

BBVA Bancomer

BBVA Bancomer

Focused on continuing growth



adelante.

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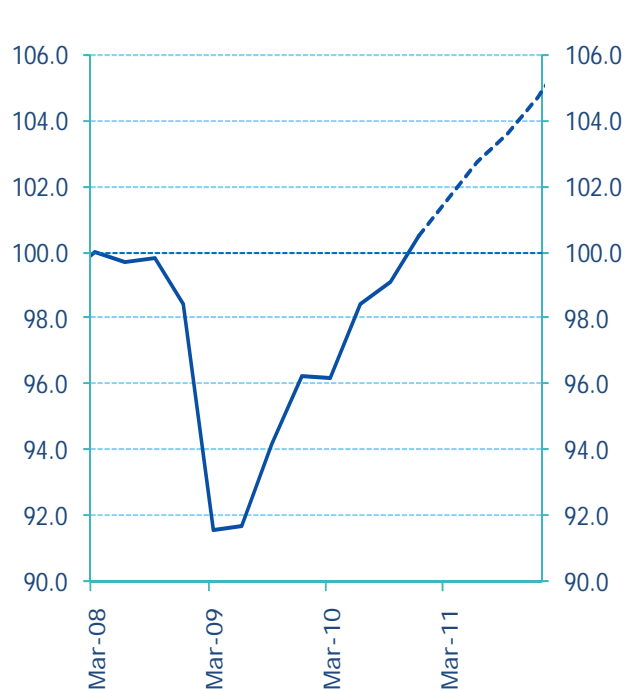
Higher competitiveness and employment drive the Mexican economy expansion over 4% in 2011-12

- Improved foreign demand, better funding conditions and higher employment to foster domestic demand and economic growth

Mexico, GDP

1Q08=100

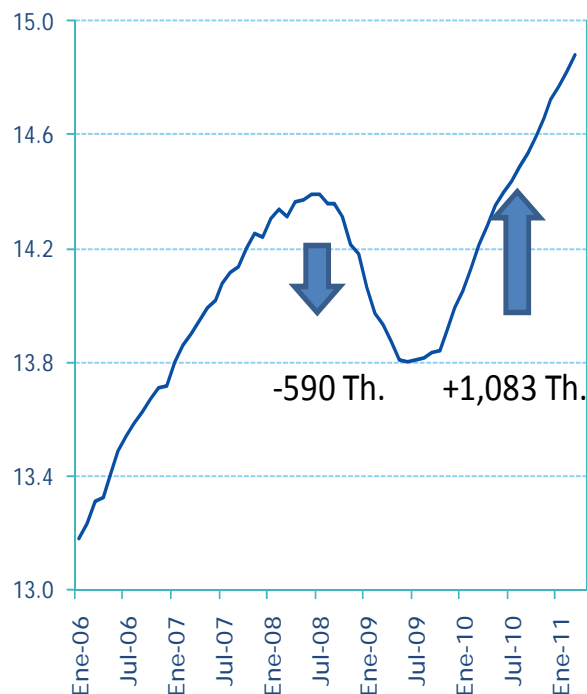
Source: BBVA Research and Inegi



Employment

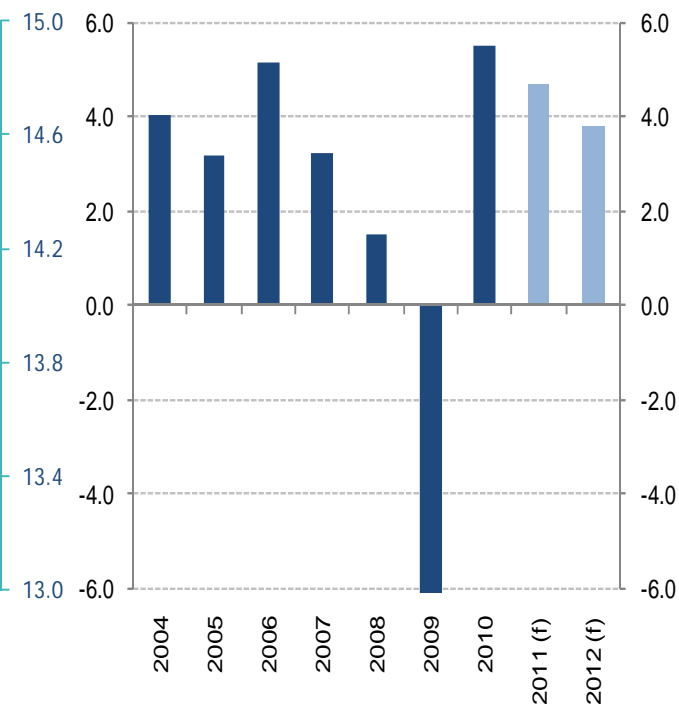
(Formal market, million people)

Source: BBVA Research



Economic Growth

Source: BBVA Research and INEGI



Financial variables: anchored to stability

Anchored mid-term inflation will lead to limited monetary hiking

- Commodity shocks and higher growth perspectives, temporarily interrupt mid-term inflation convergence
- Banxico's credibility and fiscal policy focused on stability will result in softer than previous rates tightening

Mexico. Inflation



Source: BBVA Research

Banxico. Funding rate

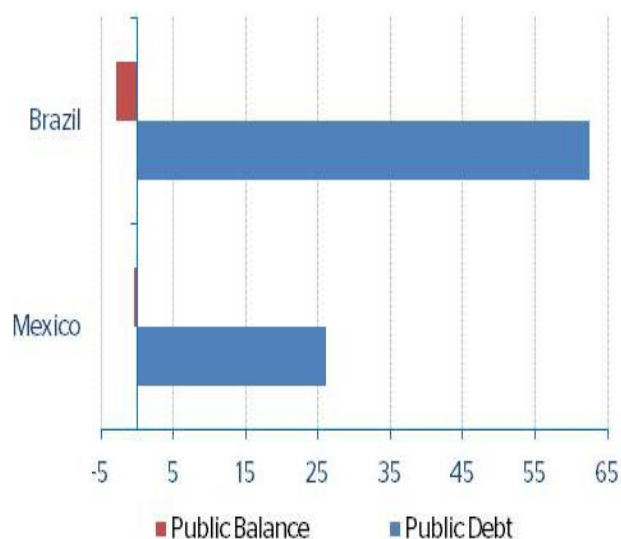


Source: BBVA Research

Mexico: reaping the benefits of continued commitment to sound macro policies

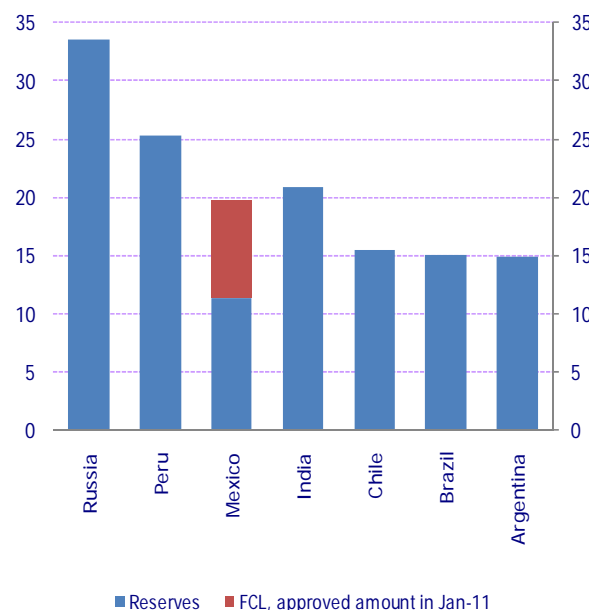
- Non-external imbalances and reliable fiscal policy allow Mexico be supported by IMF through FCL, precautionary USD funding without policy conditionality
- Mexican peso forecasted path is coherent with inflation and growth differentials vs.USA. Mexican authorities engagement to a non-intervention exchange rate policy is a strength regarding other emerging currencies

Public Balance and Debt
(% GDP, Average 2005-09)



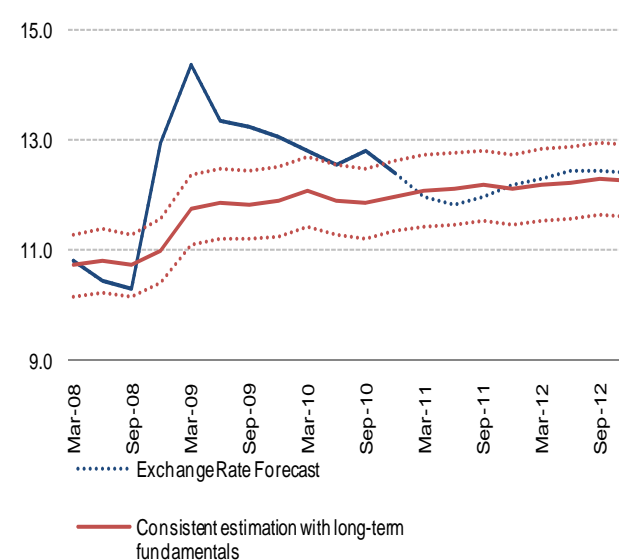
Source: IIF

Availability of USD funding



Source: BBVA Research

Exchange Rate, MXN Peso per USD

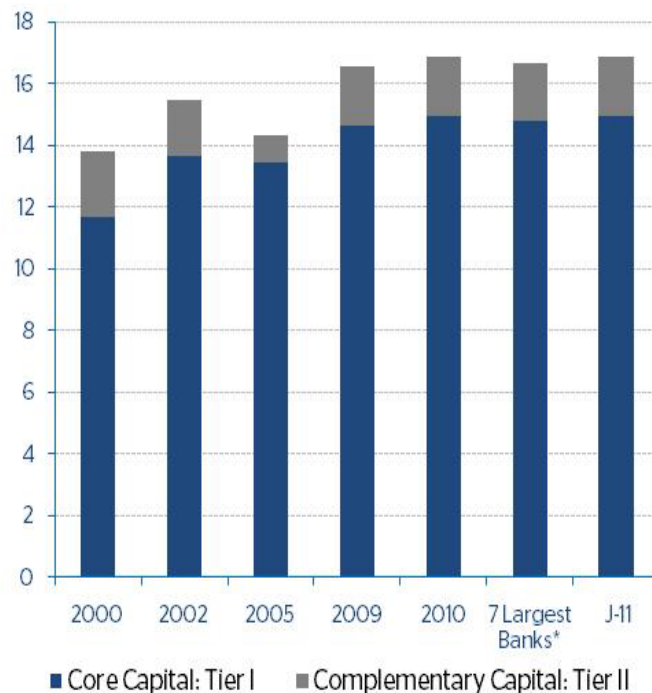


Source: BBVA Research

The Mexican Banking Sector remains highly capitalized

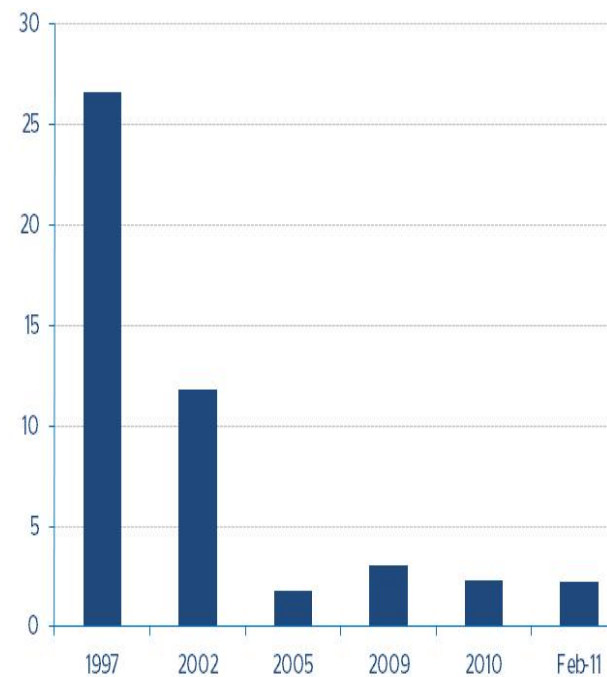
Credit risk is limited and well covered

Capitalization ratio of the Mexican Banking Sector
(Percentage of Risk Weighted Assets)



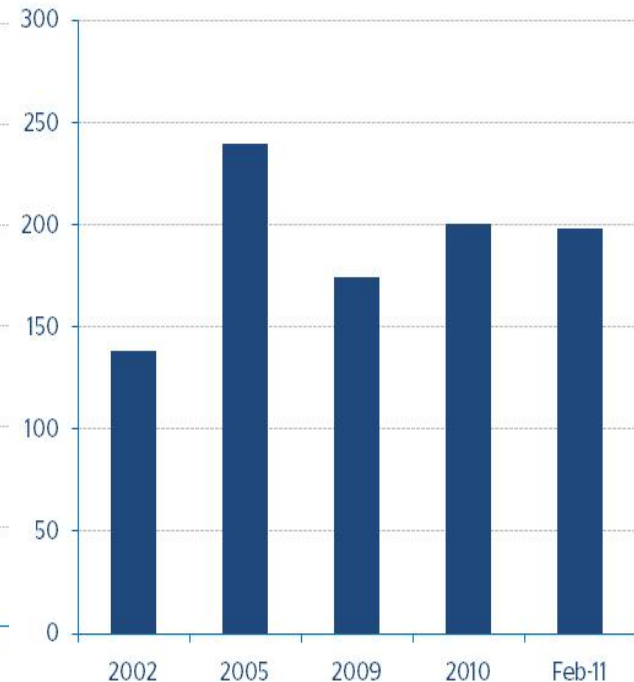
Source: CNBV. Figures as of January 31, 2011

Bank Nonperforming Loans to Total Loans, %



Source: CNBV

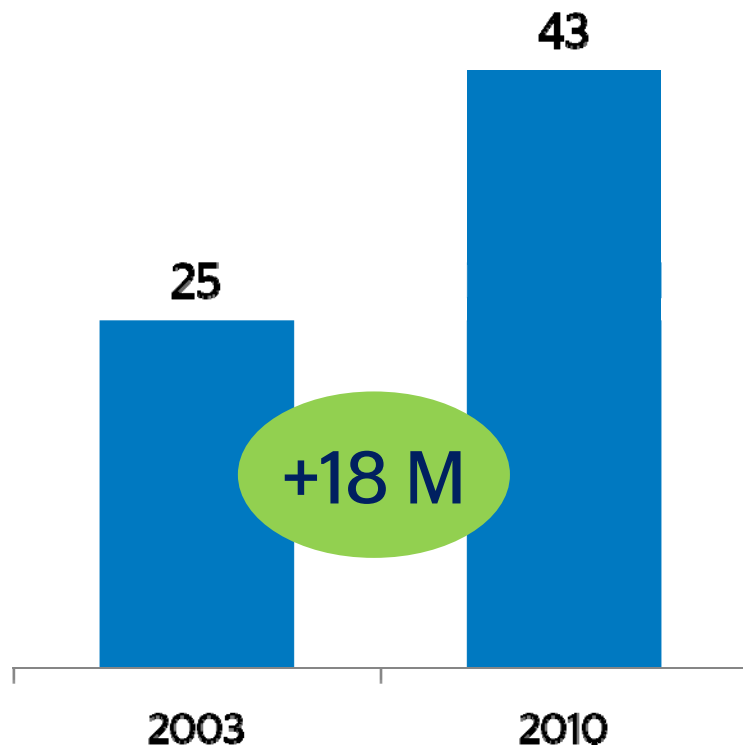
Provisions to Nonperforming Loans, %



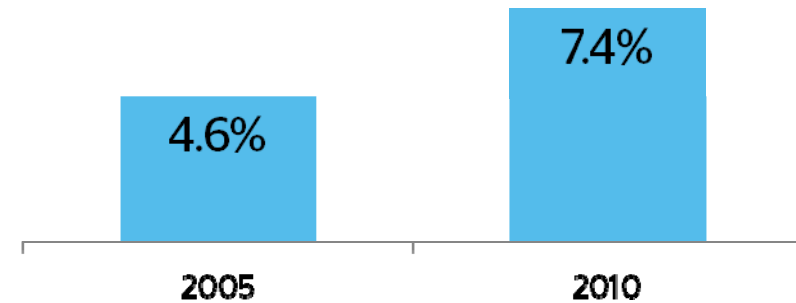
Source: CNBV

Continued progress in Mexican banking penetration

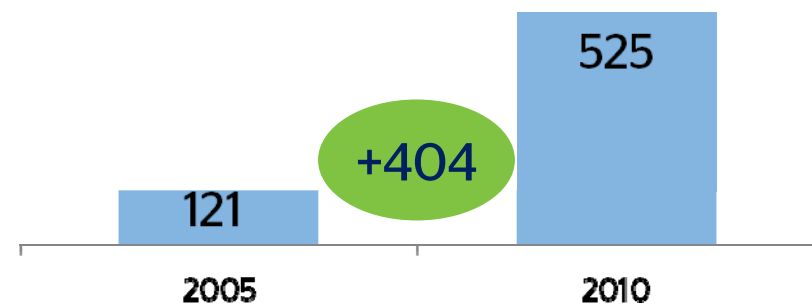
Total Banking Customers
(million)



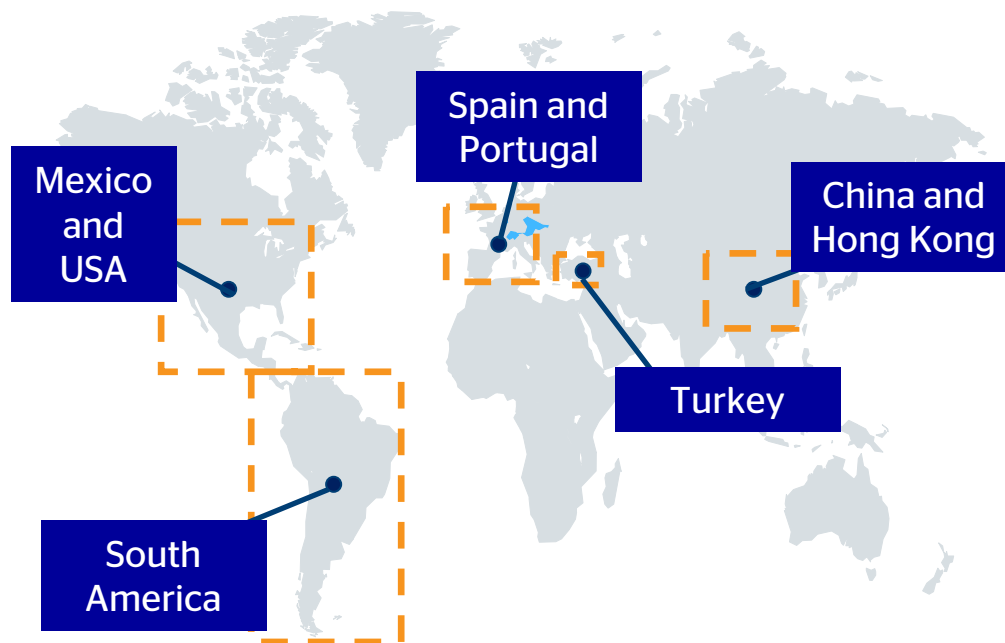
**Commercial Banking:
Credit to enterprises (SMEs)**
(% of GDP)



Enterprises with Credit
(Thousand)



Bancomer has a strategic position in BBVA, one of the most solid international financial groups



Net Income
Contribution

57% emerging markets

43% developed markets

BBVA Highlights

As of March 31th, 2011

Net Income (€ million)	1,150
ROE (%)	12.8
Efficiency (%)	44.8
Capitalization (%)	13.0
Clients (millions)	47.4
Employees	108,594
Branches	7,412
Countries	31

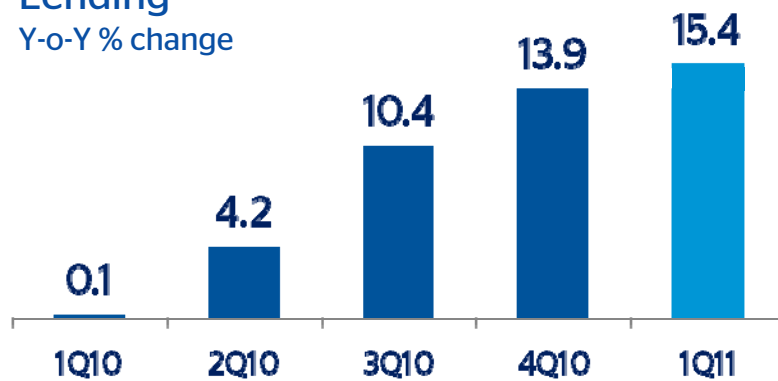
Bancomer: positive performance on commercial activity and solid results

1Q11

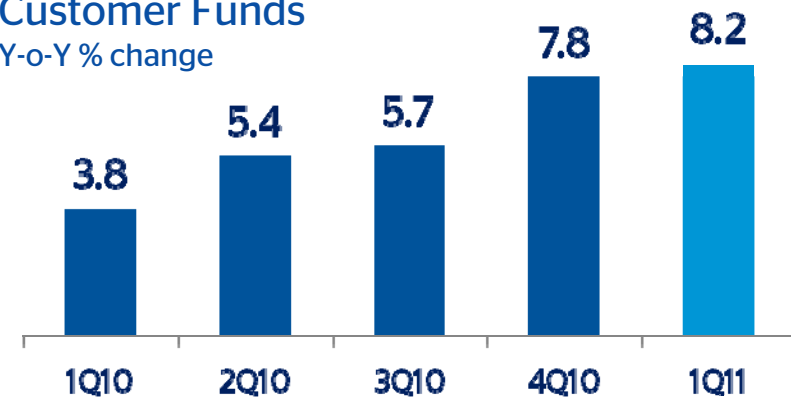
1. Business Performance	Performing Loans	+15.4%
	Customer Funds	+8.2%
2. Financial Results	Record Income	€ 1,437 M
3. Asset Quality	Delinquency	2.5%
	Cost of Risk	3.4%
4. Solvency & Liquidity	Capital ratio	15.9%
	Loans/Deposits	112%
5. Opportunities	Best positioned to continue growing	

Higher business volumes and mix improvement

Lending*
Y-o-Y % change

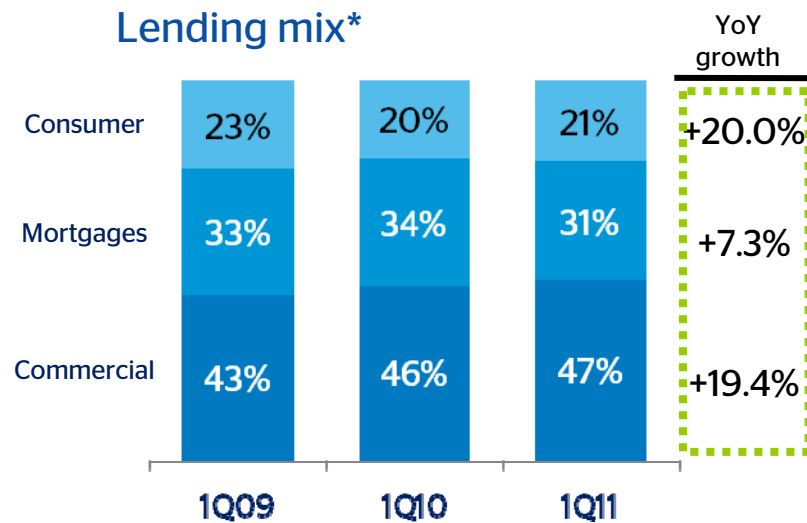


Customer Funds
Y-o-Y % change



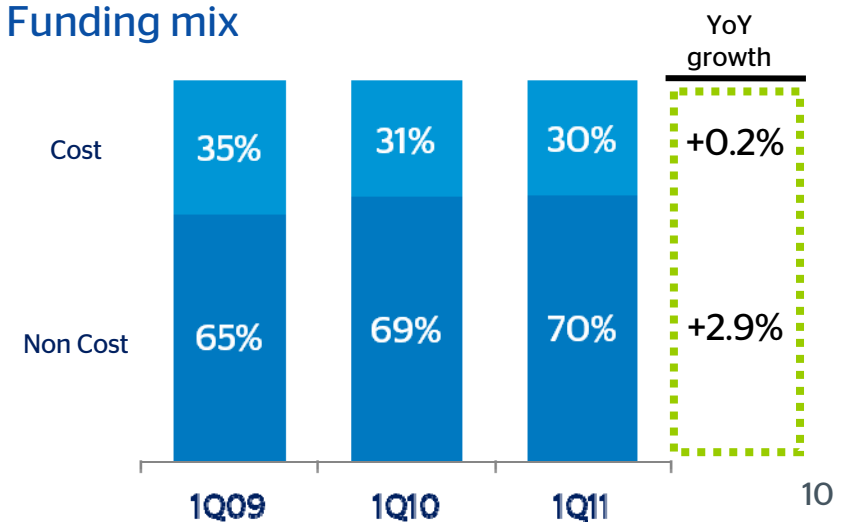
...consumer lending growing since 2S10

Lending mix*



*Excludes UDI Trusts (Old residential)

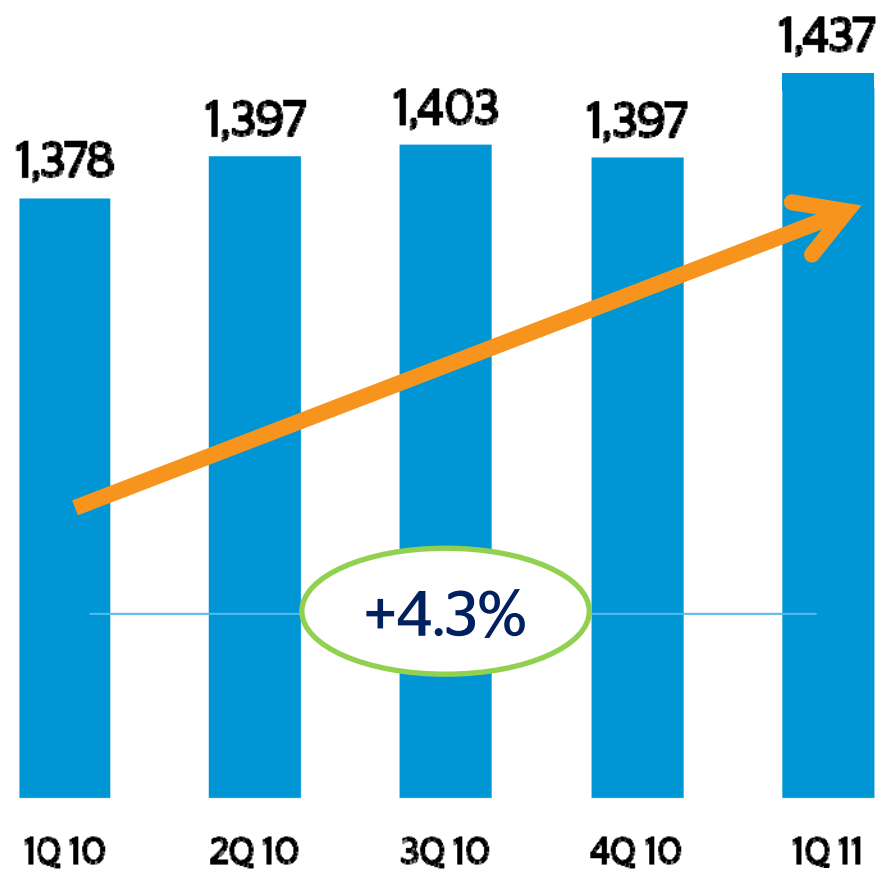
Funding mix



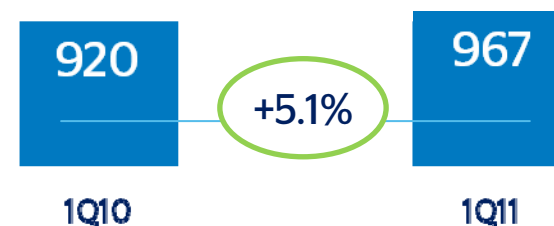
Record Gross Income driven by higher commercial activity

Million euros

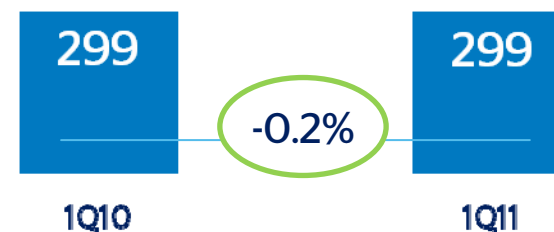
Gross Income



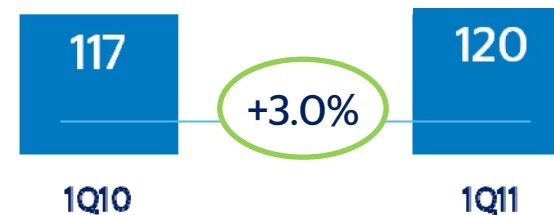
Net Interest Income



Fees & Commissions



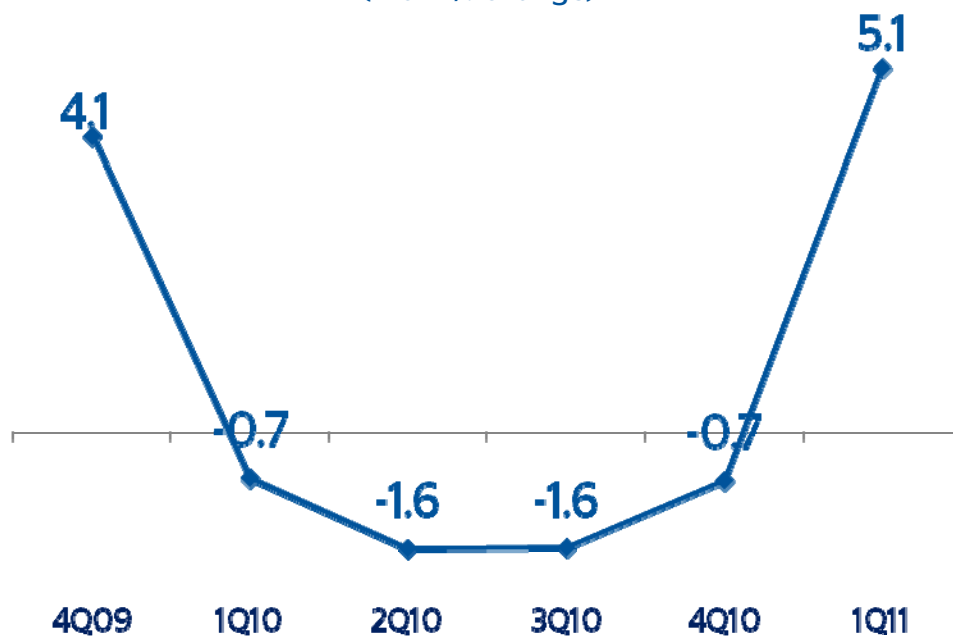
Trading Income



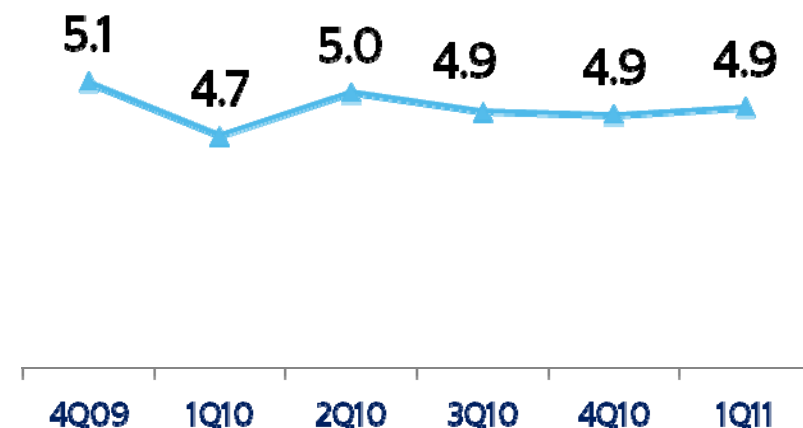
Net Interest Income showing better performance

Net Interest Income

(Y-o-Y % change)



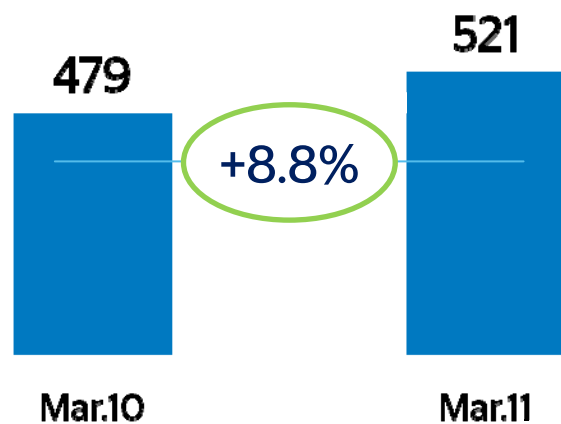
NIM (%)



Higher expense growth due to capital expenditure

Million euros

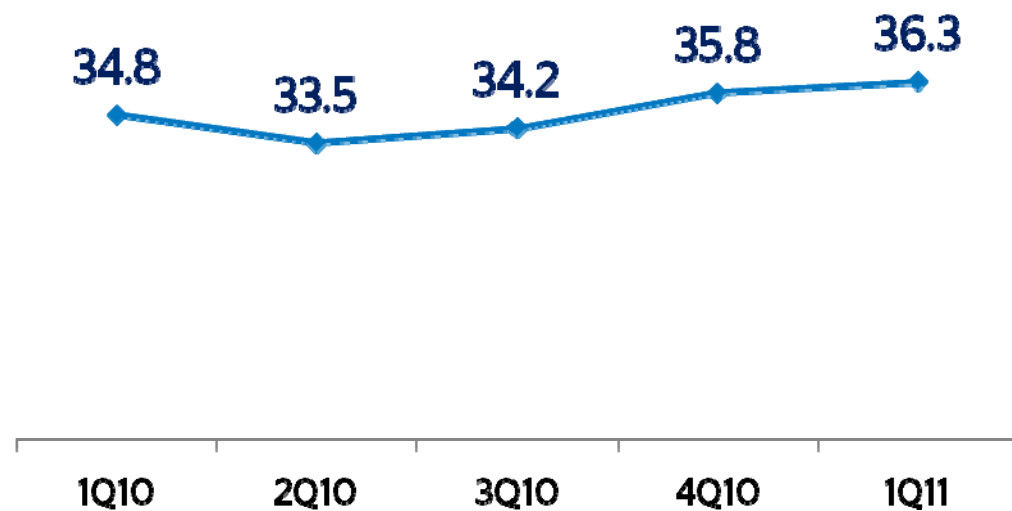
Expenses



Underlying
expenses

+4.9%

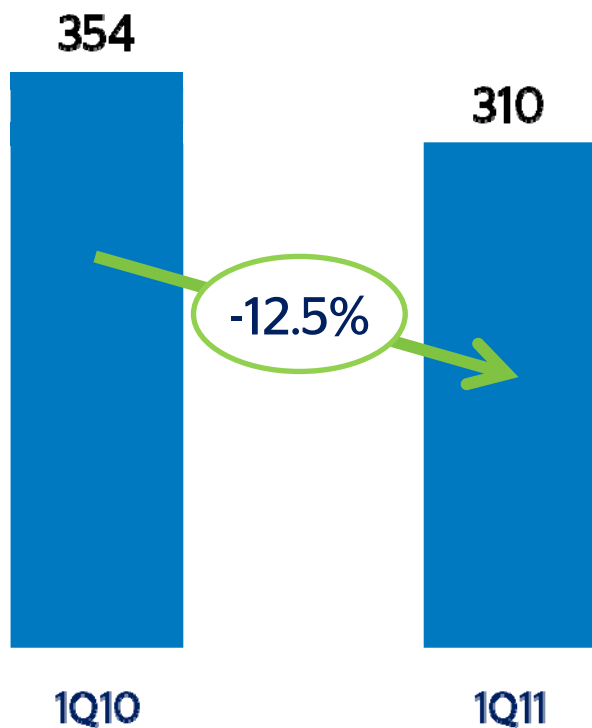
Efficiency ratio (%)



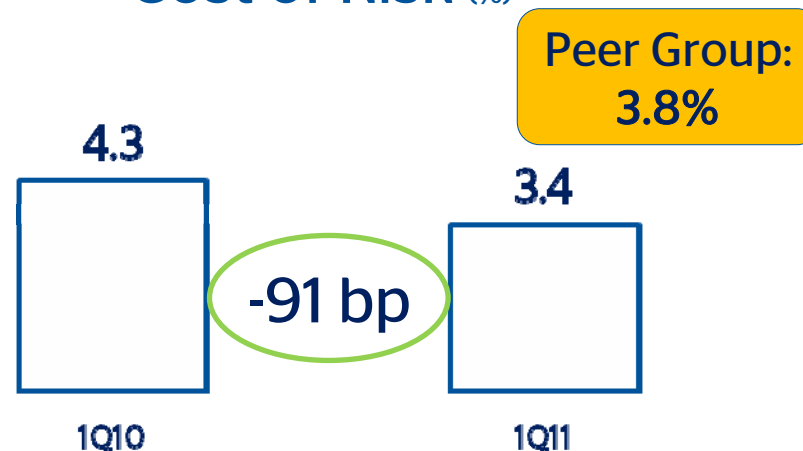
Continued improvement in asset quality

Million euros

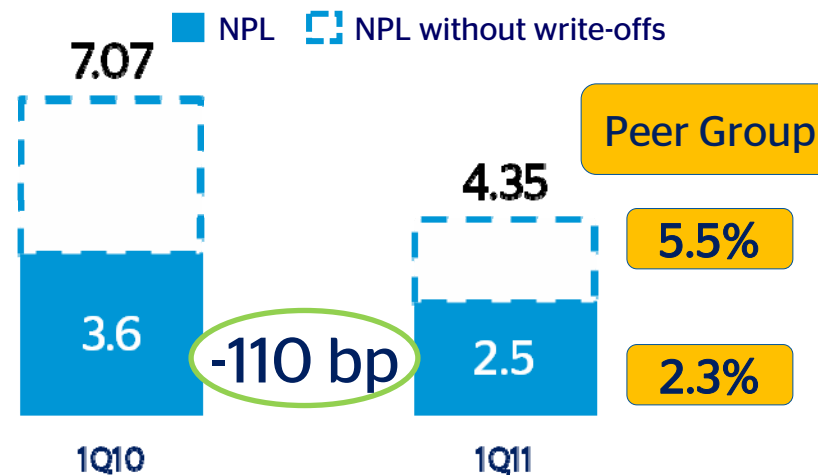
Provisions



Cost of Risk (%)



Non-Performing Loans (%)



Sharp increase in bottom line

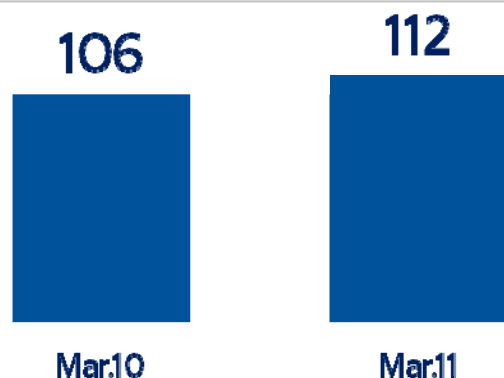
Million euros

Mexico

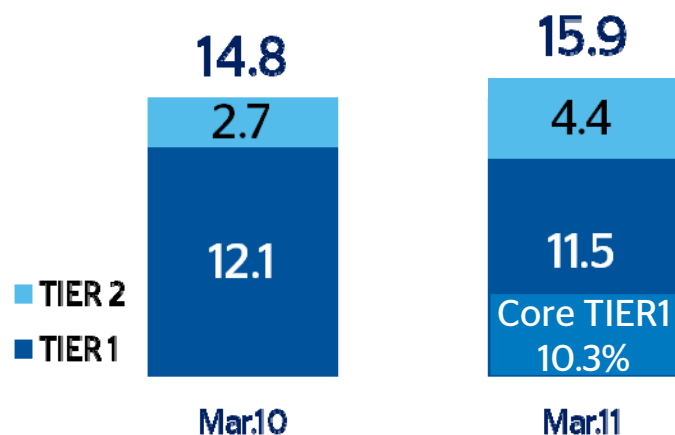
	Mar.10	Mar.11	mp	%chg
Net Interest Income	920	967	47	5.1
Fees & Commissions	299	299	-1	-0.2
Trading income	117	120	4	3.1
Gross Income	1,288	1,437	149	4.3
Operating Costs	-479	-521	-42	8.8
Operating Income	899	916	17	1.8
Provisions	-354	-310	44	-12.5
Income Before Tax	519	595	75	14.5
Net Attributable Profit	371	436	65	17.3

Deposit funded franchise and solid capital position

Loans / Deposits (%)



Capitalization Ratio (%)



Customer funds / Net Loans Index

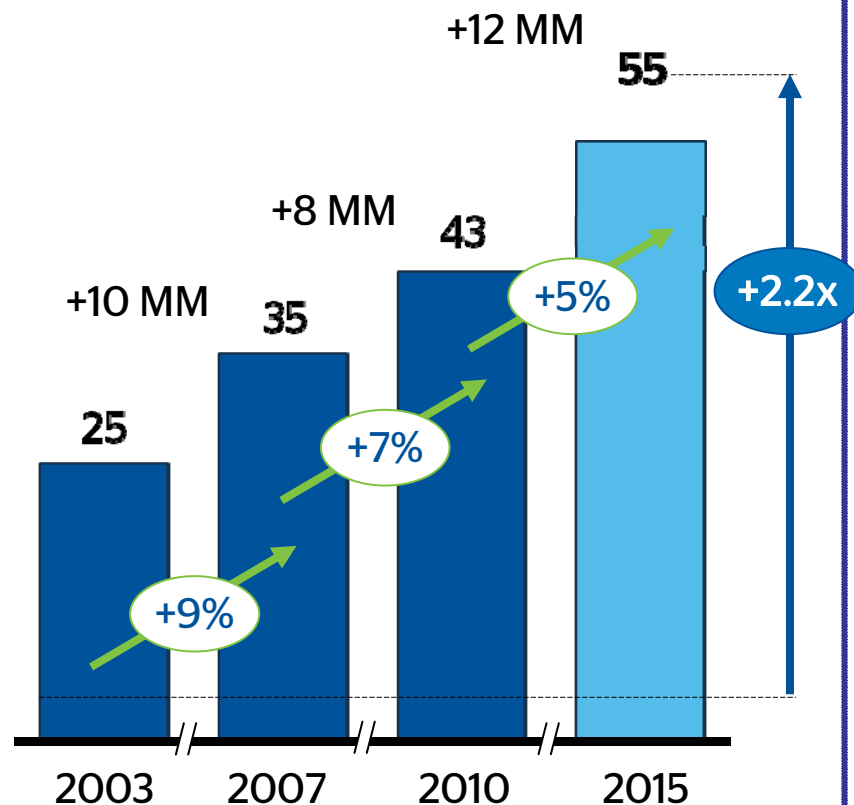
Largest issuer in international and domestic markets

April 2010:
Subordinated Notes : US\$1 bn, 10 yrs
US, Europe and Asia
March 2011:
Senior Notes: US\$750 M, 5 yrs
Subordinated Notes : US\$1.25 bn, 10 yrs
US, Europe, Asia and LatAM

Above
minimum
Basel III

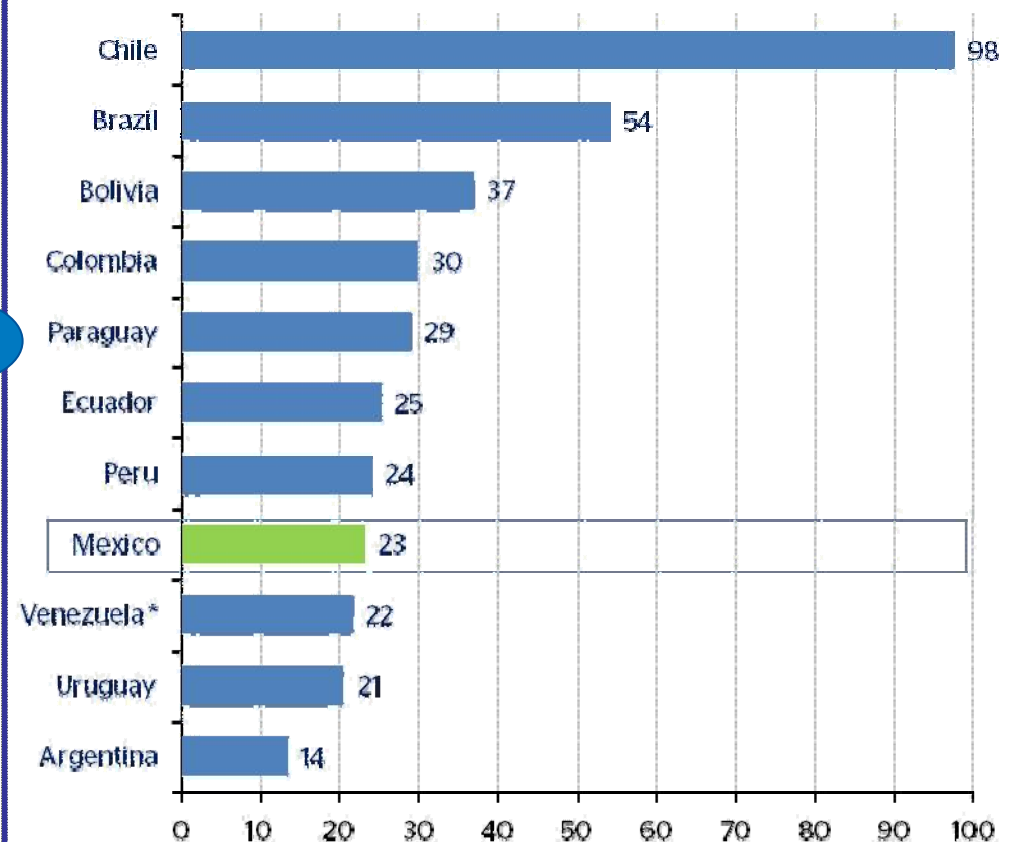
Banking penetration: 12 million to be banked

Mexican Banked Population (Million)



Source: BBVA Bancomer; working team

Domestic credit to private sector (% of GDP) (2009)

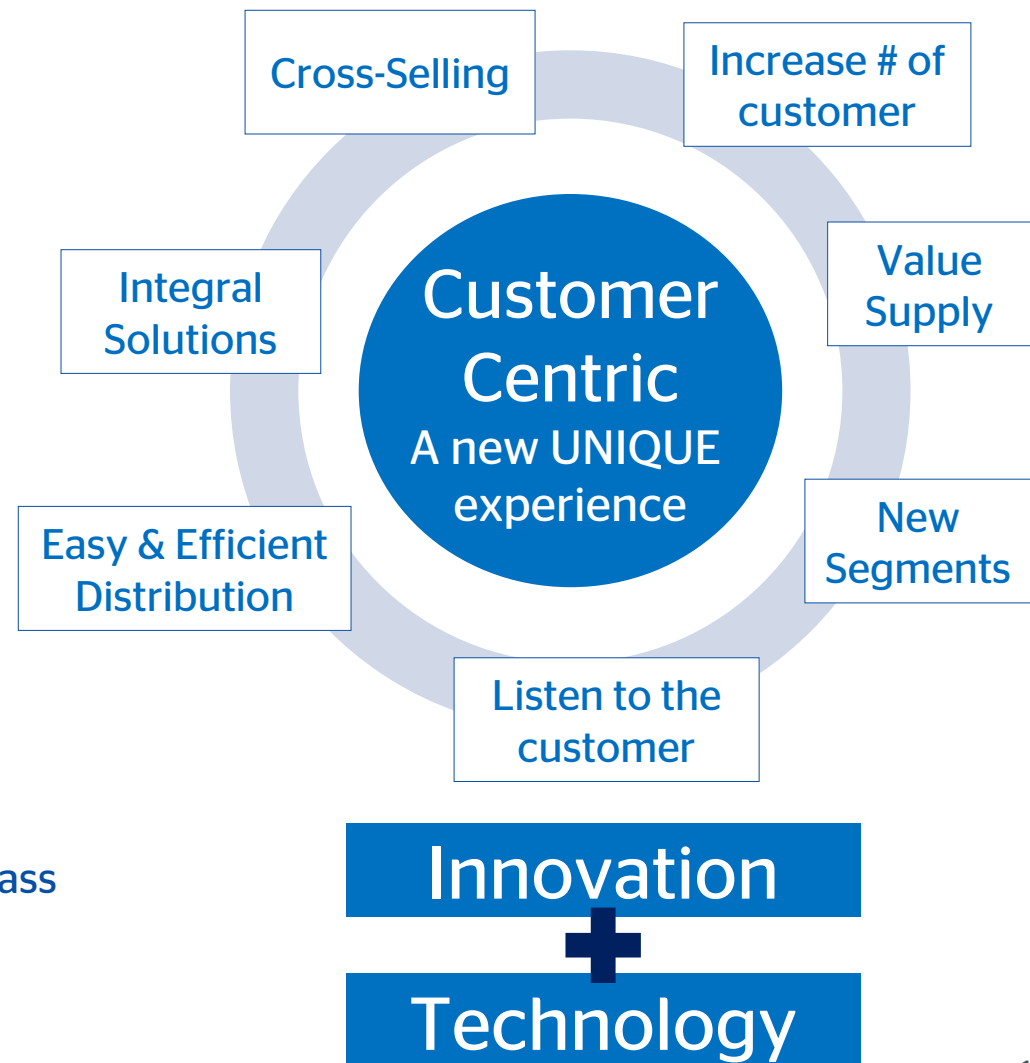
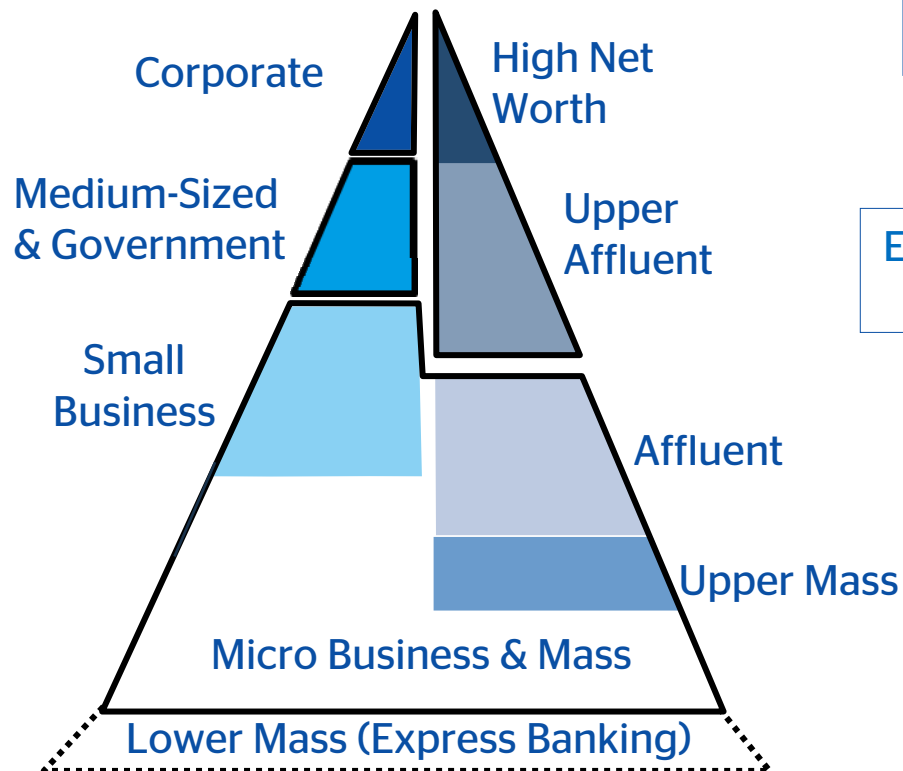


Source: BBVA Research with World Bank data

Customer Centric: Segmentation and Innovation

Total Customers:
16.9 Mar-11 (+8 M since 2003)

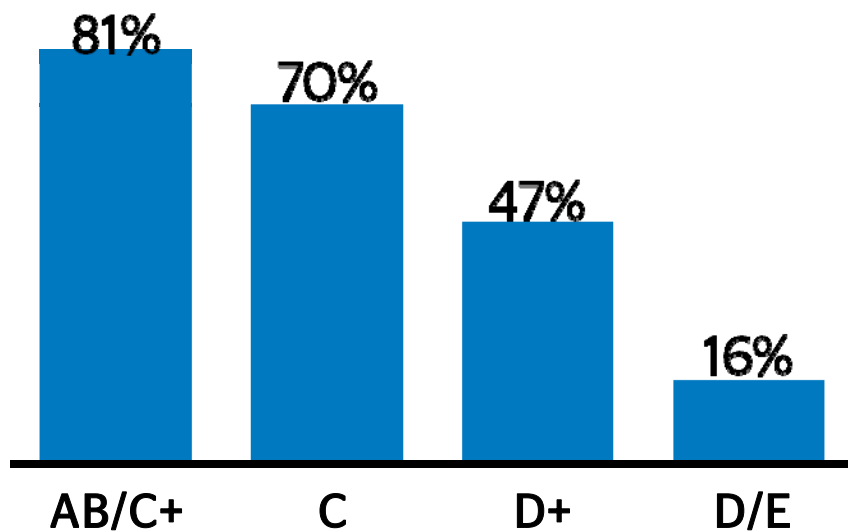
Customized Service



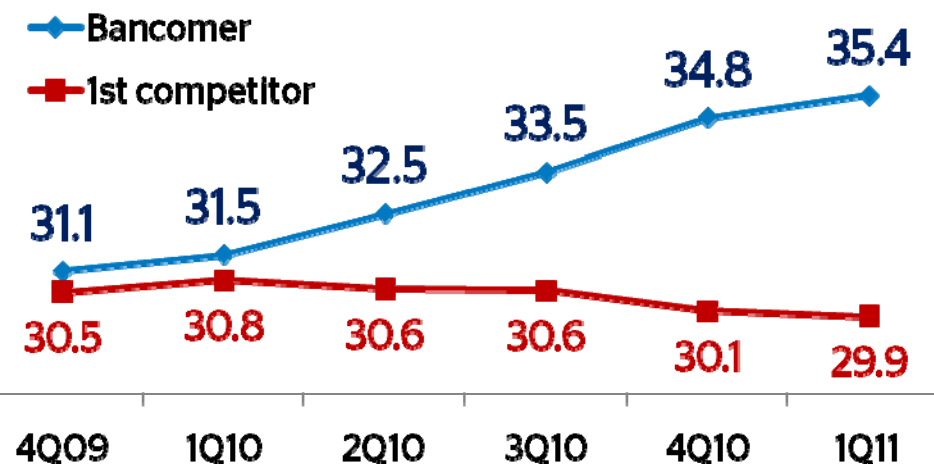
Consumer lending: successful strategy based on high standards in risk management

Credit Card Penetration in Mexico

(% of homes with at least 1 credit)



Credit Card Market Share (%)



Consumer loans
(unsecured)

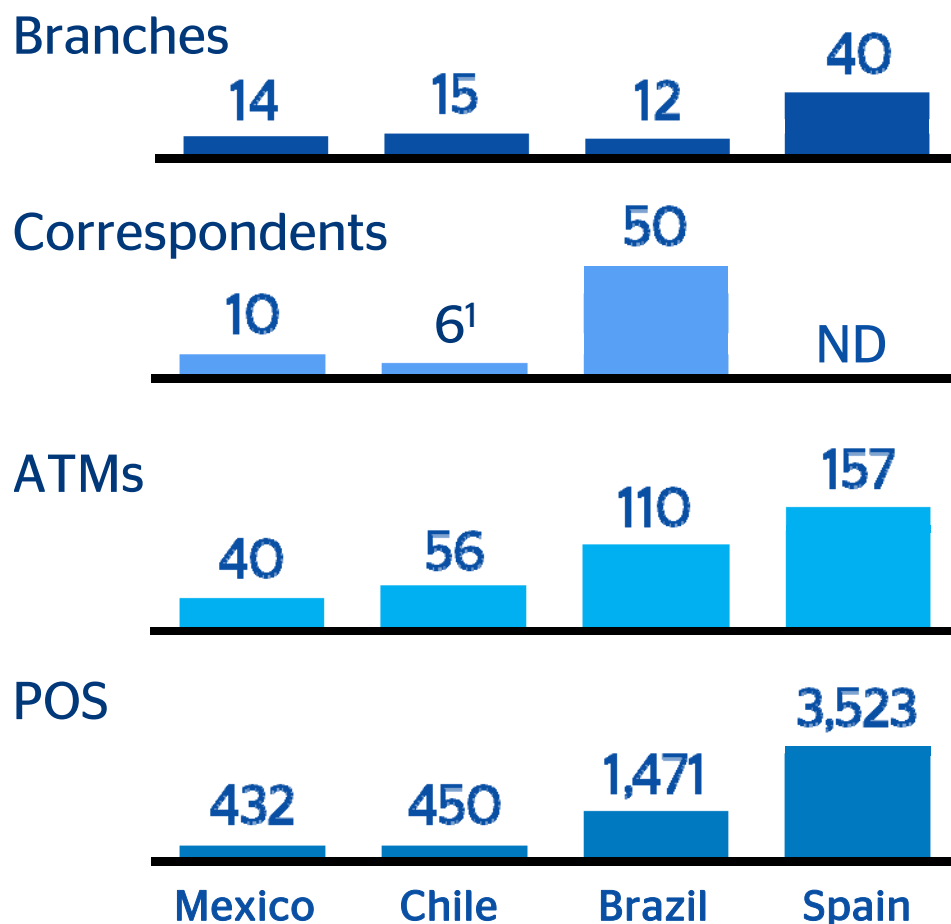
Mkt Share
Auto: 54%
C.Portfolio
36%

Strategic commercial partnerships
Multichannel Distribution
Pre-approved Offers

Multichannel model: low penetration of distribution channels

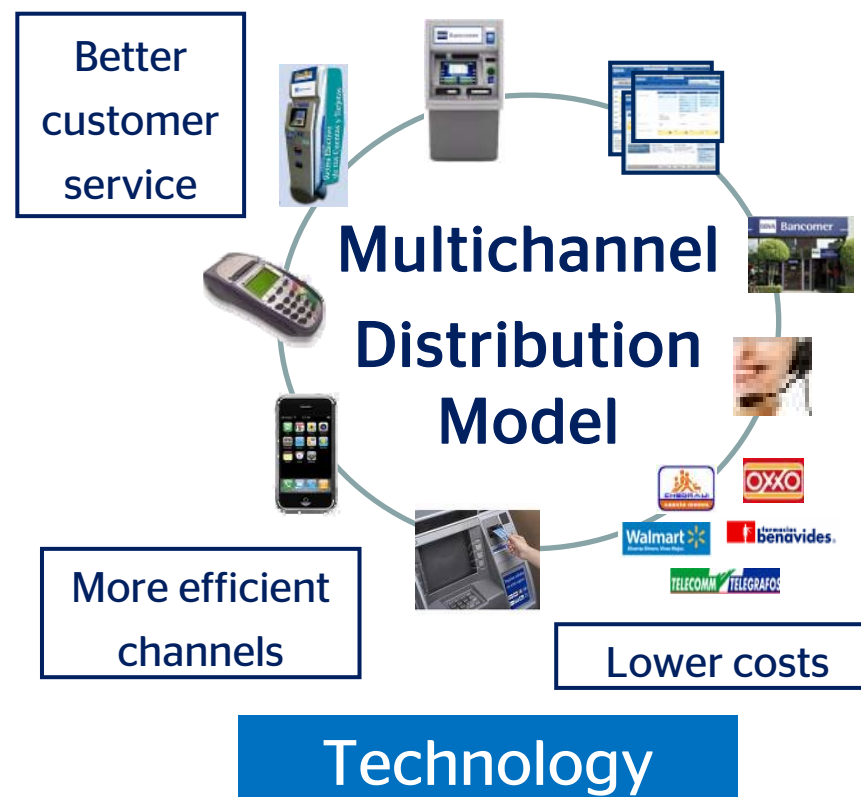
Opportunities: Physical Access to Financial Services

Points per 100,000 inhabitants, 2008



¹ Data as of 2007. Source: McKinsey

From an industrialized model to a customized model



Mortgage Market: Bancomer's best positioned to grow

Housing Deficit

(estimates, based on 2008 data, million)

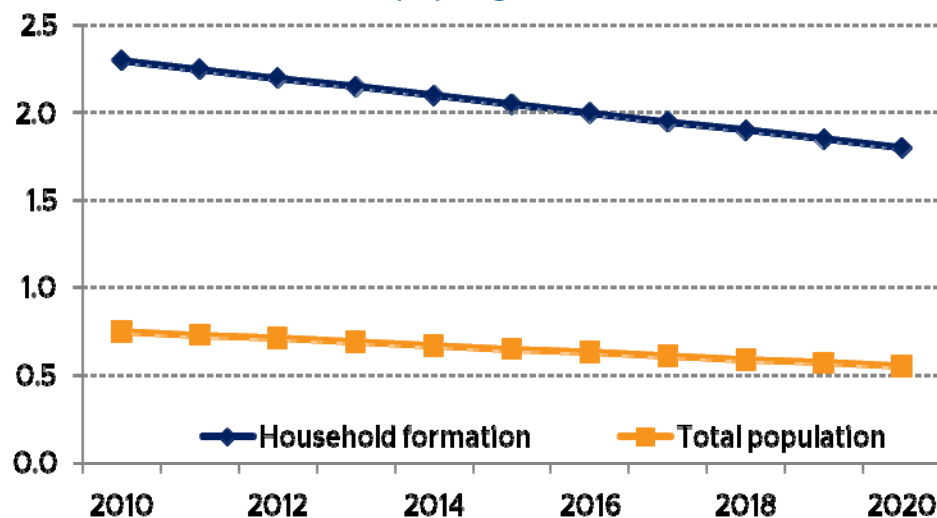
Deficit

9.6

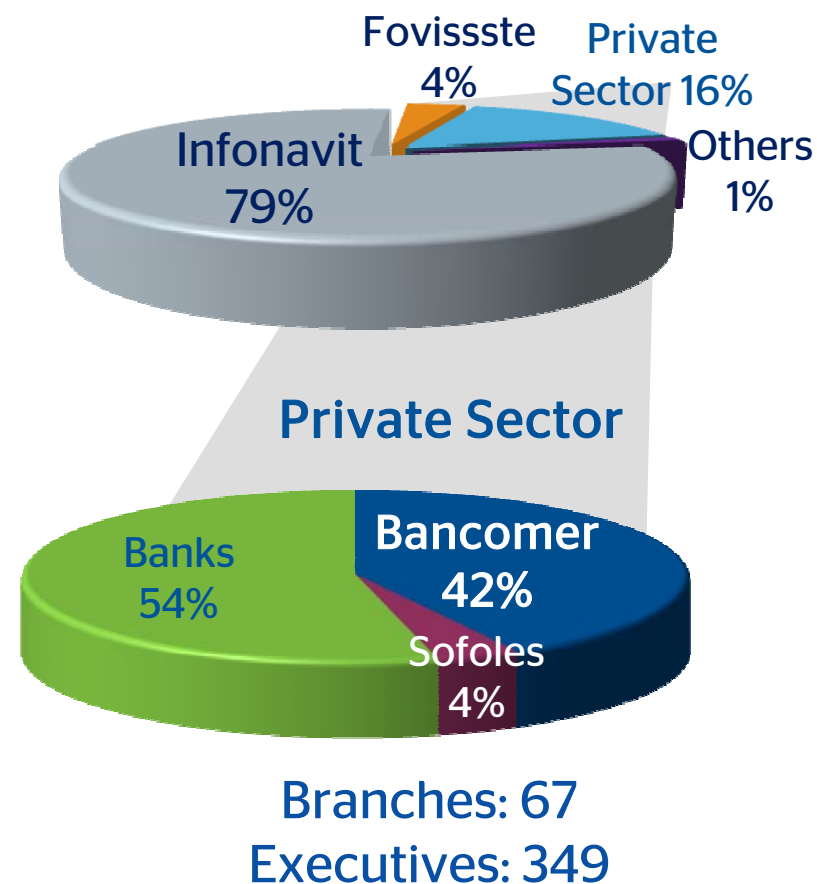
Homes in need of remodeling or expansion and households without home

Household formation

(yoy % growth)

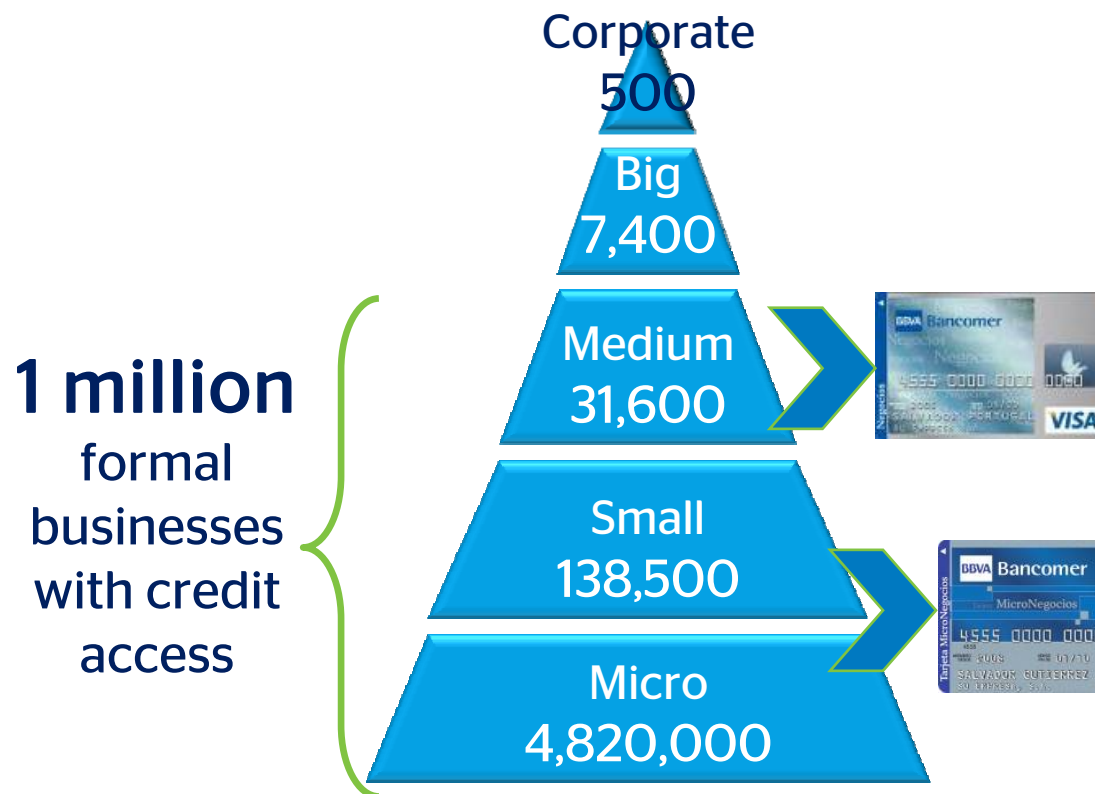


1 / 3 new mortgages in the private sector



Micro & Small companies: specialized attention in a growing market

Market Size



Current customers: 360 th

SMEs Specialized Network:

- **14** Business Center
- **150** Executives
- **365** Business executives
- **1,717** Branch executives

Network expansion:

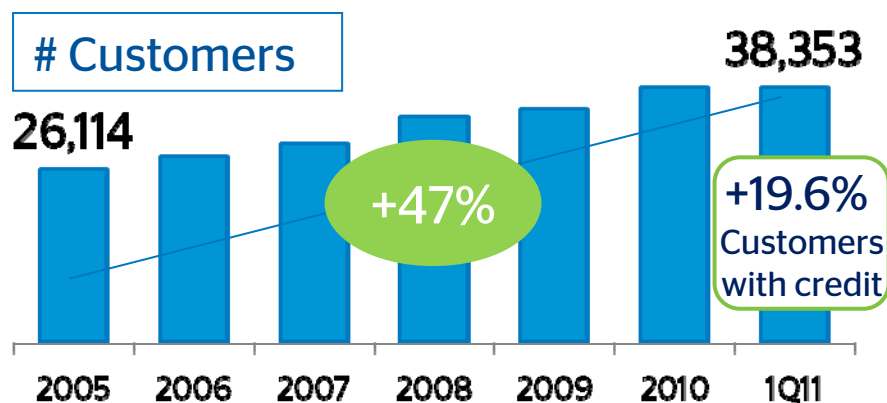
- +100 th customers in 3 years
- + 10 Executives pyme Dec'11
- + 65 Business executives Dec'11

Aggressive growth targets following high standards of risk quality
Leveraged on NAFIN guarantees

BBVA Bancomer

Medium-Sized enterprises & Government: Focused on opportunities

Enterprises



331 Executives 80 Branches

Government



96 Executives 37 Branches

Opportunities

Municipalities:

Increase lending penetration to actual customers

Improve lending process
Quicker response

Increase number of municipalities with credit

Cash management and collection solutions

Wholesale Banking & Asset Management: Global attention to Global customers

BBVA's Globalization
New coverage customer's model
Competitive value chain
Specialized risk management



New structure based on 3 pillars:
1.Client 2. Product 3.Geography

Products:
Global Markets, Lending & Transactional
banking

**Maximize cross-selling and
cross-boarder activities**

BBVA Bancomer

Mar.11

Market Share

Structured Notes

29.6%

Source: Valmer

Corporate Lending

28.6%

Source: MBA

Equity Debt

10.5%

Source: Bloomberg

Mutual Funds

22.2%

Source: MBA

**Asset Management: Global Structure
and focus on Institutional clients**

Concluding Remarks

Mexico: one of the most attractive countries for banking

Bancomer strengthened in the crisis; best positioned to take advantage of opportunities

Positive momentum on lending with a profitable funding mix

Deposit funded franchise: adequate liquidity

Solid capital position

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Focused on continue growing



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Macroeconomic Forecast

	2006	2007	2008	2009	2010	2011	2012
GDP	5.2	3.2	1.5	-6.1	5.5	4.7	3.8
Consumer	5.2	3.9	1.7	-5.7	4.7	3.5	3.5
Investment	10.5	6.6	5.2	-10.9	2.4	7.0	5.0
Exports	11.0	5.7	0.7	-14.0	24.5	12.2	10.7
Imports	12.7	7.0	3.2	-19.0	22.3	10.8	10.5
Unemployment (%average)	3.6	3.7	4.0	5.5	5.4	4.6	3.9
CPI (average)	3.6	4.0	5.1	5.3	4.2	3.9	3.6
Funding (%eop)	7.0	7.5	8.3	4.5	4.5	5.0	5.5
Foreign exchange (eop)	11.0	10.9	13.4	12.9	12.4	12.0	12.4