



BBVA Bancomer

S.A.

Financial Report and Achievements

January-June 2020

Index

Relevant Information	3
Digital Development	4
Responsible Banking	6
Analysis and Discussion of Results	8
Main Magnitudes	9
Commercial Activity	10
Performing Loans	10
Asset quality	12
Non-Performing Loans	12
Non-Performing Loans Movements.....	13
Loan Portfolio Credit Quality Classification	13
Deposits.....	14
Results	15
Net Interest Income	16
Fees and Commissions.....	16
Trading income.....	17
Non-Interest Expenses	18
Capital and Liquidity	19
BBVA Mexico estimated capitalization index.....	19
Financial Indicators.....	20
Ratings	22
Issuances	23
Financial Statements.....	24
Balance Sheet.....	24
Assets	24
Liabilities & Stockholders' Equity	25
Memorandum accounts	26
P&L (Last 5 quarters)	27
Cash Flow Statement.....	28
Variation in Stakeholder's Equity	29
Regulatory accounting pronouncements recently issued.....	30

Relevant Information

Decree and distribution of dividends

During the second quarter of 2021, BBVA Bancomer, SA, Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Mexico or the Institution) made the decree and payment of a cash dividend, charged to the income statement from previous years. A ratio of \$0.730353153468186 for each of the outstanding shares, and that is part of the dividends that were distributed by resolution of the Ordinary General Shareholders' Meeting dated February 26, 2021.

The foregoing in accordance with the recommendation of the CNBV dated April 16, 2021, through official letter No. P083 / 2021, on the payment of dividends, repurchase of shares and any other mechanism or act that implies a transfer of capital benefits to the shareholders (or the assumption of the irrevocable commitment to pay them), which annulled the one dated March 30, 2020.

Expiration of the Bank Stock Certificate

In April 2021, the BANCOMER 21145 bank bond was settle and mature; the issue date was in April 2011 for an amount of 1,000 million pesos (mp).

Outsourcing Labor Law

On April 23, 2021, it was publish on the Federal Gazette the decree with the reforms of several dispositions regarding outsourcing in the Federal Labor Law, Social Security Law, National Housing Fund Institute Law, Federal Tax Code, Income Tax Law and Value Added Tax Law.

For more details go to the end of the document (page 34).

Digital Development

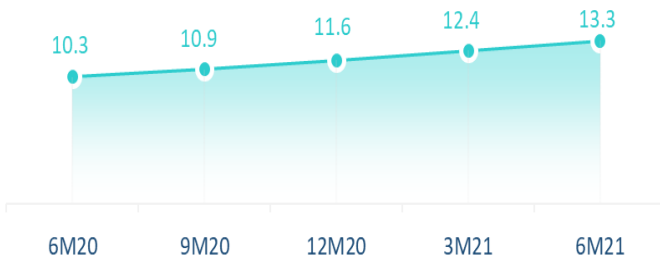
DIGITAL STRATEGY

In the first six months of 2021, BBVA Mexico's **commitment is to continue to be a close partner of our clients and become their financial advisor**, support them both in their knowledge of personal finances, as well as in their decision making thus contributing to their assets growth. We have leveraged for several years our continuous investment in our technological platform, this to put in the hands of our clients a wide variety of digital solutions to respond to their several banking service needs.

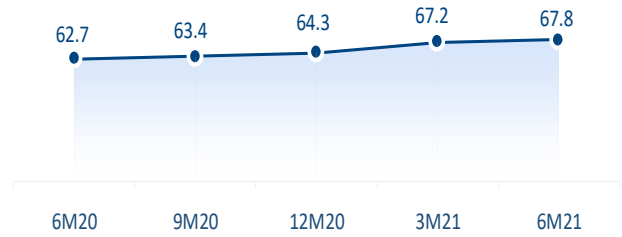
As a result of the above, **we continue to grow in the number of digital clients**, reaching a total of 13.3 million at the end of June 2021, equivalent to 55% of our total client base. The number of mobile clients stands out, registering an annual growth of 28.9%.

For its part, the boost in the use of digital channels is reflected in the percentage of digital sales (measured in units), which during the first six months of the year reached 67.8% of the total sales made in BBVA Mexico.

Mobile Clients (millones)



Digital Sales (% total sales, units)



Financial transactions carried out by our clients in the first half of the year totaled 1,075 million, which represented an increase of 31.8% compared to the same period of the previous year. In this sense, the continuous implementation of our digital strategy, reflected in the number of transactions carried out within our mobile applications, representing 52% of the total and growing by 70.4% in the last twelve months. This allows our customers to access our services and products more easily, reducing waiting time and in a safe environment, complying with the most robust and sophisticated standards in the industry.

In the current context, the Purpose, Values and Strategy of BBVA Mexico are more relevant than ever



We face the challenges of this context from a **solid capital and liquidity position**

Local LCR

206.89%

Total Capital Ratio

17.49%



We live our values and we help **society** to protect health and well-being



Working remotely has been promoted both in central services and in branch networks

We launched an action plan focused on:



Protect our people

We have **committed employees** with strong values



Customer comes first



Support our clients



We think big



We are one team



We help our clients achieve **financial** health and continue promoting **financial inclusion**



We support our **customers** towards the **transition** to a **sustainable future**



Digital Tools: App BBVA and BBVA Empresas first in their class, constantly developing and integrating new functions (gadgets), products and services



We grant loans to companies and support them in their debt issues



Promoting Financial Education:

1,822 workshops y 2.6 million visits to BBVA Mexico web pages addressing topics of interest in 6M21, thus promoting financial education



Our clients obtain benefits in their loans related to renewable assets

Responsible Banking

SUSTAINABILITY STRATEGY

BBVA Group consolidates its commitment towards the transition of a more sustainable future, for this reason it announced in July 2021 that its objective has doubled, now totaling 200 billion euros, for green financing, sustainable infrastructure, social entrepreneurship and financial inclusion. BBVA Mexico is a participant and protagonist committing to an even more environmentally responsible and inclusive world. In line with the endorsement of the Mexican agenda for a sustainable recovery, BBVA Mexico will work to strengthen its green and inclusive offer for the country.

In addition, the BBVA Group announced its incorporation in the first half of 2021 to the net zero emissions banking alliance (Net-Zero Banking Alliance: NZBA). Commitment acquired by all its subsidiaries, including BBVA Mexico, which means that all its credit and investment portfolios will be neutral in greenhouse gas emissions by 2050, complying with the deadline, in accordance with the Paris Agreement. In the first half of 2021, BBVA Mexico managed to be neutral in its direct carbon emissions, by offsetting its entire environmental footprint with carbon dioxide (CO₂) mitigating projects, which also generate a positive impact on the local communities where they are developed. These actions, among others, consolidate BBVA Mexico as one of the leading banks in the region in the field of sustainability.

BBVA Mexico launches a fund with ESG criteria

BBVA Mexico's ESG Fund, designed to invest mainly in international equity instruments and incorporates sustainable investment criteria in the selection of these assets. In this way, it seeks to invest in companies with a high environmental, social, and governance rating (ESG), avoiding exposure to industries involved in controversial issues and sectors that are inherently harmful for society and seeking to reduce carbon emissions.

BBVA Mexico is the first bank in Latin America to launch sustainable cards without data and with biometrics

BBVA Mexico remains at the forefront of financial innovation and launches a new generation of credit and debit cards called "Aqua" without printed data; as well as the "Smart Key" credit card that has the most advanced biometric technology. Both plastics will make it possible to strengthen self-service and safety standards for customers, in addition of being made with up to 86% recycled material, thus complying with one of BBVA's sustainable objectives on a global scale, which is to reduce environmental impact. BBVA Mexico is the first bank in Latin America to put a credit card with the latest technology in biometric identification in the hands of its customers. Also, through the fingerprint you have access to a more secure, personal and easy-to-use payment experience.

SUSTAINABLE FINANCING

Credit Products

The range of credit products handled by BBVA Mexico have significant benefits for clients such as preferential rates. The main goal is to make these products more attractive in the market.

Individuals: financing for the acquisition of hybrid and electric cars, financing for solar panels and green mortgages, among others.

Companies: green financing for companies, letters of credit, leases and green bonds, among others.


Insurance: we are initiating the green insurance offering (hybrid and electric cars).



*Preliminary figure

Issuance of green and social bonds in the Mexican market during the first half of 2021

Beyond just promoting sustainable financing, at BBVA Mexico we promote a new Sustainable Banking model. For this reason, we have actively participated in numerous initiatives and always in close collaboration with the industry itself, and all stakeholders such as regulators, supervisors, investors and society organizations to continue advancing and promoting the transition the world towards sustainable development.

Intermediary	Social Bond	
<p>Green bonds issued from January to June 2021</p> <p>7,100 mp</p>	<p>COVID BCIE (<i>Banco Centroamericano de Integración Económica</i>) issued in June 2021 by</p> <p>5,000 mp</p> 	<p>Social gender bond of BID Invest issued in March 2021 by</p> <p>2,500 mp</p> 

Analysis and Discussion of Results

Executive Summary

- **At BBVA Mexico we reiterate our commitment to continue boosting economic activity in the country through the constant granting of loans**, this is reflected in the growth of the performing loan portfolio by 2.0% compared to December 2020.
- **The favorable performance of the portfolio has been driven by a 2.5% growth in loans to individuals compared to December 2020.** During the first months of the year, there was a rebound in demand, which has slightly materialized in the first half of the year with a 3.9% growth of the mortgage portfolio, while consumer loans registered a balance 1.2% higher than the end of last year.
- We continue to focus on promoting financial inclusion and savings among our clients, as a reflect, our **bank deposits (demand + time) increased 2.5%** to close 2Q21 with a balance of 1,366,911 mp.
- We consolidate our leadership position through the continuous value offer to customers, showed in **the performing loan portfolio's market share, which stood at 23.7% and the deposit market share at 22.5%**, according to figures from the National Banking and Securities Commission (CNBV) as of May 2021.
- **BBVA Mexico's net profit totaled 23,051 million pesos** during the first semester, which represented an annual increase of 44.8%. The effects of the pandemic and the support programs for our clients, affected the first half of 2020.
- **Solvency and liquidity ratios are well above the minimum required, which will allow us to continue a healthy and consistent growth.** The liquidity coverage ratio (CCL) was 206.89% and the total capital ratio (ICAP) was 17.49% as of 2Q21.

Main Magnitudes

Information as of June 2021

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer						%			%
Main Magnitudes	2Q	3Q	4Q	1Q	2Q		6M	6M	
<i>Million pesos</i>	2020	2020	2020	2021	2021	Q-o-Q	2020	2021	Y-o-Y
Balance Sheet									
Assets	2,463,250	2,452,564	2,442,870	2,413,308	2,494,873	3.4	2,463,250	2,494,873	1.3
Performing Loans	1,279,245	1,250,968	1,209,449	1,226,893	1,233,847	0.6	1,279,245	1,233,847	(3.5)
Liabilities	2,242,454	2,218,878	2,200,636	2,166,430	2,246,110	3.7	2,242,454	2,246,110	0.2
Bank Deposits*	1,304,727	1,331,636	1,333,019	1,364,715	1,366,911	0.2	1,304,727	1,366,911	4.8
Equity	220,796	233,686	242,234	246,878	248,763	0.8	220,796	248,763	12.7
Results									
Net Interest Income	27,684	31,965	32,835	32,498	32,586	0.3	60,728	65,084	7.2
Total Operating Income	35,615	41,376	43,168	40,853	43,535	6.6	77,983	84,388	8.2
Expenses	(15,849)	(15,969)	(16,638)	(17,135)	(17,646)	3.0	(32,430)	(34,781)	7.2
Income Before Tax	12,142	18,438	10,290	13,291	19,444	46.3	21,711	32,735	50.8
Net Income	9,473	12,663	7,587	9,702	13,349	37.6	15,917	23,051	44.8
Indicators in %									
	2Q	3Q	4Q	1Q	2Q		6M	6M	
	2020	2020	2020	2021	2021	QoQ (bp)	2020	2021	YoY (bp)
Profitability and Asset Quality									
ROE	17.7	22.3	12.8	15.9	21.5	568	14.6	18.8	416
Efficiency	44.5	38.6	38.5	41.9	40.5	(141)	41.6	41.2	(37)
NPL ratio	1.9	2.0	3.0	2.6	2.4	(24)	1.9	2.4	46
Coverage ratio	167.3	159.8	128.7	137.4	141.5	411	167.3	141.5	(2,579)
Solvencia y Liquidez									
Total Capital Ratio	16.0	16.8	17.5	17.7	17.5	(17)	16.0	17.5	148
Core Equity Tier 1 Ratio	12.4	13.5	14.4	14.6	14.5	(3)	12.4	14.5	210
CCL**	159.07	185.24	190.49	203.12	206.89	377	159.07	206.89	4,782
Leverage Ratio	9.4	9.8	10.3	10.3	9.6	(71)	9.4	9.6	23
Figures in units (#)									
	2Q	3Q	4Q	1Q	2Q		6M	6M	
	2020	2020	2020	2021	2021	QoQ (#)	2020	2021	YoY (#)
Infraestructure									
Employees	33,707	33,347	33,313	33,759	33,525	(234)	33,707	33,525	(182)
Branches	1,866	1,814	1,746	1,728	1,725	(3)	1,866	1,725	(141)
ATMs	13,115	12,923	12,950	12,957	13,014	57	13,115	13,014	(101)

* Demand + time + deposits global account without movements.

** LCR level quarterly average. Preliminary figure

Commercial Activity

Performing Loans

BBVA Mexico reiterates its commitment to the country and to the adequate development of economic activity through the granting of loans, reflected in the performing loan portfolio growth of 2.0% compared to the end of December 2020. In the annual comparison, a decline of -3.5% is observed, this performance is explained by a greater use of credit lines from customers in wholesale segments during the first half of 2020 and, with a lower impact, to the appreciation of the peso against dollar.

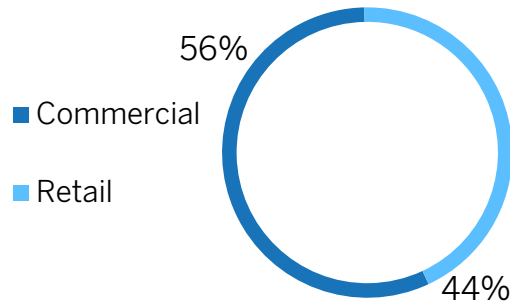
The recovery of economic activity is shown in a slightly higher demand for loans, mainly individuals, which register a growth in the first half of the year of 2.5%. In the detail, consumer and credit cards loans showed a 1.2% increase compared to the end of the year; while mortgage loans continued to show a favorable performance, growing by 3.9% in the period. In the annual comparison, individual loans grew 2.6% compared to June 2020, driven by a 6.7% increase in mortgage loans.

For commercial loans, the balances showed a 1.7% increase compared to the end of 2020, explained by higher demand of loans as a reflection of the recent increase in private investment. The annual comparison shows a decline of -7.9%, suffering the effect of company and corporate prepayments; as well as the appreciation of the peso against the dollar. It should be noted that government lending continue to have a positive performance, growing 11.3% compared to June 2020 and 3.1% compared to December 2020, explained by a strategy based on comprehensive solutions.

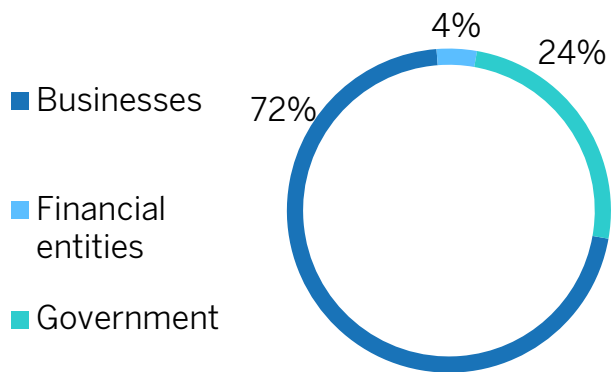
BBVA Mexico reaffirms its commitment to create opportunities and continue to be an advisor of our clients by providing financial proposals with value. This allowed the Institution to consolidate its leadership position in an environment of high uncertainty by registering a market share of 23.7%, a gain of 57 basis points (bp) compared to the same month of 2020 (CNBV figures at the end of May 2021).

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer					
Performing Loans	6M 2020	3M 2021	6M 2021	% Q-o-Q	Y-o-Y
<i>Million pesos</i>					
Businesses	570,758	496,702	499,068	0.5	(12.6)
Financial entities	28,600	24,558	24,156	(1.6)	(15.5)
Government	149,740	173,419	166,593	(3.9)	11.3
Government loans	93,771	111,257	112,504	1.1	20.0
State-owned entities	55,969	62,162	54,089	(13.0)	(3.4)
Commercial loans	749,098	694,679	689,817	(0.7)	(7.9)
Consumer	287,781	279,195	285,434	2.2	(0.8)
Mortgage	242,366	253,019	258,596	2.2	6.7
Total Performing Loans	1,279,245	1,226,893	1,233,847	0.6	(3.5)

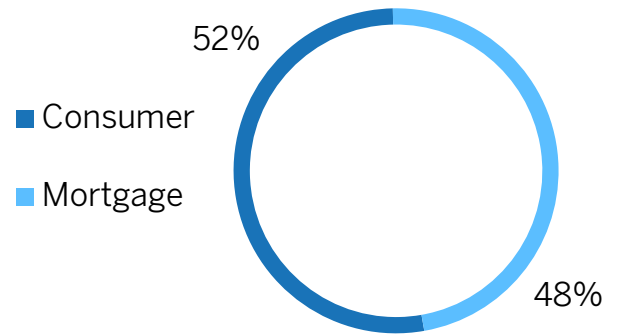
Performing Loans mix (%)



Commercial Loans mix (%)



Retail Lending mix (%)



Asset quality

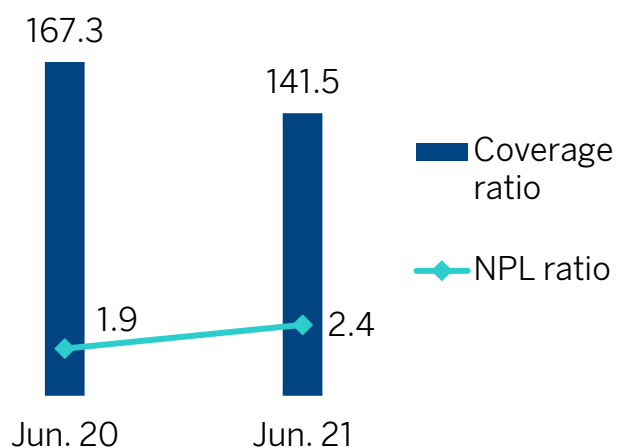
Non-Performing Loans

Compared to the end of 2020, the past due loan portfolio declined -19.7%. The 20.3% increase over the previous year is explained mainly by sectors most affected by the crises in the business portfolio. As a result of the above, there is an annual increase of 46 bp in the past due loan ratio, closing in June 2021 at 2.38%.

The coverage ratio in 2Q21 was 141.5%.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer					
Non Performing Loans	6M 2020	3M 2021	6M 2021	% Q-o-Q	Y-o-Y
<i>Million pesos</i>					
Businesses	10,243	12,131	12,375	2.0	20.8
Financial entities	0	0	0	0	0
Government entities	0	0	11	n.a.	n.a.
Commercial loans	10,243	12,131	12,386	2.1	20.9
Consumer	8,317	11,614	8,837	(23.9)	6.3
Mortgage	6,457	9,235	8,877	(3.9)	37.5
Total Non Performing Loans	25,017	32,980	30,100	(8.7)	20.3

NPL ratio and Coverage ratio (%)



Non-Performing Loans Movements

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	Businesses and financial entities	Mortgages	Consumer	Total
Non-Performing Loans movements				
<i>Million pesos</i>				
Final Balance (December 2020)	11,983	9,354	16,147	37,484
Inputs:	4,226	4,805	16,303	25,334
Transfer to current loans and restructured	4,226	4,805	16,303	25,334
Outputs:	(3,823)	(5,282)	(23,613)	(32,718)
Transfer to current loans	(477)	(3,586)	(2,287)	(6,350)
Cash settlements	(1,189)	(419)	(1,720)	(3,328)
Restructured (Cash settlements)	(167)	(36)	(55)	(258)
Settlement and/or adjudication	(128)	(43)	0	(171)
Condonations	(530)	(105)	(1,374)	(2,009)
Write-offs	(1,332)	(1,093)	(18,177)	(20,602)
Final Balance (June 2021)	12,386	8,877	8,837	30,100

Loan Portfolio Credit Quality Classification

Around 80% of the portfolio was classified with the minimum risk level, which implies a sound asset quality.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer Performing Loan Rating June 2021	Commercial		Mortgage		Consumer		Credit Card		TOTAL	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
<i>Million pesos</i>										
Risk Level										
A1	635,798	1,605	220,165	241	55,877	500	51,878	908	963,718	3,254
A2	61,158	666	1,646	11	13,610	345	14,633	573	91,047	1,595
B1	11,269	186	6,862	61	55,653	1,846	8,422	484	82,206	2,577
B2	12,627	292	14,988	176	31,239	1,422	7,447	540	66,301	2,430
B3	26,739	941	2,638	42	7,621	425	7,661	682	44,659	2,090
C1	10,010	699	8,018	250	5,544	405	8,082	963	31,654	2,317
C2	3,129	281	4,141	302	3,982	395	9,474	2,273	20,726	3,251
D	4,116	1,194	5,824	1,641	2,258	523	1,451	730	13,649	4,088
E	10,760	7,001	3,189	1,687	7,579	5,209	1,853	1,600	23,381	15,497
Adicional										5,482
Total required	775,606	12,865	267,471	4,411	183,363	11,070	110,901	8,753	1,337,341	42,581

Credit Card for Businesses and letters of credit are included in commercial.

In mortgage, the securitization consolidated by BACOMCB 09 is considered.

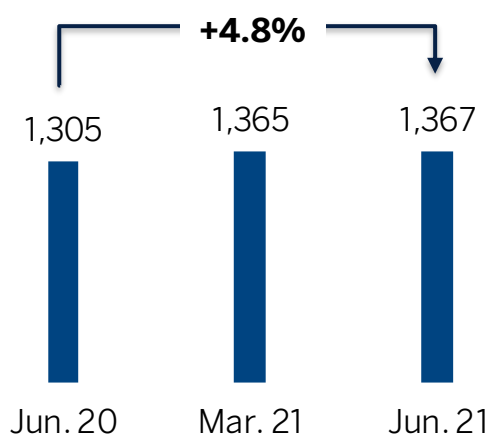
Deposits

We are constantly promoting financial inclusion and fostering savings among our clients, as such we are continuously develop products and services that allow easy, secure and simple access to financial products. It should be noted that during the first six months of the year 1.8 million savings accounts were opened and 61% trough digital channels. With this and the development of several initiatives to continue to foster savings, the level of bank deposits¹ in the Institution continue to have a positive performance, closing in 2Q21 with a balance of 1,366,911 million pesos, 2.5% than the level registered in 2020 (+4.8% compared to the last twelve months).

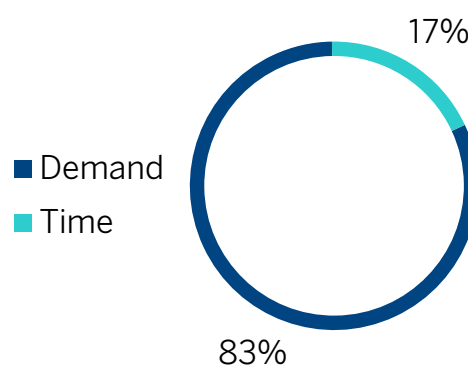
As in the performing loan portfolio, we have consolidated our leadership in bank deposits with a market share of 22.5% according to figures from the CNBV as of May 2021.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer					
Deposits	6M	3M	6M	%	
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y
Demand deposits	1,017,143	1,116,008	1,132,151	1.4	11.3
Time Deposits	282,803	243,672	229,482	(5.8)	(18.9)
Customer Deposits	254,682	237,622	223,838	(5.8)	(12.1)
Money Market	28,121	6,050	5,644	(6.7)	(79.9)
Bonds	89,927	85,296	87,743	2.9	(2.4)
Deposits global account without movements	4,781	5,035	5,278	4.8	10.4
Total Deposits	1,394,654	1,450,011	1,454,654	0.3	4.3

Bank Deposits (mp)



Bank Deposits Mix (%)



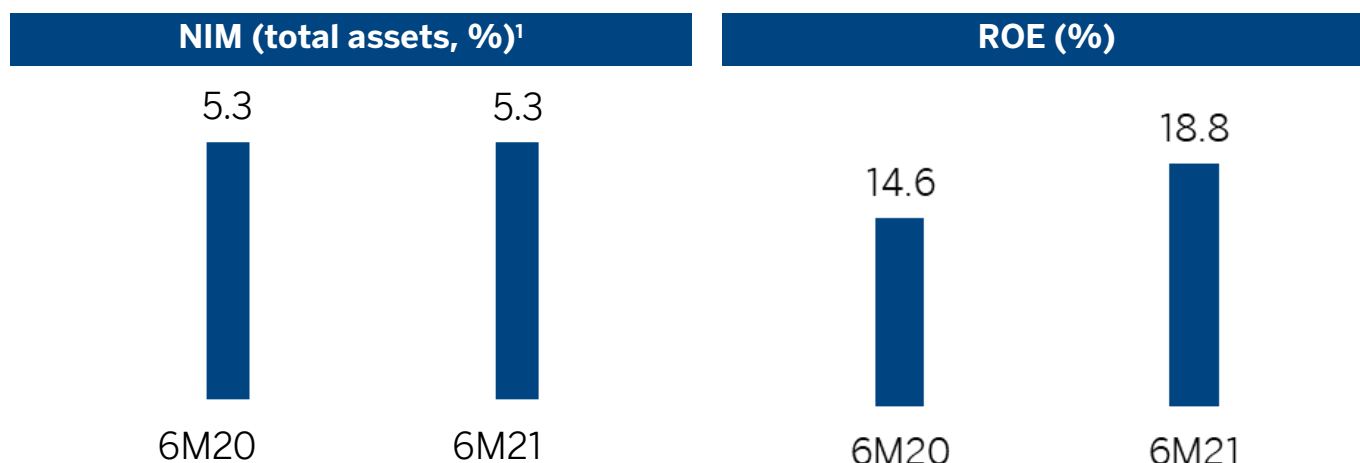
¹ Bank Deposits (demand + .time deposits + deposits global account without movement)

Results

The reopening of non-essential economic activities during the first half of 2021 has been a key factor for a greater economic dynamism. This is also observed in the favorable performance BBVA Mexico's net income, totaling in the first six months of the year 23,051 million pesos, 44.8% higher than in 6M20. During 2020, the closure of non-essential activities in the economy and the granting of support programs to our clients affected results.

Regarding income, a recovery of the financial margin and income from commissions is explained by the opening of activities and a higher level of transactions.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer								
Income Statement	2Q	1Q	2Q		%	6M	6M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Net interest income	27,684	32,498	32,586	0.3	17.7	60,728	65,084	7.2
Provisions for loan losses	(7,609)	(10,445)	(6,471)	(38.0)	(15.0)	(23,846)	(16,916)	(29.1)
Net interest income after provisions for loan losses	20,075	22,053	26,115	18.4	30.1	36,882	48,168	30.6
Total Fees & Commissions	5,879	7,225	7,415	2.6	26.1	12,807	14,640	14.3
Trading income	2,468	848	2,241	164.3	(9.2)	4,795	3,089	(35.6)
Other operating income	(416)	282	1,293	n.a.	n.a.	(347)	1,575	n.a.
Total operating revenues	28,006	30,408	37,064	21.9	32.3	54,137	67,472	24.6
Non-interest expense	(15,849)	(17,135)	(17,646)	3.0	11.3	(32,430)	(34,781)	7.2
Net operating income	12,157	13,273	19,418	46.3	59.7	21,707	32,691	50.6
Income before income tax and profit sharing	12,142	13,291	19,444	46.3	60.1	21,711	32,735	50.8
Net Income	9,473	9,702	13,349	37.6	40.9	15,917	23,051	44.8



¹ Net Interest Margin (NIM) on total assets.

Net Interest Income

The financial margin, in the first half of the year, resumed a growing trend (+7.2% annually) explained by the recovery in demand for credit from individuals and a constant optimization in the funding mix. Additionally, during 2020 the margin recorded the impact of a lower level of income derived from the application of customer support programs during 2Q20.

In 1Q20 additional reserves for 6,544 million pesos were created to face the crisis caused by the pandemic, of which 1,548 million pesos were released during 2Q21. In this quarter, 486 million pesos were also created in additional reserves for auto loans, related to a late payment variable. Considering the prior, provisions for loan losses dropped 29.1% in the first semester of 2021 compared to the same period of 2020. The financial margin adjusted for provisions closed at 48,168 million pesos at the end of the first semester of the year 30.6% higher than the previous year.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer								
Net Interest Income	2Q	1Q	2Q	%		6M	6M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Interest income	42,463	42,183	42,066	(0.3)	(0.9)	92,613	84,249	(9.0)
Interest expenses	(15,260)	(10,224)	(9,948)	(2.7)	(34.8)	(32,889)	(20,172)	(38.7)
Margin fees	481	539	468	(13.2)	(2.7)	1,004	1,007	0.3
Net interest income	27,684	32,498	32,586	0.3	17.7	60,728	65,084	7.2
Provisions for loan losses	(7,609)	(10,445)	(6,471)	(38.0)	(15.0)	(23,846)	(16,916)	(29.1)
Net interest income after provisions	20,075	22,053	26,115	18.4	30.1	36,882	48,168	30.6

Fees and Commissions

Commissions and fees increased 14.3% in annual terms. The rebound in economic activity was reflected in an increase in the level of financial transactions. The evolution of transactions in the point of sale terminals (POS) stands out, registering an annual increase of 18.1%, while billing with credit cards was 30.8% higher than the previous year. We also registered an increase in commissions coming from investment funds, given a greater volume of savings from our clients with this type of products.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer								
Fees & Commissions	2Q	1Q	2Q	%		6M	6M	%
<i>Million pesos</i>	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Bank fees	1,543	1,647	1,801	(9.7)	1.6	3,315	3,448	4.0
Credit and debit card	2,804	3,799	4,216	0.3	14.6	6,483	8,015	23.6
Investment funds	1,131	1,138	1,183	3.2	8.6	2,220	2,321	4.5
Others	401	641	215	(51.7)	(44.6)	789	856	8.5
Commissions and fee income	5,879	7,225	7,415	(4.8)	7.0	12,807	14,640	14.3

Trading income

This item shows a decrease of -63.6% in the quarter compared to the previous year due to the volatility observed in the financial markets during the quarter, causing losses in the valuation of investments in securities and in the purchase and sale of derivatives.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer								
Trading income	2Q	1Q	2Q	%		6M	6M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Variable income	49	(36)	(1)	(97.2)	(102.0)	(27)	(37)	37.0
Fixed income and repos	2,955	(1,599)	(189)	(88.2)	(106.4)	13	(1,788)	n.a.
Securities	3,004	(1,635)	(190)	(88.4)	(106.3)	(14)	(1,825)	n.a.
FX	3	(3,198)	(5,849)	82.9	n.a.	(9,019)	(9,047)	0.3
Derivatives	8,859	7,872	(4,524)	(157.5)	(151.1)	3,415	3,348	(2.0)
Results from valuation	11,866	3,039	(10,563)	(447.6)	(189.0)	(5,618)	(7,524)	33.9
Variable income	397	103	2	(98.1)	(99.5)	(1,032)	105	n.a.
Fixed income and repos	(1,060)	2,048	(386)	(118.8)	(63.6)	1,188	1,662	39.9
Securities	(663)	2,151	(384)	(117.9)	(42.1)	156	1,767	n.a.
FX	1,600	1,428	1,796	25.8	12.3	3,057	3,224	5.5
Derivatives	(10,335)	(5,770)	11,392	(297.4)	(210.2)	7,200	5,622	(21.9)
Results from trading	(9,398)	(2,191)	12,804	(684.4)	(236.2)	10,413	10,613	1.9
Trading income	2,468	848	2,241	164.3	(9.2)	4,795	3,089	(35.6)

Other income (expenses) of the operation

The strong increase can be mainly explained by an extraordinary income related to the accumulated effect of a joint investment that comes from the sale of affiliated companies and, the constant search for efficiencies in BBVA Mexico's internal processes to continue generate savings and efficiencies.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer								
Other Income (Expenses)	2Q	1Q	2Q	%		6M	6M	%
Million pesos	2020	2021	2021	Q-o-Q	Y-o-Y	2020	2021	Y-o-Y
Bank Correspondents	32	51	45	(11.8)	40.6	57	96	68.4
Sales and recoveries of loan portfolio	24	0	44	NA	83.3	43	44	2.3
Interest of loans to employees	203	207	215	3.9	5.9	407	422	3.7
Recovery of warranty payments	45	14	43	207.1	(4.4)	145	57	(60.7)
Result of operation of foreclosed assets	171	171	297	73.7	73.7	355	468	31.8
Credit Losses	(120)	(16)	(96)	500.0	(20.0)	(284)	(112)	(60.6)
Donations	(241)	(173)	(155)	(10.4)	(35.7)	(460)	(328)	(28.7)
Other Income	(530)	28	900	n.a.	n.a.	(610)	928	n.a.
Other operating income	(416)	282	1,293	358.5	n.a.	(347)	1,575	n.a.

Non-Interest Expenses

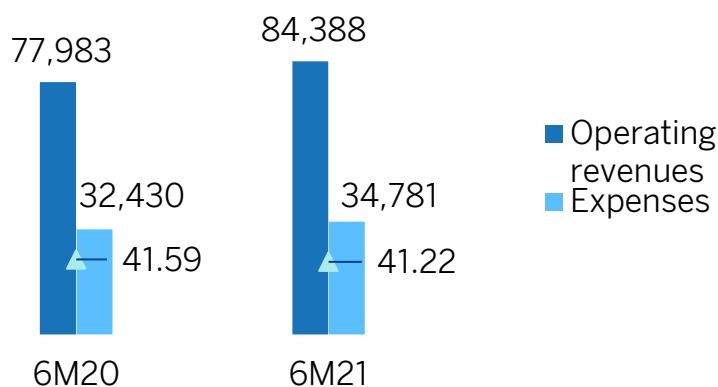
Administrative expenses grew 7.2%, explained by higher personnel, administrative and operating expenses; as well as, expenses that were not incurred in 2020 that have been resumed this year, and a greater contribution to the IPAB fund due to our increase in deposits.

The efficiency ratio (measured as expenses divided by revenues) stood at 41.2% at the end of June 2021, 37 bp lower than the previous year, benefiting from the positive performance of revenues.

We maintain a strong physical infrastructure network with 1,725 branches and 13,014 ATMs, as well as a wide range of digital applications and services to meet the current and future needs of our broad customer base.

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer Non-Interest Expenses <i>Million pesos</i>	2Q		2Q 2021	%		6M 2020	6M 2021	%
	2020	1Q 2021		Q-o-Q	Y-o-Y			
Administrative and operating expenses	9,852	11,153	11,649	4.4	18.2	21,012	22,802	8.5
Rents	1,529	1,699	1,679	(1.2)	9.8	3,056	3,378	10.5
Depreciation and amortization	1,461	1,454	1,477	1.6	1.1	2,914	2,931	0.6
Taxes	1,318	1,265	1,284	1.5	(2.6)	2,343	2,549	8.8
Deposit guarantee fund (IPAB)	1,689	1,564	1,557	(0.4)	(7.8)	3,105	3,121	0.5
Administrative and promotional expenses	15,849	17,135	17,646	3.0	11.3	32,430	34,781	7.2

Operating revenues, expenses and efficiency (%)



Capital and Liquidity

BBVA Mexico estimated capitalization index stood at 17.49% at the end of June 2021, composed by 14.52% of Tier 1 capital and 2.97% of Tier 2 capital. Recurrence of income is observed in the constant generation of organic capital, which allows BBVA Mexico to increase the index by 148 bp compared to 16.01% registered on June 2020.

BBVA Mexico fully covers the minimum capital requirements. Derived from the additional allocation of capital after being classified as a domestic systemically important financial institution (Grade IV), it is necessary to cover with an additional buffer of 1.5%, which implies maintaining a minimum requirement of 12.0% for the total capital ratio.

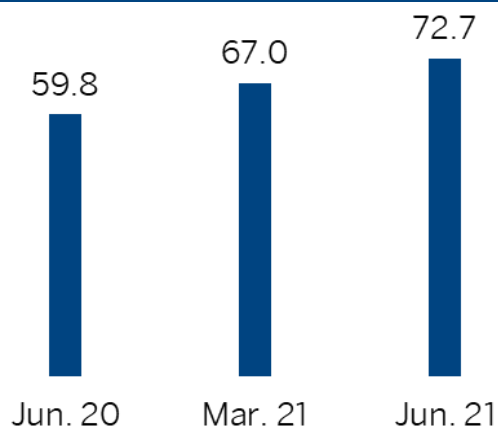
BBVA Mexico estimated capitalization index

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer						
Capitalization	June 2020		March* 2021		June* 2021	
<i>Million pesos</i>						
Tier 1 capital		212,394		238,420		240,847
Tier 2 capital		61,425		50,940		49,328
Net capital		279,819		289,360		290,175
	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk	Credit Risk	Market, Operative & Credit Risk
Risk-weighted assets	1,147,290	1,710,145	1,070,751	1,638,636	1,096,289	1,658,890
Tier 1 as % of risk-weighted assets	18.51%	12.42%	22.27%	14.55%	21.97%	14.52%
Tier 2 as % of risk-weighted assets	5.35%	3.59%	4.76%	3.11%	4.50%	2.97%
Total capital ratio	23.87%	16.01%	27.02%	17.66%	26.47%	17.49%

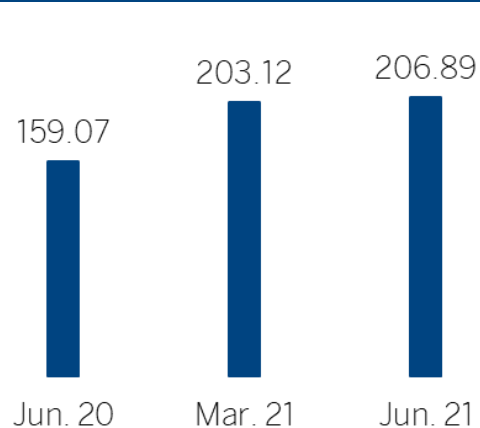
*Preliminary information. The figures are under review by authorities.

Despite the complex environment, BBVA Mexico maintains favorable liquidity levels to continue growing. The regulatory liquidity ratio, defined as Liquid assets / Liquid liabilities, stood at 72.7%. The Liquidity Coverage Ratio (Local LCR) stood at 206.89%.

Regulatory Liquidity Ratio (%)



Local LCR (%)



Financial Indicators

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer							
	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	6M 2020	6M 2021
Infrastructure Indicators (#)							
Branches	1,866	1,814	1,746	1,728	1,725	1,866	1,725
ATMs	13,115	12,923	12,950	12,957	13,014	13,115	13,014
Employees	33,707	33,347	33,313	33,759	33,525	33,707	33,525
Profitability Indicators (%)							
a) NIM adjusted (interest bearing assets)	3.5	4.4	2.9	4.0	4.6	3.5	4.3
b) NIM (total assets)	4.4	5.2	5.4	5.4	5.3	5.3	5.3
c) Operating efficiency	2.5	2.6	2.7	2.8	2.9	2.8	2.8
d) Efficiency (cost to income)	44.5	38.6	38.5	41.9	40.5	41.6	41.2
e) Productivity index	37.1	43.2	46.8	42.2	42.0	39.5	42.1
f) ROE	17.7	22.3	12.8	15.9	21.5	14.6	18.8
g) ROA	1.5	2.1	1.24	1.60	2.18	1.4	1.9
Asset Quality Indicators (%)							
h) NPL ratio	1.9	2.0	3.0	2.6	2.4	1.9	2.4
i) Coverage ratio	167.3	159.8	128.7	137.4	141.5	167.3	141.5
Solvency Indicators (%)							
j) Core equity tier 1 ratio	12.4	13.5	14.4	14.6	14.5	12.4	14.5
k) Tier 1 ratio	12.4	13.5	14.4	14.6	14.5	12.4	14.5
l) Total capital ratio	16.0	16.8	17.5	17.7	17.5	16.0	17.5
m) Leverage ratio	9.4	9.8	10.3	10.3	9.6	9.4	9.6
Liquidity Indicators (%)							
n) Liquidity ratio (CNBV requirement)	59.8	66.9	65.7	67.0	72.7	59.8	72.7
o) Liquidity ratio (Loans / Deposits)	98.0	93.9	90.7	89.9	90.3	98.0	90.3
p) Liquidity Coverage Coefficient (Local LCR)	159.07	185.24	190.49	203.12	206.89	159.07	206.89

INFRASTRUCTURE

ATMs: Include those that have activity during the quarter.

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: Non performing loans / Total loan portfolio.
i) Coverage Ratio: Allowance for loan losses / Non performing loans.

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) Tier 1 Ratio: Tier 1 Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013).
l) Total Capital Ratio: Net Capital / Risk Weighted Assets to credit risk, market and operational (applied in Mexico since January 2013).
m) Leverage Ratio: Risk Capital / Exposure.

LIQUIDITY

- n) 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.
o) Loans / Deposits: Performing loans / Core deposits (demand + time).
p) Liquidity Coverage Ratio (Local LCR): Computable Liquid Assets / 30-day stressed Net Outflows (BBVA Mexico information). Quarterly average. Preliminary figure

Ratings

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer Ratings			
	Long Term	Short Term	Outlook
Standard and Poor's			
Issuer Credit Rating - Foreign Currency	BBB	A-2	Negative
Issuer Credit Rating - Local Currency	BBB	A-2	Negative
National Scale	mxAAA	mxA-1+	Stable
Stand Alone Credit Profile (SACP)	bbb+		
Moody's			
Bank Deposits - Foreign Currency	Baa1	P-2	Negative
Bank Deposits - Domestic Currency	Baa1	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., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer										
Issuances										
Instruments	Amount	Original Currency	Issue Date	Due Date	Call Date	Term (years)	Rate	Ratings		
								S&P	Moody's	Fitch
Senior Debt										
BACOMER 07U	2,240	UDIS	30-ene-07	09-jul-26		19.4	4.36%	Baa1/Aaa.mx	AAA(mex)	
BACOMER 22224	1,000	MXN	07-jun-12	26-may-22		10.0	TIIIE28 + 85	Baa1/Aaa.mx	AAA(mex)	
Senior Notes Dlls 2024	750	USD	03-abr-14	10-abr-24		10.0	4.375%	Baa1	BBB	
Senior Notes Dlls 2025	500	USD	15-sep-20	18-sep-25		5.0	1.875%	Baa1	BBB	
BACOMER 17-2	1,858	MXN	26-may-17	20-may-22		5.0	TIIIE28 + 35	Baa1/Aaa.mx	AAA(mex)	
BACOMER 18V	3,500	MXN	27-sep-18	23-sep-21		3.0	TIIIE28 + 10	Baa1/Aaa.mx	AAA(mex)	
BACOMER 18	3,500	MXN	27-sep-18	21-sep-23		5.0	TIIIE28 + 19	Baa1/Aaa.mx	AAA(mex)	
BACOMER 19	5,000	MXN	21-jun-19	17-jun-22		3.0	TIIIE + 7	Baa1/Aaa.mx	AAA(mex)	
BACOMER 19-2	5,000	MXN	21-jun-19	11-jun-27		8.0	8.49%	Baa1/Aaa.mx	AAA(mex)	
BACOMER 20	7,123	MXN	10-feb-20	08-feb-23		3.0	TIIIE28 + 5	Baa1/Aaa.mx	AAA(mex)	
BACOMER 20-2	6,000	MXN	10-feb-20	05-feb-25		5.0	TIIIE28 + 15	Baa1/Aaa.mx	AAA(mex)	
BACOMER 20D	100	USD	10-feb-20	27-ene-23		3.0	Libor3M + 49	Baa1/Aaa.mx	AAA(mex)	
Subordinated Debt										
Subordinated Debentures Tier 2 2022	1,500	USD	19-jul-12	30-sep-22		10.2	6.75%		Baa2	BB
Subordinated Debentures Tier 2 15NC10 2029	200	USD	06-nov-14	12-nov-29	12-nov-24	15NC10	5.35%	BB	Baa3	BB
Subordinated Debentures Tier 2 15NC10 2033	1,000	USD	17-ene-18	18-ene-33	18-ene-28	15NC10	5.125%	BB		BB
Subordinated Debentures Tier 2 15NC10 2034	750	USD	05-sep-19	13-sep-34	19-sep-29	15NC10	5.875%		Baa3	BB
Mortgage Securitization										
BACOMCB 09-3	3,616	MXN	07-ago-09	24-may-29		19.8	10.48%	mxAAA		AAA(mex)

Financial Statements

Balance Sheet

Assets

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer					
Assets	Jun	Sep	Dec	Mar	Jun
<i>Million pesos</i>	2020	2020	2020	2021	2021
CASH AND CASH EQUIVALENTS	181,520	217,933	223,219	255,662	309,541
Margin call accounts	25,838	26,005	32,261	19,360	15,187
SECURITIES	513,803	569,595	574,938	578,229	587,175
Trading	263,438	295,390	281,920	267,039	289,679
Available for sale	169,268	192,538	211,788	229,436	228,254
Held to maturity	81,097	81,667	81,230	81,754	69,242
Debtors from repurchase agreement	7,366	3,060	15,123	44	38
Derivatives	290,139	228,687	213,927	156,947	145,882
Trading	266,614	208,343	197,606	143,297	132,680
Hedging Transactions	23,525	20,344	16,321	13,650	13,202
Valuation adjustments derived from hedges of financial assets	2,401	2,129	2,488	1,097	1,102
PERFORMING LOANS	1,279,245	1,250,968	1,209,449	1,226,893	1,233,847
Commercial loans	749,098	717,641	678,572	694,679	689,817
Business or commercial activity	570,758	534,926	488,878	496,702	499,068
Financial entities	28,600	26,762	28,079	24,558	24,156
Government entities	149,740	155,953	161,615	173,419	166,593
Consumer	287,781	288,427	281,968	279,195	285,434
Mortgage	242,366	244,900	248,909	253,019	258,596
Residential Mortgages	233,339	237,505	241,968	246,255	252,158
Social Housing	9,027	7,395	6,941	6,764	6,438
NON PERFORMING LOANS	25,017	25,940	37,484	32,980	30,100
Commercial loans	10,243	9,932	11,983	12,131	12,386
Business or commercial activity	10,243	9,932	11,983	12,131	12,375
Government entities	0	0	0	0	11
Consumer	8,317	7,778	16,147	11,614	8,837
Mortgage	6,457	8,230	9,354	9,235	8,877
Residential Mortgages	5,992	7,729	8,824	8,747	8,448
Social Housing	465	501	530	488	429
TOTAL LOANS	1,304,262	1,276,908	1,246,933	1,259,873	1,263,947
Allowance for loan losses	(41,843)	(41,463)	(48,236)	(45,301)	(42,581)
TOTAL LOANS, NET	1,262,419	1,235,445	1,198,697	1,214,572	1,221,366
Other accounts receivable, net	106,742	97,219	106,527	118,277	146,908
Repossessed assets, net	1,334	1,415	1,317	1,241	1,188
Property, furniture and equipment, net	36,833	36,170	36,293	35,556	35,155
Equity investments	818	1,121	1,135	1,153	1,086
Deferred taxes, net	19,964	21,352	22,416	23,609	23,322
Other assets	14,073	12,433	14,529	7,561	6,923
Deferred charges, prepaid expenses and intangibles	14,073	12,433	14,529	7,561	6,923
TOTAL ASSETS	2,463,250	2,452,564	2,442,870	2,413,308	2,494,873

Liabilities & Stockholders' Equity

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer					
Liabilities & Stockholders' Equity	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021
<i>Million pesos</i>					
TOTAL DEPOSITS	1,394,654	1,420,642	1,417,071	1,450,011	1,454,654
Demand deposits	1,017,143	1,047,863	1,084,227	1,116,008	1,132,151
Time Deposits	282,803	278,844	243,836	243,672	229,482
Customer deposits	254,682	258,218	229,974	237,622	223,838
Money market	28,121	20,626	13,862	6,050	5,644
Bonds	89,927	89,006	84,052	85,296	87,743
Deposits global account without movements	4,781	4,929	4,956	5,035	5,278
INTER BANK LOANS AND LOANS FROM OTHER ENTITIES	20,358	19,374	17,861	30,885	30,456
Short- term	9,604	7,757	6,985	6,070	6,171
Long- term	10,754	11,617	10,876	24,815	24,285
Creditors from repurchase agreements	220,121	246,458	263,716	256,581	309,491
Securities creditors	2	1	5	3	1
COLLATERALS SOLD OR DELIVERED IN GUARANTEE	55,877	49,932	63,841	64,413	53,068
Repurchase	0	0	0	19,963	12,591
Securities lending	55,877	49,932	63,841	44,450	40,477
DERIVATIVES	302,932	244,304	223,841	162,609	152,846
Trading	285,789	229,061	210,971	155,273	146,775
Hedge transactions	17,143	15,243	12,870	7,336	6,071
Valuation adjustments derived from hedges of financial liabilities	10,770	9,659	7,915	4,796	4,742
OTHER PAYABLES	131,535	127,689	113,665	118,659	163,370
Profit taxes payable	0	0	0	0	1,726
Employee profit sharing (PTU) payable	2	2	59	57	57
Transaction settlement creditors	77,516	78,298	55,312	62,515	68,465
	0	0	1,179	348	348
Creditors from collaterals received in cash	26,875	24,937	19,762	21,444	15,975
Accrued liabilities and other	27,142	24,452	37,353	34,295	76,799
Subordinated debt	98,793	93,446	85,181	70,869	69,943
Deferred credits and advanced collections	7,412	7,373	7,540	7,604	7,539
TOTAL LIABILITIES	2,242,454	2,218,878	2,200,636	2,166,430	2,246,110
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	180,756	193,645	202,194	206,837	208,718
Capital reserves	6,901	6,901	6,901	6,901	6,901
Results of prior years	160,008	160,008	160,008	196,175	185,095
Unrealized gain on available- for- sale securities	457	707	2,820	(1,998)	(3,332)
Result from valuation of cash flow hedging instruments	389	283	(96)	(430)	(562)
Accumulated effect by conversion	440	440	440	440	0
Redefined benefits to employees	(3,356)	(3,274)	(4,046)	(3,953)	(2,435)
Net income	15,917	28,580	36,167	9,702	23,051
MAJORITY STOCKHOLDERS' EQUITY	220,759	233,648	242,197	246,840	248,721
Non- controlling interest in consolidated subsidiaries	37	38	37	38	42
TOTAL STOCKHOLDERS EQUITY	220,796	233,686	242,234	246,878	248,763
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,463,250	2,452,564	2,442,870	2,413,308	2,494,873

Memorandum accounts

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer						
Memorandum accounts	Mar	Jun	Sep	Dec	Mar	Jun
Million pesos	2020	2020	2020	2020	2021	2021
Contingent assets and liabilities	751	758	771	805	904	942
Credit commitments	650,132	644,124	642,252	638,851	626,480	632,070
In trusts	433,119	439,274	434,569	429,883	426,344	430,298
Under mandate	24,261	211	212	223	227	233
Assets in trust or under mandate	457,380	439,485	434,781	430,106	426,571	430,531
Assets in custody or under administration	199,635	196,164	212,083	203,467	196,519	225,194
Collaterals received by the institution	87,963	124,208	79,341	131,586	110,591	92,679
Collaterals received and sold or pledged as collateral by the institution	63,323	105,378	67,135	106,906	91,892	83,089
Investment banking transactions on behalf of third parties, net	1,375,714	1,495,033	1,528,642	1,604,841	1,695,175	1,808,667
Accrued interest on non- performing loans	9,301	7,935	3,344	3,524	3,312	3,424
Other record accounts	3,546,720	3,510,908	3,436,271	3,336,242	3,423,140	3,464,835

"The historical balance of the capital stock as of June 30, 2021 is 4,248 million pesos.

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

Adolfo Arcos González

Head of Internal Audit

Ana Luisa Miriam Ordorica Amezcua

Head of Accounting

P&L (Last 5 quarters)

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer							
Income Statement	2Q	3Q	4Q	1Q	2Q	6M	6M
Million pesos	2020	2020	2020	2021	2021	2020	3021
Net interest income	27,684	31,965	32,835	32,498	32,586	60,728	65,084
Provisions for loan losses	(7,609)	(6,987)	(16,257)	(10,445)	(6,471)	(23,846)	(16,916)
Net interest income after provisions for loan losses	20,075	24,978	16,578	22,053	26,115	36,882	48,168
Total Fees & Commissions	5,879	6,906	7,790	7,225	7,415	12,807	14,640
Trading income	2,468	1,898	1,740	848	2,241	4,795	3,089
Other operating income	(416)	607	803	282	1,293	(347)	1,575
Total operating revenues	28,006	34,389	26,911	30,408	37,064	54,137	67,472
Non-interest expense	(15,849)	(15,969)	(16,638)	(17,135)	(17,646)	(32,430)	(34,781)
Net operating income	12,157	18,420	10,273	13,273	19,418	21,707	32,691
Income before income tax and profit sharing	12,142	18,438	10,290	13,291	19,444	21,711	32,735
Net Taxes	(2,668)	(5,774)	(2,704)	(3,588)	(6,091)	(5,795)	(9,679)
Income before discontinued operations	9,474	12,664	7,586	9,703	13,353	15,916	23,056
Non-controlling interest	(1)	(1)	1	(1)	(4)	1	(5)
Net Income	9,473	12,663	7,587	9,702	13,349	15,917	23,051

"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."

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Head of Accounting

Cash Flow Statement

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer
Cash Flow Statement (from January 1st to December 31st 2020)

Million pesos

Net income		23,051
Adjustments derived from items not involving cash flow		
Depreciation of property, furniture and fixtures	1,173	
Amortization of installation expenses	908	
Amortization of intangible assets	850	
Provisions	1,932	
	-440	
Income taxes	9,679	
Share in net income of unconsolidated subsidiaries and affiliated companies	(44)	
Noncontrolling interest	5	14,063
		<u>37,114</u>
Operating activities		
Change in margin call accounts		17,073
Change in investments in securities		(21,030)
Change in debtors from repurchase agreement		15,086
Change in derivatives (assets)		64,926
Change in loan portfolio (net)		(22,688)
Change in repossessed assets		128
Change in other operating assets		(40,813)
Change in deposits		37,611
Change in interbank loans and other loans from other entities		12,596
Change in creditors from repurchase agreements		45,775
Change in securities lending		(5)
Change in collaterals sold or delivered in guarantee		(10,774)
Change in derivatives (liabilities)		(64,197)
Change in subordinated obligations with liability characteristics		(15,230)
Change in other operating liabilities		54,195
Change in hedging instruments (of hedge items related to operation activities)		(6,131)
Income taxes payment		<u>(4,580)</u>
Net cash flows used in operating activities		<u>61,942</u>
Investment activities		
Proceeds from the disposal of property, furniture and fixtures		29
Payments for the acquisition of property furniture and fixtures		(972)
		93
Proceeds from cash dividends		1
Payments for acquisition of intangible assets		<u>(789)</u>
Net cash flows used in investment activities		<u>(1,638)</u>
Financing activities		
Cash dividends paid		<u>(11,080)</u>
Net cash flows used in financing activities		<u>(11,080)</u>
Net increase or decrease in cash and cash equivalents		86,338
Effects of changes in cash and cash equivalents		(16)
Cash and cash equivalents at the beginning of the year		<u>223,219</u>
Cash and cash equivalents at the end of the year		<u>309,541</u>

"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."

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Changes in Stakeholder's Equity

BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero 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>Million pesos</i>												
Balances as of December 31st, 2019	24,143	15,860	6,901	160,008	2,820	(96)	440	(4,046)	36,167	242,197	37	242,234
HOLDERS' MOVEMENTS IN LINE WITH STOCKHOLDERS												
Transfer from net income to results of prior years				36,167					(36,167)			0
Decree of dividends				(11,080)						(11,080)		(11,080)
Total	0	0	0	25,087	0	0	0	0	(36,167)	(11,080)	0	(11,080)
HOLDERS MOVEMENTS IN RECOGNITION TO THE REVENUES												
Net income									23,051	23,051	5	23,051
Result from valuation of securities available for sale					(6,152)					(6,152)		(6,152)
Result from valuations of Cash Flow Hedging						(466)				(466)		(466)
Recognition in the preventive estimation for credit risks due to a change in rating methodology							(440)			(440)		0
Redefined benefits to employees								1,611		1,611		1,611
Total	0	0	0	0	(6,152)	(466)	(440)	1,611	23,051	17,604	5	17,609
Balances as of December 31st, 2020	24,143	15,860	6,901	185,095	(3,332)	(562)	0	(2,435)	23,051	248,721	42	248,763

"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

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Head of Accounting

Regulatory accounting pronouncements recently issued

I. Adoption of international standard

- a. According to the Resolution that modifies the general provisions applicable to credit institutions, published in the *Diario Oficial de la Federación* (DOF) on December 4, 2020, the CNBV has resolved to adopt the IFRS 9, for which it is necessary to update the accounting criteria applicable to credit institutions, to make them consistent with the financial and international reporting standards contained in this resolution, which will allow having transparent and comparable financial information with other countries, with its entry into force on January 1, 2022.

BBVA Mexico's administration is in the process of determining the effects of the adoption of these modifications to the accounting criteria applicable to credit institutions.

- b. In accordance with the amendments that modifies the general provisions applicable to credit institutions, published in the DOF on December 4, 2020, the CNBV has resolved to modify the following Financial Reporting Standards (FRS), which had previously been published in the DOF of December 27, 2017; and this will be effective as of January 1, 2022 rather than on January 1st, 2019.

The following is a brief description of the main changes with application as of January 1, 2022:

Mexican FRS B-17 "Fair Value Determination"- It defines fair value as the exit 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 fair value is a market-based determination and not on a specific value of an asset or a liability and that, when determining the fair value, the entity should use assumptions that market participants would use when setting the price of an asset or a liability under current market conditions as of a specific date, including assumptions about risk. As a result, the entity's intention to hold or liquidate an asset, or otherwise satisfy a liability, is not relevant in determining fair value.

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 considered as a financial instrument.
- It establishes that the provisions for loan losses for commercial accounts payable is recognized from the moment the income is accrued, based on 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 the payment of the account receivable is agreed, in whole or in part, for a term greater than one year, since in these cases a financing operation exists.

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 Receivable (FIR)”- It indicates that, to determine the recognition of the expected loss, the historical experience that the entity has in credit losses should be considered; as well as, current conditions; as well as, reasonable and sustainable forecasts for the different measurable future events that could affect the amount of future cash flows to be recovered from the FIR.

It also notes that the expected loss should be recognized when, having increased credit risk, it is concluded that a portion of the FIR future cash flows will not be recovered. Any accounting changes that arise should 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 their fair value is established when certain conditions are met.
- Value long-term liabilities at their present value at initial recognition.
- When restructuring a liability, without substantially modifying the future cash flows to settle it, the costs and commissions disbursed in this process will affect the amount of the liability and will be amortized using a modified effective interest rate, instead of directly affecting the net income or loss.
- It incorporates the provisions 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 comprehensive income statement.
- It introduces the concepts of amortized cost to value financial liabilities and the effective interest method, based on the effective interest rate.

Any accounting changes that arise must be recognized retrospectively.

Mexican FRS C-20 “Financial instruments to collect principal and interest”- The main characteristics issued for this FRS are shown below:

The way of classifying the financial instruments as assets is modified, since the concept of intention to acquire and hold them to determine their classification is discarded, instead the adoption of the concept business model of the administration.

- 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 characteristics of a loan.
- They include both financial instruments generated by sales of goods or services, financial leases or loans, as well as those acquired in the market.

Mexican FRS D-1 “Revenues from clients’ contracts” - The main changes issued for this FRS are shown below:

- Control transfer, based on the opportunity to recognize income.
- Identify the obligations to be complied with in a contractual agreement.
- The allocation of the transaction price among the complied obligations based on the independent sales price.
- The introduction of the concept of conditioned account receivable.
- The recognition of collection rights.
- The valuation of income.

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

Mexican FRS D-5 “Leasing”- Effective from January 1, 2022. Its early application is allowed for those who use FRS D-1 “Revenue from contracts with clients” and FRS D-2 “Costs from contracts with clients”, before the date of initial application of this FRS. It leaves without effect the Bulletin D-5 “Leases”. 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 of rights for the 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 presentation of related cash flows, as cash outflows from operating activities are reduced, with an increase in outflows of cash flows from financing activities.
- It modifies the recognition of the gain or loss when a seller-lessee transfers an asset to another entity and leases that asset in return.
- The accounting recognition by the lessor has no changes in relation to the previous Bulletin D-5, and only some disclosure requirements are added.

c. New Standard Pronouncements issued by CINIF

In December 2020, the CINIF issued a document titled "Improvements to Mexican FRS 2021", which contains specific amendments to some existing Mexican FRS. The main amendments that generate accounting changes are the following:

Mexican FRS B-1 "Accounting changes and error corrections"- To converge with FRS 8 of IFRS, prospective application is incorporated when it is impractical to determine the accumulated effects of an accounting change or the correction of an error. In those cases, the entity should recognize the effects of the change in the error correction in the current accounting period.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized through prospective application.

Mexican FRS C-19 "Financial instruments payable" - Establishes that now the proceeds from forgiveness received or granted should be presented within the results related to operating activities, instead of being presented in comprehensive income.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized based on the provisions of FRS B-1.

Mexican FRS C-20 "Financial instruments to collect principal and interest" - Establishes that now the effects of the renegotiation of an IFCPI must be presented within the results related to operating activities, instead of being presented in comprehensive income.

The amendment to this FRS comes into force for the years beginning on January 1, 2021; allowing its early application for fiscal year 2020. The accounting changes that arise must be recognized based on the provisions of FRS B-1.

Mexican FRS D-5 "Leasing" - 1) establishes that the mandatory disclosures of the expense related to short-term and low-value leases for which the right-of-use asset has not been recognized, separately. 2) It incorporates the method to determine the proportion that corresponds to the rights of use retained by the seller-lessee, as well as their accounting recognition.

The Institution's Management is in the process of determining the effects of adopting the new Financial Reporting Standards and the improvements to the FRS in the financial statements.

II. Outsourcing labor law. -

On April 23, 2021, it was published on the Federal Gazette the decree with the reforms of several dispositions regarding outsourcing in the Federal Labor Law, Social Security Law, National Housing Fund Institute Law, Federal Tax Code, Income Tax Law and Value Added Tax Law. This decree covers different issues, labor and tax, among which the following stand out:

- Regulate the calculation of the participation of the workers in the profits of the company in two modalities; either a maximum limit of three months of the worker's salary, or the average profit of the company received by the worker in the last three years, whichever is more favorable for the employee.
- Prohibition on personnel subcontracting, so that structures such as the so-called insourcing or internal personnel service providers are prohibited, as well as the hiring of personnel who carry out activities that are related to the company's corporate purpose or preponderant economic activity of the hiring company.
- The subcontracting of specialized services or the execution of specialized works that are not related to the corporate purpose or predominant economic activity of the contracting company is allowed, dependent on said providers obtaining the corresponding registration.

In this regard, different transition periods were established for the forced execution of certain modifications contained in the reform.

The employer substitution from the entities of personnel services was carried out on July 1, 2021. This transfer will not generate material effects on future financial information.

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BBVA Bancomer

S.A.

Financial Report and Achievements

January-June 2020

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