Total Deposits	1,041,991	1,162,633	1,122,187	(3.5)	7.7

Banking Deposits (mp)



Banking Deposits Mix (%)

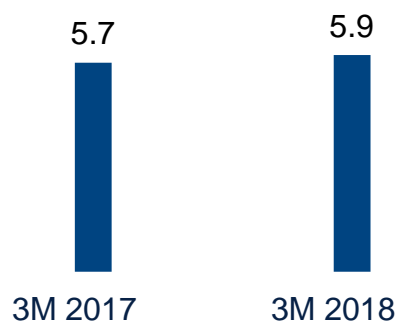


Results

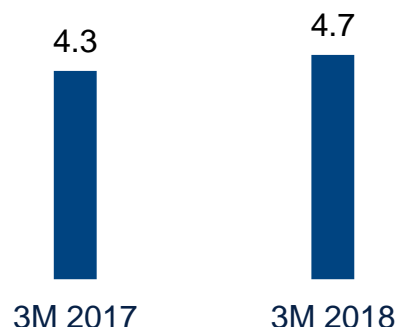
As of March 2018, BBVA Bancomer recorded solid results, maintaining double-digit annual growth in net income. As of March 2018, net income stood at 11,212 million pesos, 12.4% higher than the same period of the previous year.

BBVA Bancomer Income Statement	1Q		4Q		1Q		3M		3M	
	2017	2017	2018	2017	2018	2017	2018	2017	2018	
Figures in million pesos										
Net interest income	27,026	29,562	29,485	(0.3)	9.1	27,026	29,485	9.1		
Provisions for loan losses	(8,213)	(8,502)	(8,144)	(4.2)	(0.8)	(8,213)	(8,144)	(0.8)		
Net interest income after provisions for loan losses	18,813	21,060	21,341	1.3	13.4	18,813	21,341	13.4		
Total Fees & Commission	6,359	6,764	6,623	(2.1)	4.2	6,359	6,623	4.2		
Trading income	1,431	658	1,709	159.7	19.4	1,431	1,709	19.4		
Other operating income	325	145	513	n.a.	57.8	325	513	57.8		
Total operating revenues	26,928	28,627	30,186	5.4	12.1	26,928	30,186	12.1		
Non-interest expense	(13,605)	(15,461)	(14,617)	(5.5)	7.4	(13,605)	(14,617)	7.4		
Net operating income	13,323	13,166	15,569	18.3	16.9	13,323	15,569	16.9		
Share in net income of unconsolidated subsidiaries and affiliates	(4)	8	(24)	n.a.	n.a.	-4	-24	n.a.		
Income before income tax and profit sharing	13,319	13,174	15,545	18.0	16.7	13,319	15,545	16.7		
Net Taxes	(3,349)	(3,374)	(4,333)	28.4	29.4	(3,349)	(4,333)	29.4		
Net Income	9,971	9,800	11,212	14.4	12.4	9,971	11,212	12.4		

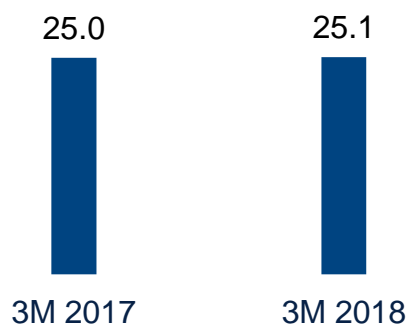
NIM (total assets, %)¹



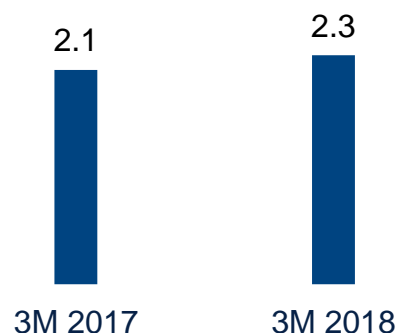
NIM Adjusted (interest bearing assets, %)²



ROE (%)



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 10.1%, driven by higher volumes of commercial activity. When adding the net repos financial revenues, the NII grew 9.1% per year.

Additionally, with the provisions for loan losses, which decreased at an annual rate of 0.8%, the adjusted NII increased at 13.4% when compared March of the previous year.

Net Interest Income	1Q	4Q	1Q			3M	3M	%
<i>Figures in million pesos</i>	2017	2017	2018	Q-o-Q	Y-o-Y	2017	2018	Y-o-Y
Loans and deposits financial revenues	26,633	29,038	29,251	0.7	9.8	26,633	29,251	9.8
Margin fees	363	436	474	8.7	30.6	363	474	30.6
Banking net interest income	26,996	29,474	29,725	0.9	10.1	26,996	29,725	10.1
Repos financial revenues	30	88	(240)	n.a.	n.a.	30	(240)	n.a.
Net interest income	27,026	29,562	29,485	(0.3)	9.1	27,026	29,485	9.1
Provisions for loan losses	(8,213)	(8,502)	(8,144)	(4.2)	(0.8)	(8,213)	(8,144)	(0.8)
Net interest income after provisions	18,813	21,060	21,341	1.3	13.4	18,813	21,341	13.4

Fees and Commissions

Commissions increased at 4.2% in annual terms, driven mainly by the ones coming from higher transaction volume of customers with credit and debit cards.

Fees & Commissions	1Q	4Q	1Q			3M	3M	%
<i>Figures in million pesos</i>	2017	2017	2018	Q-o-Q	Y-o-Y	2017	2018	Y-o-Y
Bank fees	1,628	1,707	1,676	(1.8)	2.9	1,628	1,676	2.9
Credit and debit card	3,242	3,644	3,466	(4.9)	6.9	3,242	3,466	6.9
Investment funds	738	832	704	(15.4)	(4.6)	738	704	(4.6)
Others	751	581	777	33.7	3.5	751	777	3.5
Commissions and fee income	6,359	6,764	6,623	(2.1)	4.2	6,359	6,623	4.2

Other income (expenses) of the operation

The positive comparison of this item is due to the good collection management that is reflected in higher recoveries of loan portfolio.

Other Income	1Q		4Q		1Q		3M		3M		Var Annual
	2017	2017	2017	2018	Q-o-Q	Y-o-Y	2017	2018	2018		
<i>Figures in million pesos</i>											
Sales and recoveries of loan portfolio	242	442	515	16.4	112.8	242	515	112.8			
Interest of loans to employees	148	157	161	2.5	8.8	148	161	8.8			
Dividends collected unlisted	28	1	-	(100.0)	(100.0)	28	-	(100.0)			
Result of operation of foreclosed assets	22	102	130	27.3	n.a.	22	130	n.a.			
Write-offs	(85)	(157)	(162)	3.4	90.6	(85)	(162)	90.6			
Legal contingencies	(93)	(146)	(71)	(51.3)	(23.7)	(93)	(71)	(23.7)			
Donations	(73)	(304)	(85)	(72.0)	16.4	(73)	(85)	16.4			
Sale and disposal of fixed assets	2	(1)	-	n.a.	(100.0)	2	-	(100.0)			
Other income	134	49	25	(49.4)	(81.3)	134	25	(81.3)			
Other operating income	325	145	513	n.a.	57.8	325	513	57.8			

Non-Interest Expenses

The expenses grew 7.4% with respect to the previous year. This increase is mainly driven by a higher expense in salaries coming from the annual inflationary adjustment.

Meanwhile, the continuous investment allows BBVA Bancomer to keep strengthening the banking infrastructure, being the leader in the market. At the end of the March 2018, we have 1,833 offices and 11,798 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 38.1% at the end of March 2018.

Non-Interest Expenses	1Q		4Q		1Q		3M		3M		Y-o-Y
	2017	2017	2017	2018	Q-o-Q	Y-o-Y	2017	2018	2018		
<i>Figures in million pesos</i>											
Administrative and operating expenses	8,887	10,449	9,576	(8)	7.8	8,887	9,576	7.8			
Manageable expenses	8,887	10,449	9,576	(8.4)	7.8	8,887	9,576	7.8			
Rents	1,193	1,271	1,310	3	9.8	1,193	1,310	9.8			
Depreciation and amortization	1,350	1,368	1,385	1	2.6	1,350	1,385	2.6			
Taxes	953	1,080	1,081	0	13.4	953	1,081	13.4			
Deposit guarantee fund (IPAB)	1,222	1,293	1,265	(2)	3.5	1,222	1,265	3.5			
Non-manageable expenses	4,718	5,012	5,041	0.6	6.8	4,718	5,041	6.8			
Administrative and promotional expenses	13,605	15,461	14,617	(5.5)	7.4	13,605	14,617	7.4			

Financial Indicators

BBVA Bancomer	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	3M 2017	3M 2018
Infrastructure Indicators (#)							
Branches	1,836	1,841	1,845	1,840	1,833	1,836	1,833
ATMs	11,534	11,583	11,519	11,724	11,798	11,534	11,798
Employees	30,503	30,622	30,806	30,826	31,225	30,503	31,225
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	4.3	4.5	4.4	4.6	4.7	4.3	4.7
b) NIM (total assets)	5.7	5.9	5.9	6.0	5.9	5.7	5.9
c) Operating efficiency	2.9	3.0	3.0	3.1	2.9	2.9	2.9
d) Efficiency (cost to income)	38.7	39.2	39.6	41.6	38.1	38.7	38.1
e) Productivity index	46.7	44.9	44.1	43.7	45.3	46.7	45.3
f) ROE	25.0	24.0	22.0	22.4	25.1	25.0	25.1
g) ROA	2.1	2.1	2.0	2.0	2.3	2.1	2.3
Asset Quality Indicators (%)							
h) NPL ratio	2.2	2.2	2.2	2.1	2.1	2.2	2.1
i) Coverage ratio	132.9	136.1	139.2	138.9	138.9	132.9	138.9
Solvency Indicators (%)							
j) Core equity tier 1 ratio	11.0	11.7	12.1	11.7	11.9	11.0	11.9
k) Total capital ratio	13.6	14.2	14.6	14.3	15.2	13.6	15.2
l) Leverage ratio	8.5	8.7	8.9	8.8	9.0	8.5	9.0
Liquidity Indicators (%)							
m) Liquidity ratio (CNBV requirement)	71.8	74.1	75.9	75.0	77.9	71.8	77.9
n) Liquidity ratio (Loans / Deposits)	104.7	103.7	98.6	98.4	101.9	104.7	101.9
o) Liquidity Coverage Coefficient (Local LCR)	125.2	115.5	124.1	139.6	147.5	125.2	147.5

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): $\text{Computable Liquid Assets} / \text{Outputs} - \text{Inputs}$

Capital and Liquidity

BBVA Bancomer's estimated capitalization index stood at 15.16% as of March 2018, which is composed by 12.29% of Tier 1 capital and 2.88% of Tier 2 capital.

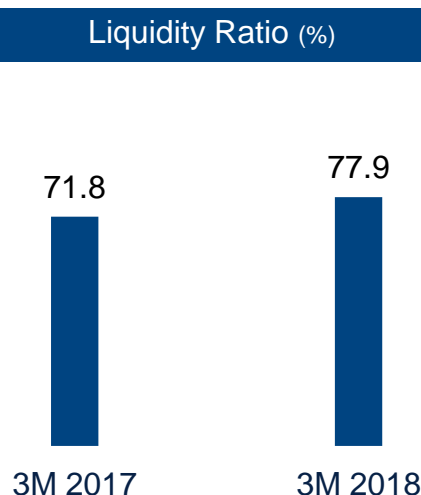
BBVA Bancomer fully covers the minimum capital requirements. For year 2018, derived from the additional allocation of capital for being classified as domestic systemically important financial institutions (Grade IV), BBVA Bancomer has a minimum requirement of 11.625% for the total capital ratio.

BBVA Bancomer

Capitalization (estimate)

	March 2017		December 2017		March 2018	
<i>Figures in million pesos</i>						
Tier 1 capital		159,670		176,789		180,000
Tier 2 capital		27,531		29,182		42,140
Net capital		187,201		205,971		222,140
Risk-weighted assets	973,433	1,376,139	990,103	1,445,035	994,095	1,464,976
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Tier 1 as % of risk-weighted assets	16.40%	11.60%	17.86%	12.23%	18.11%	12.29%
Tier 2 as % of risk-weighted assets	2.83%	2.00%	2.95%	2.02%	4.24%	2.88%
Net capital ratio	19.23%	13.60%	20.80%	14.25%	22.35%	15.16%

The regulatory liquidity ratio, defined as Liquid Assets / Liquid Liabilities, stood at 77.9%. The Liquidity Coverage Ratio (Local LCR) stood at 147.55%, with a minimum required of 90%, 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	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	Stable
Bank Deposits - Domestic Currency	A3	P-2	Stable
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		
						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	1078	06-sep-10	24-ago-20	10.0	7.83%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2011 - BACOMER 21145	1000	15-abr-11	02-abr-21	10.0	TIIE28 + 0.80%		A3/Aaa.mx	AAA(mex)
Bond 4th Issuance 2012 - BACOMER 22224	1000	07-jun-12	26-may-22	10.0	TIIE28 + 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	5000	27-mar-15	23-mar-18	3.0	TIIE28 + 0.14%		A3/Aaa.mx	AAA(mex)
Bond 1st Issuance 2016 - BACOMER 16	4000	30-jun-16	27-jun-19	3.0	TIIE28 + 0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17	5142	26-may-17	26-may-20	3.0	TIIE28+0.23%		A3/Aaa.mx	AAA(mex)
Bond 2nd Issuance 2017 - BACOMER 17-2	1858	26-may-17	26-may-22	3.0	TIIE28+0.23%		A3/Aaa.mx	AAA(mex)
Subordinated Debentures								
Capital Notes Tier 1 2020	US\$1,000	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-
Subordinated Debentures Tier 2 2033 (15NC10)	US\$1,000	18-ene-18	18-ene-33	15NC10	5.13%	BB+		BBB-
Mortgage Securitization								
1st Issuance - BACOMCB 07	2540	21-dic-07	13-mar-28	20.2	9.05%	mxAAA	A3/Aaa.mx	AAA(mex)
2nd Issuance - BACOMCB 08	1114	14-mar-08	14-jul-28	20.3	8.85%	mxAAA		AAA(mex)
4th Issuance - BACOMCB 08-2	5509	01-dic-08	19-ago-30	21.7	9.91%	mxAAA	A3/Aaa.mx	
5th Issuance Serie 3 - BACOMCB 09-3	3616	07-ago-09	24-may-29	19.8	10.48%	mxAAA		AAA(mex)
1st Issuance - BMERCB 13	4192	21-jun-13	07-abr-33	19.8	6.38%	mxAAA		AAA(mex)

Financial Statements

Balance Sheets (Last 5 quarters)

BBVA Bancomer

Assets

	Mar	Jun	Sep	Dec	Mar
	2017	2017	2017	2017	2018
<i>Figures in million pesos</i>					
CASH AND CASH EQUIVALENTS	143,241	170,744	231,961	217,126	187,426
Margin call accounts	11,809	11,546	12,518	14,359	11,736
SECURITIES	436,873	430,317	416,531	430,771	463,101
Trading	274,827	274,138	274,279	285,970	319,326
Available for sale	146,163	140,039	127,842	130,137	128,843
Held to maturity	15,883	16,140	14,410	14,664	14,932
Debtors from repurchase agreement	85	10,957	232	76	141
Derivatives	141,122	115,386	107,407	138,558	118,816
Trading	127,174	102,714	94,232	122,524	107,188
Hedging Transactions	13,948	12,672	13,175	16,034	11,628
Valuation adjustments derived from hedges of financial assets	766	956	1,102	286	461
PERFORMING LOANS	1,004,293	1,026,476	1,047,950	1,056,334	1,057,468
Commercial loans	571,212	587,129	602,749	604,832	600,628
Business or commercial activity	416,209	432,722	443,915	452,669	446,273
Financial entities	23,431	24,803	30,477	27,899	28,581
Government entities	131,572	129,604	128,356	124,264	125,774
Consumer	247,246	250,903	254,463	257,669	259,176
Mortgage	185,835	188,444	190,738	193,833	197,664
Residential Mortgages	171,528	174,762	177,609	181,286	185,197
Social Housing	14,307	13,682	13,129	12,547	12,467
NON PERFORMING LOANS	22,559	23,278	23,084	22,745	22,201
Commercial loans	6,464	6,542	6,445	6,366	6,382
Business or commercial activity	6,450	6,541	6,444	6,366	6,382
Financial entities	3	0	0	0	0
Government entities	11	1	1	0	0
Consumer	8,674	9,337	9,850	9,703	9,051
Mortgage	7,421	7,399	6,789	6,676	6,768
Residential Mortgages	6,606	6,610	5,994	5,913	6,014
Social Housing	815	789	795	763	754
TOTAL LOANS	1,026,852	1,049,754	1,071,033	1,079,079	1,079,669
Allowance for loan losses	(29,972)	(31,682)	(32,133)	(31,596)	(30,841)
TOTAL LOANS, NET	996,880	1,018,072	1,038,900	1,047,483	1,048,828
Receivable benefits from securitization transactions	182	182	165	159	142
Other accounts receivable, net	77,546	95,615	87,107	80,160	89,740
Reposessed assets, net	3,509	3,351	2,941	2,602	2,357
Property, furniture and equipment, net	41,904	41,418	40,626	41,349	40,365
Equity investments	1,200	1,216	1,228	1,235	1,239
Deferred taxes, net	14,867	15,951	14,715	14,931	14,885
Other assets	7,361	7,165	7,403	7,891	9,072
Deferred charges, prepaid expenses and intangibles	6,582	6,366	6,569	7,891	9,072
Other assets, short and long term	779	799	834	0	0
TOTAL ASSETS	1,877,345	1,922,876	1,962,836	1,996,986	1,988,309

BBVA Bancomer
Liabilities & Stockholders' Equity
Figures in million pesos

	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
TOTAL DEPOSITS	1,041,991	1,078,905	1,154,584	1,162,633	1,122,187
Demand deposits	768,334	781,292	828,229	835,427	807,977
Time Deposits	191,153	208,268	234,929	237,602	229,447
Customer deposits	173,847	179,675	196,858	198,542	211,458
Money market	17,306	28,593	38,071	39,060	17,989
Bonds	79,501	86,227	88,223	86,280	81,552
Deposits global account without movements	3,003	3,118	3,203	3,324	3,211
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	27,345	16,935	16,869	17,380	15,533
Payable on demand	10,861	67	0	0	0
Short- term	6,899	7,648	7,441	9,164	7,488
Long- term	9,585	9,220	9,428	8,216	8,045
Creditors from repurchase agreements	266,772	249,359	270,756	225,828	245,039
Securities creditors	1	1	1	2	4
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	38,159	64,497	39,738	50,720	74,375
Repurchase	0	0	0	1	0
Securities lending	38,159	64,497	39,738	50,719	74,375
DERIVATIVES	136,284	121,458	111,009	146,348	119,688
Trading	128,106	113,305	101,894	134,985	109,487
Hedge transactions	8,178	8,153	9,115	11,363	10,201
Valuation adjustments derived from hedges of financial liabilities	3,795	4,091	3,783	3,629	660
OTHER PAYABLES	110,133	137,321	110,833	127,799	128,998
Profit taxes payable	1,406	1,626	4	0	0
Employee profit sharing (PTU) payable	2	2	3	2	2
Transaction settlement creditors	50,165	91,380	45,415	65,683	83,088
Creditors from collaterals received in cash	22,215	16,353	16,342	24,394	17,761
Accrued liabilities and other	36,345	27,960	49,069	37,720	28,147
Subordinated debt	84,616	72,539	72,476	78,966	91,386
Deferred credits and advanced collections	8,172	8,100	7,946	7,908	8,647
TOTAL LIABILITIES	1,717,268	1,753,206	1,787,995	1,821,213	1,806,517
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	120,038	129,631	134,802	135,734	141,753
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	105,914	104,928	100,291	93,654	127,466
Unrealized gain on available- for- sale securities	(2,521)	(1,734)	(1,525)	(2,067)	(1,633)
Result from valuation of cash flow hedging instruments	(210)	(328)	(213)	122	(174)
Accumulated effect by conversion	440	440	440	440	440
Redefined benefits to employees	(457)	(446)	(435)	(2,459)	(2,459)
Net income	9,971	19,870	29,343	39,143	11,212
MAJORITY STOCKHOLDERS' EQUITY	160,041	169,634	174,805	175,737	181,756
Non- controlling interest in consolidated subsidiaries	36	36	36	36	36
TOTAL STOCKHOLDERS' EQUITY	160,077	169,670	174,841	175,773	181,792
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,877,345	1,922,876	1,962,836	1,996,986	1,988,309

Memorandum accounts

BBVA Bancomer

Memorandum accounts

	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
<i>Figures in million pesos</i>					
Contingent assets and liabilities	489	529	489	565	559
Credit commitments	541,497	531,227	522,833	566,652	563,892
In trusts	420,242	411,620	424,421	419,391	412,185
Under mandate	24,199	24,201	24,202	24,197	24,272
Assets in trust or under mandate	444,441	435,821	448,623	443,588	436,457
Assets in custody or under administration	178,602	181,522	184,712	182,857	184,019
Collaterals received by the institution	44,184	102,424	53,507	57,648	94,618
Collaterals received and sold or pledged as collateral by the institution	42,567	89,064	50,880	53,821	90,917
Investment banking transactions on behalf of third parties, net	1,104,631	1,159,397	1,172,737	1,212,812	1,152,283
Accrued interest on non- performing loans	8,506	8,912	7,613	4,832	4,586
Other record accounts	3,144,162	3,218,677	3,319,468	3,305,997	3,338,586

"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

Sergio Pérez Gaytán

Head of Accounting

P&L (Last 5 quarters)

BBVA Bancomer
Financial Results

	1Q	2Q	3Q	4Q	1Q	3M	3M
	2017	2017	2017	2017	2018	2017	2018
<i>Figures in million pesos</i>							
Interest Income	39,000	41,151	42,875	44,639	44,746	39,000	44,746
Interest Expenses	(11,974)	(13,353)	(14,252)	(15,077)	(15,261)	(11,974)	(15,261)
Net interest income	27,026	27,798	28,623	29,562	29,485	27,026	29,485
Provisions for loan losses	(8,213)	(8,211)	(9,145)	(8,502)	(8,144)	(8,213)	(8,144)
Net interest income after provisions for loan losses	18,813	19,587	19,478	21,060	21,341	18,813	21,341
Fees & Commissions received	9,662	9,607	9,678	10,414	10,223	9,662	10,223
Fees & Commissions paid	(3,303)	(3,297)	(3,290)	(3,650)	(3,600)	(3,303)	(3,600)
Total Fees & Commissions	6,359	6,310	6,388	6,764	6,623	6,359	6,623
Trading income	1,431	1,344	1,194	658	1,709	1,431	1,709
Other operating income	325	366	415	145	513	325	513
Total operating revenues	26,928	27,607	27,475	28,627	30,186	26,928	30,186
Non-interest expense	(13,605)	(14,053)	(14,489)	(15,461)	(14,617)	(13,605)	(14,617)
Operating income	13,323	13,554	12,986	13,166	15,569	13,323	15,569
Share in net income of unconsolidated subsidiaries and affiliates	(4)	16	14	8	(24)	(4)	(24)
Income before tax	13,319	13,570	13,000	13,174	15,545	13,319	15,545
Current income tax and profit sharing	(3,682)	(4,627)	(2,431)	(3,124)	(4,438)	(3,682)	(4,438)
Deferred income tax and profit sharing	333	956	(1,095)	(250)	105	333	105
Net taxes	(3,349)	(3,671)	(3,526)	(3,374)	(4,333)	(3,349)	(4,333)
Income before discontinued operations	9,970	9,899	9,474	9,800	11,212	9,970	11,212
Discontinued operations	0	0	0	0	0	0	0
Minority Interest	1	0	(1)	0	0	1	0
NET INCOME	9,971	9,899	9,473	9,800	11,212	9,971	11,212

"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

Sergio Pérez Gaytán

Head of Accounting

Cash Flows

BBVA Bancomer

Cash Flow Statement (from January 1st to March 31st 2018)

Figures in million pesos

Net income	11,212
Adjustments derived from items not involving cash flow	
Profit or loss derived from the valuation of investment and financing activities	(27)
Depreciation of property, furniture and fixtures	788
Amortization of intangible assets	598
Provisions	(407)
Income taxes	4,333
Share in net income of unconsolidated subsidiaries and affiliated companies	24
Noncontrolling interest	-
Operating activities	
Change in margin call accounts	2,127
Change in investments in securities	(34,739)
Change in debtors from repurchase agreement	(65)
Change in derivatives (assets)	15,336
Change in loan portfolio (net)	(13,016)
Change in receivable benefits from securitization transactions	17
Change in repossessed assets	244
Change in other operating assets	(9,841)
Change in deposits	(25,755)
Change in interbank loans and other loans from other entities	(1,717)
Change in creditors from repurchase agreements	19,211
	2
Change in collaterals sold or delivered in guarantee	23,656
Change in derivatives (liabilities)	(25,497)
Change in subordinated debt	18,010
Change in other operating liabilities	3,971
Change in hedging instruments (of hedge items related to operation activities)	(86)
Income taxes payment	(5,961)
Net cash flows used in operating activities	(34,103)
Investment activities	
Proceeds from the disposal of property, furniture and fixtures	350
Payments for the acquisition of property furniture and fixtures	(154)
Payments for acquisition of intangible assets	(420)
Net cash flows used in investment activities	(224)
Financing activities	
Cash dividends paid	(5,331)
Net cash flows used in financing activities	(5,331)
Net increase or decrease in cash and cash equivalents	(23,317)
Effects of changes in cash and cash equivalents	(6,563)
Cash and cash equivalents at the beginning of the year	217,126
Cash and cash equivalents at the end of the year	187,246

“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

Sergio Pérez Gaytán
Head of Accounting

Variation in Stakeholders' Equity

BBVA Bancomer	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 31th, 2017	24,143	15,860	6,901	93,654	(2,067)	122	440	(2,459)	39,143	175,737	36	175,773
HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS												
Transfer from net income to results of prior years				39,143					(39,143)	-		-
Payment of cash dividends				(5,331)						(5,331)		(5,331)
Total	-	-	-	33,812	-	-	-	-	(39,143)	(5,331)	-	(5,331)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									11,212	11,212	-	11,212
Result from valuation of securities available for sale				434						434		434
Result from valuations of Cash Flow Hedging						(296)				(296)		(296)
Total	-	-	-	-	434	(296)	-	-	11,212	11,350	-	11,350
Balances as of march 31st 2018	24,143	15,860	6,901	127,466	(1,633)	(174)	440	(2,459)	11,212	181,756	36	181,792

"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

Sergio Pérez Gaytán

Director Contabilidad Corporativa

Regulatory pronouncements recently issued-

- I. In accordance with the amendments to the General Provisions Applicable to Credit Institutions (the CUB) issued by the CNBV in DOF of December 27, 2017 and according to the Third and Fourth Transitory, the following NIFs will be effective as of January 1, 2019.
 - a. 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 National Banking and Securities Commission (CNBV) no later than 10 working days after the date on which the anticipated application of the aforementioned criteria will begin. As of the date of this report, the Bank did not apply this option.

- b. Below is a brief description of the main changes with application on January 1, 2019:

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.

As of the date of this document, the Bank 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:

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 improvements 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, presentation 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.

New Mexican FRS issued by CINIF:

Mexican FRS B-5, “Leases”- This Mexican FRS introduces a single model for the recognition of leases and requires it to recognize the assets and liabilities of all leases with a duration greater than 12 months, unless the underlying asset is of low value. The lessee is required to recognize a right-of-use asset 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, the Commission has not included it as part of the scope of Bulletin A-2 of Exhibit 33 of the CUB; however, the Bank is in the process of measuring the impacts due to the application of this rule.

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