

BBVA

BBVA
Bancomer

Best positioned for
the opportunities
to come

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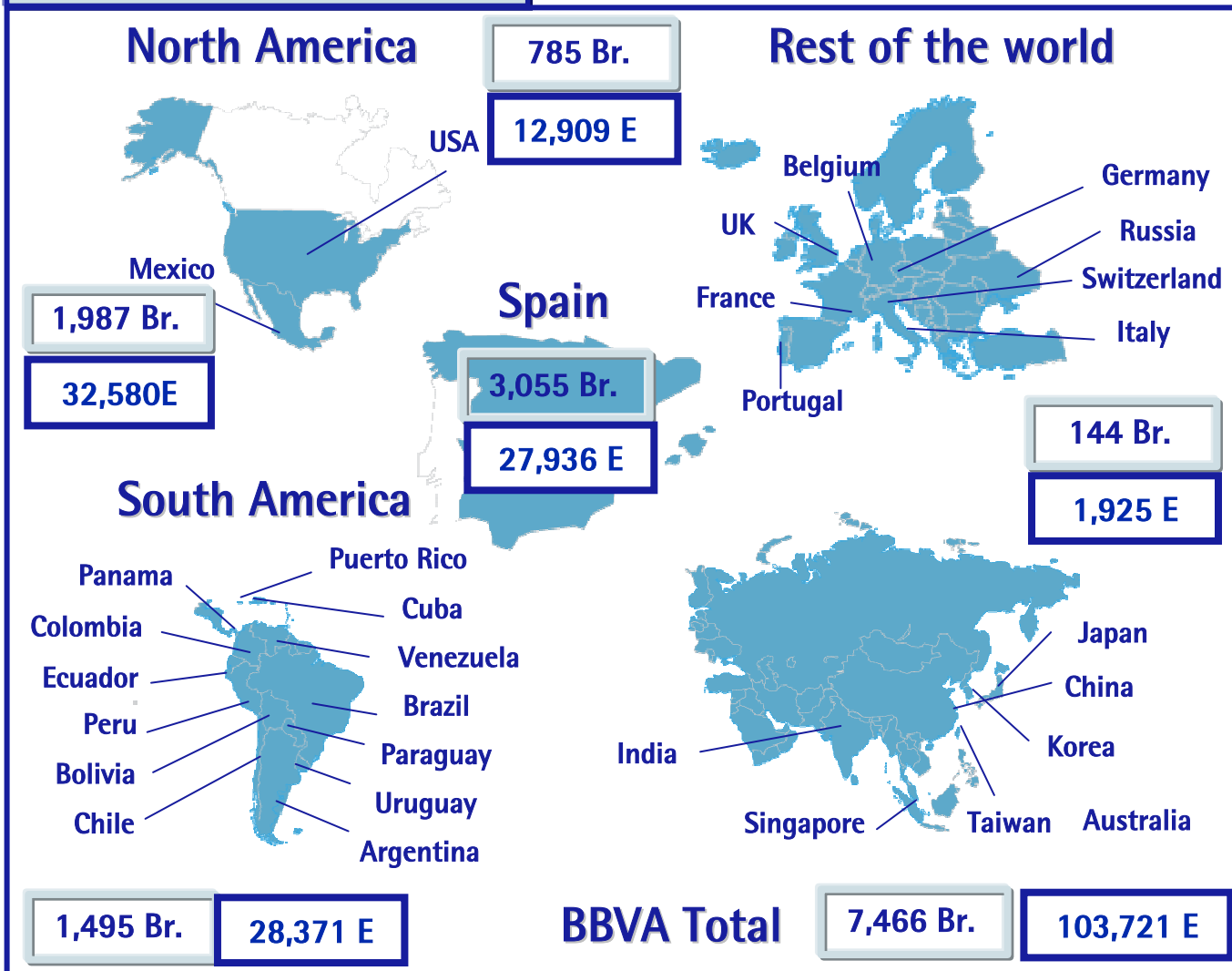
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BBVA Group

BBVA, a retail banking group with diversified international presence

Presence in 32 countries



Total assets

€535 bn

Customers funds

€509 bn

customers

47 m

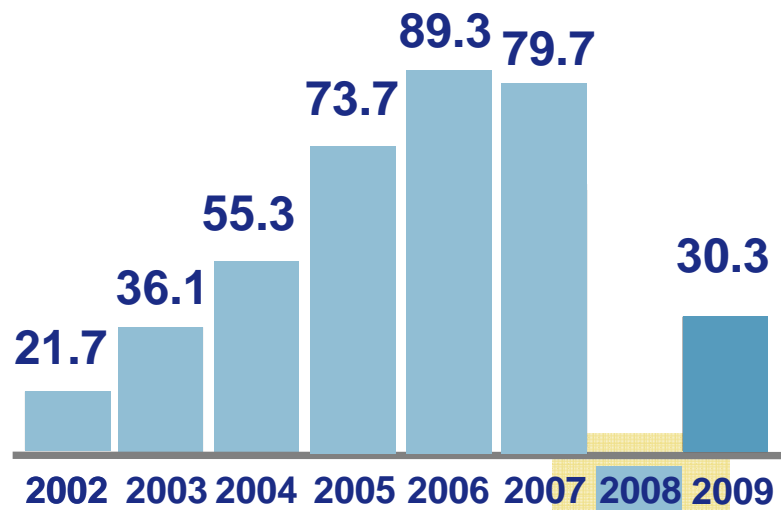
shareholders

884,373

Despite high provisioning and other negative one-offs in 2009, earnings remain high and more stable vs European peers

Attributable profit

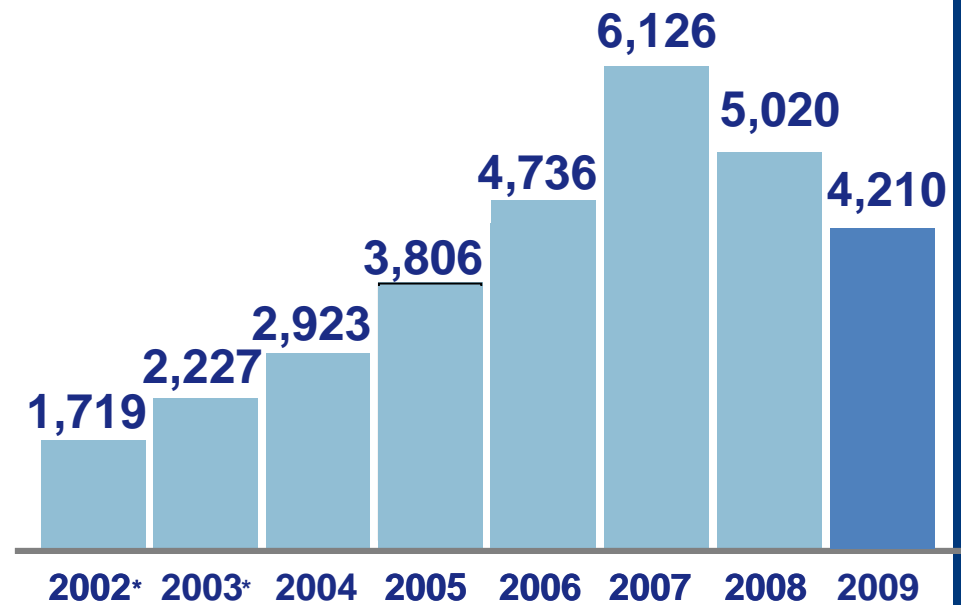
Peer group* excl. BBVA (€bn)



* Peer group: BARCL, BBVA, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, RBS, SAN, SG, UBS, LBG, Citi, BOA, JPM, Wells Fargo. Constant exchange terms dec 2009.

BBVA's net attributable profit

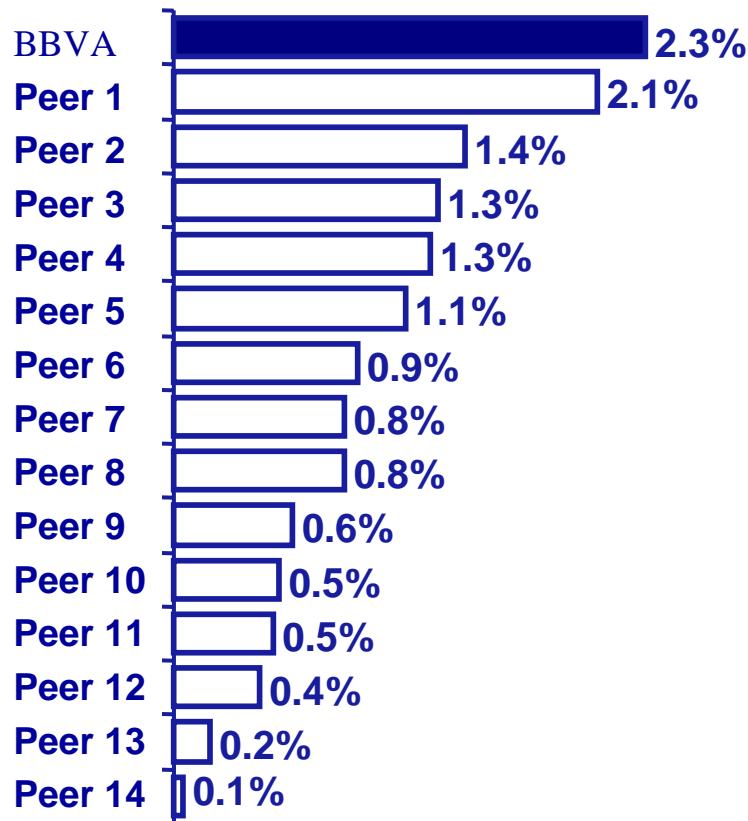
(€m)



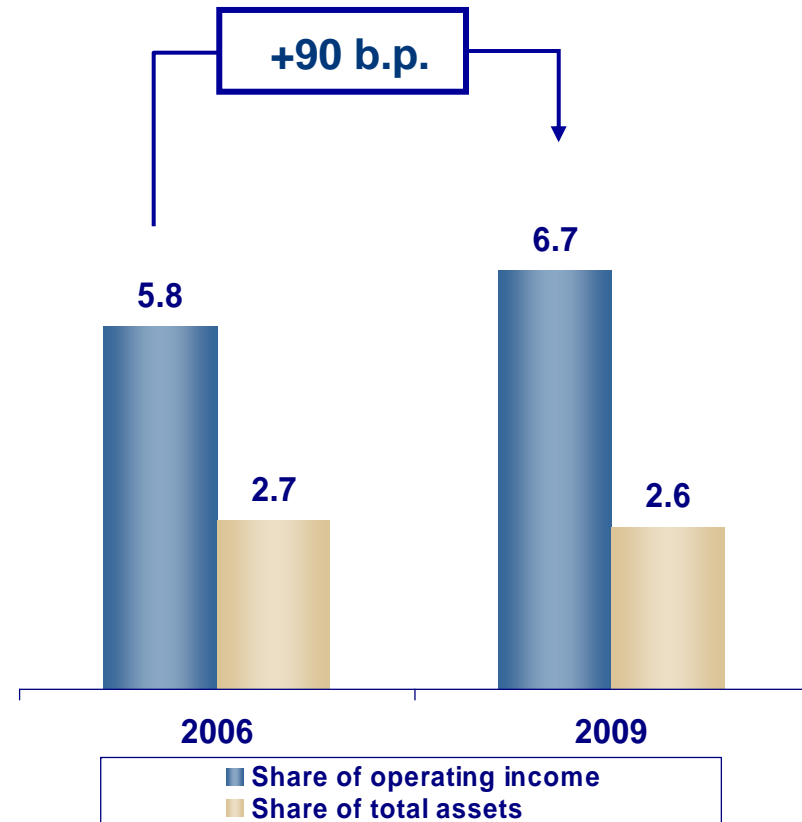
* 2002 - 2003 Pre-IFRS

BBVA is a more “productive” owner of its assets

Operating Income vs Total Assets
Peer Group
(%, 2009)

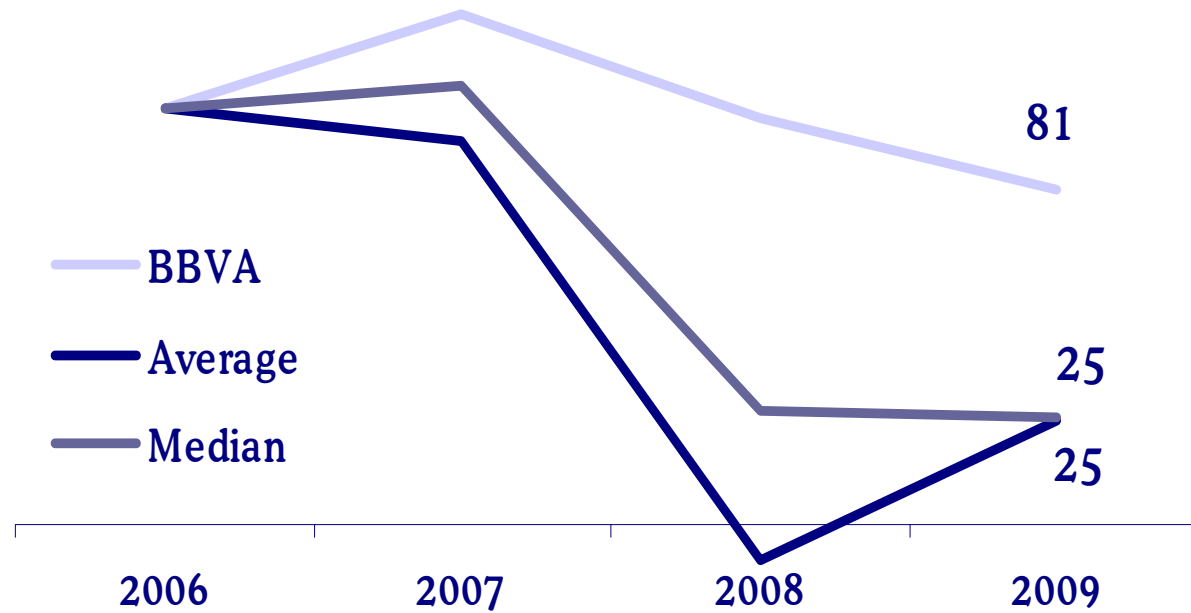


Share of operating income vs share of total assets
BBVA Group vs. peer group
(%)



A high structural profitability that flows to our shareholders

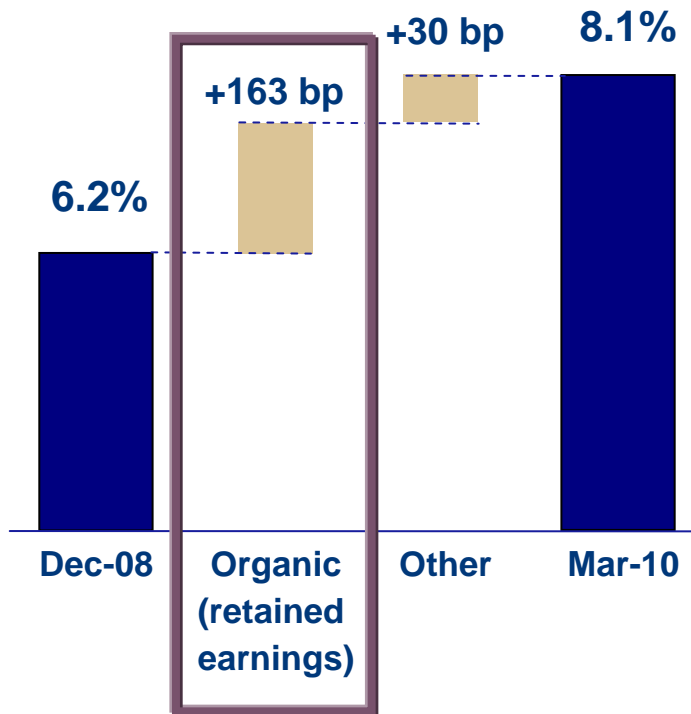
Earnings per share
BBVA vs Peer Group
(Base 100: 2006)



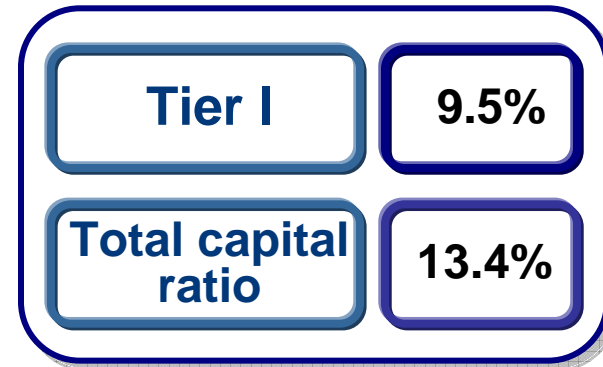
No shareholder dilution during the crisis

Strong organic capital generation

Core capital
BIS II (%)



Tier I and total capital ratio
BIS II (%)

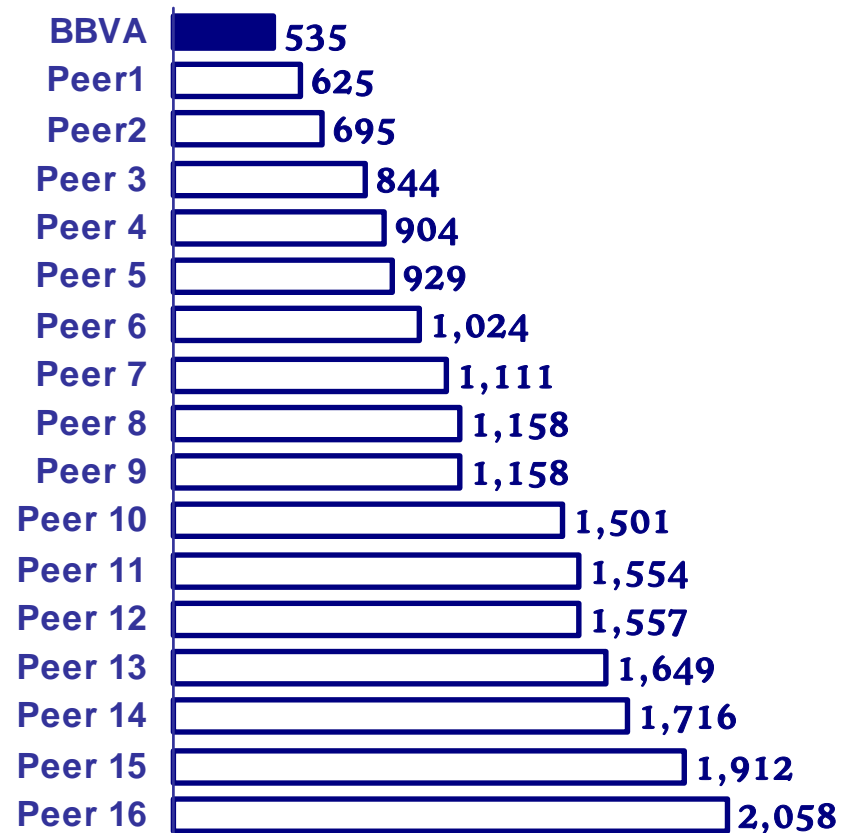


High quality capital with RWA / TA at 54.4%

Lowest wholesale financing requirements in our peer group

Balance sheet

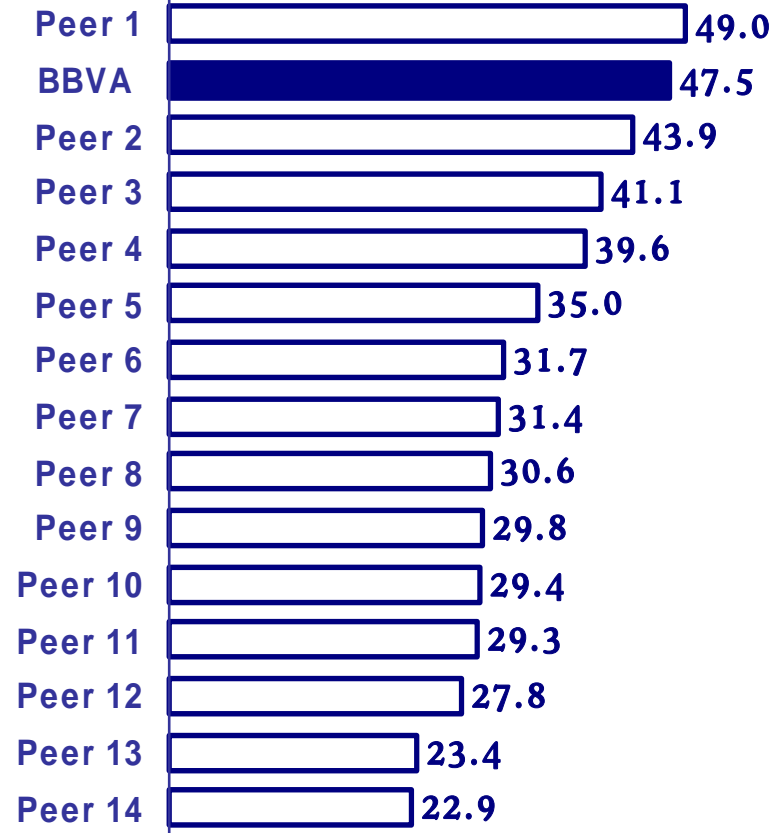
Peer Group
(€bn, 2009)



Small Balance Sheet

Deposits/Total assets

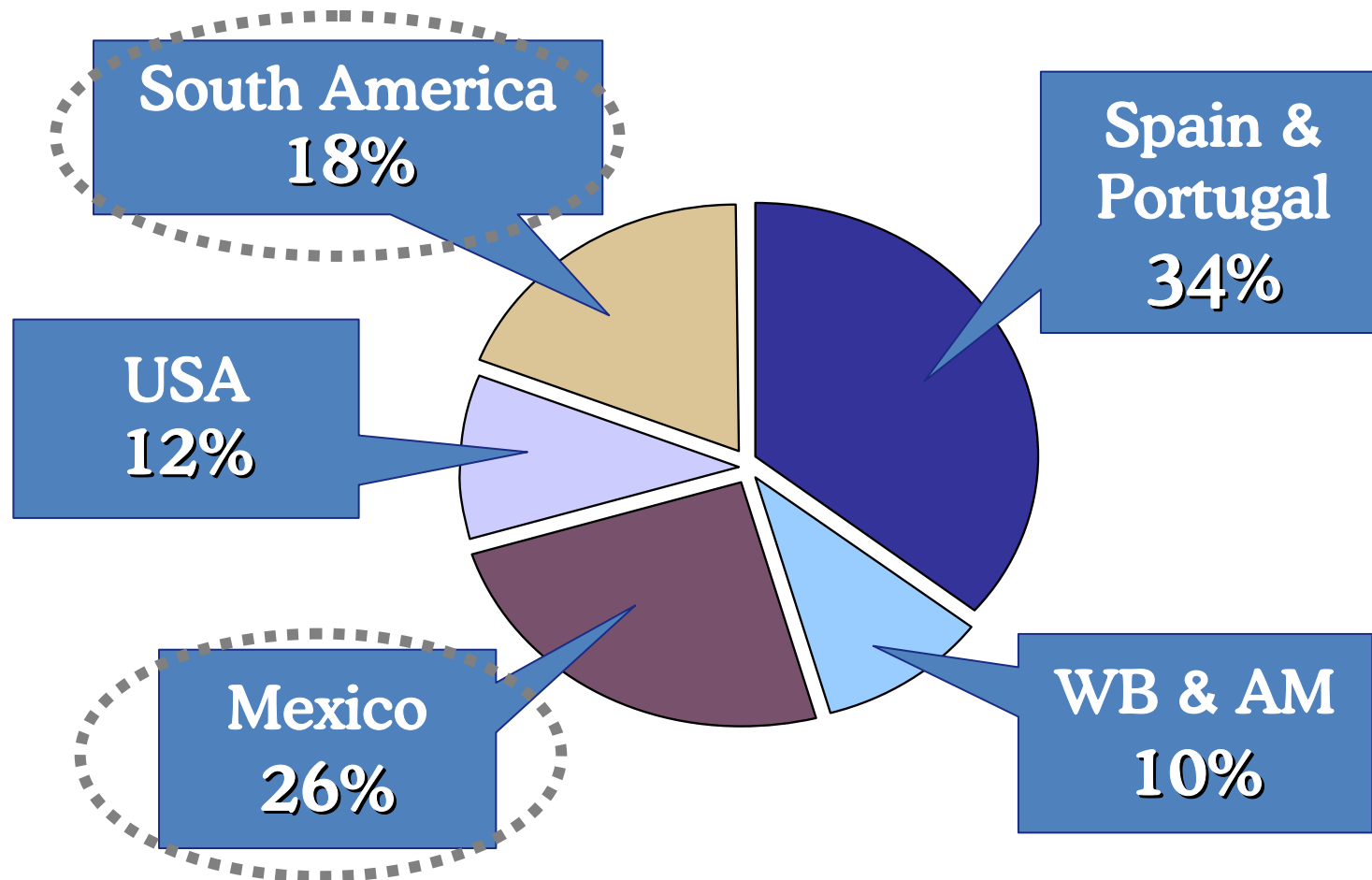
Peer Group
(%) 2009



Large Retail Deposit Base

Close to 45% of revenues already come from emerging economies

Breakdown of gross income by business area – 1Q10



Emerging economies with superior growth prospects

Mexico

The leading bank in one of the most attractive and under-penetrated banking markets of the world

South America

A sizeable franchise becoming increasingly relevant to BBVA's earnings

China

CITIC: a long term opportunity play, with current earnings delivery

Mexico

Mexico is a modern, stable and strong country

Over the last twenty years
Mexico has reinvented itself

	1988	2000	2009	2010e
GDP Growth (%)	1.8	7.2	-6.6	5.0
CPI Inflation (% eop)	51.7	9.0	3.6	5.6
Cetes 28-day (% eop)	52.3	16.5	4.5	5.2
Exports as GDP %	19.9	23.6	27.2	26.9
Fiscal Balance* (% GDP)	-7.9**	-3.1	-3.2	-3.6
Public Debt* (% GDP)	47.1	38.3	39.1	39.9
Foreign Debt* (% total)	54.9	34.6	27.1	27.8
Debt maturity (days)	na	550	2,250	2,270
International Reserves (bn USD, Avg)	11.9	32.4	78.9	110.0

Trade & free capital flows

Deregulation & legal frame work

Privatization & fiscal discipline

Fully independent Central bank

* Public Sector Borrowing Requirements and broader definition of public debt ** Traditional balance (do not includes off-balance operation for 1988)

Mexico showed a positive performance during the crisis

Mexico's Strengths

No adverse effects on purchasing power:

Low inflation, stable interest rates and relatively low impact on unemployment

Less dependence on external funding/ public and private sector:

Total external debt 28% of GDP

Strong financial sector:

High capitalization index, low delinquency ratios and hedging of commercial banks

Quick and positive response from economic policies:

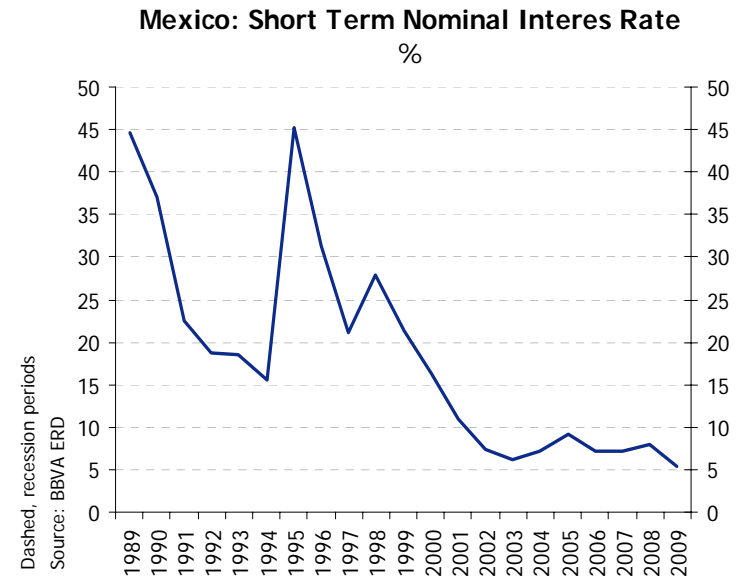
Counter-cyclical fiscal policy
Liquidity provisioning & financing support

Commercial openness:

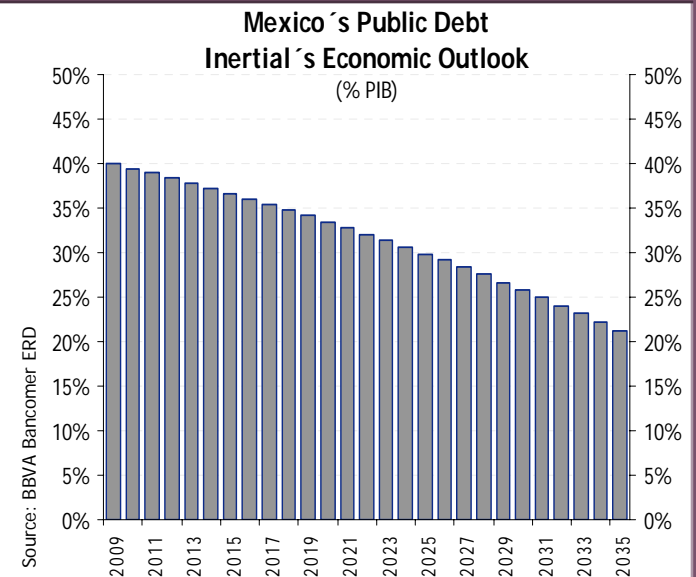
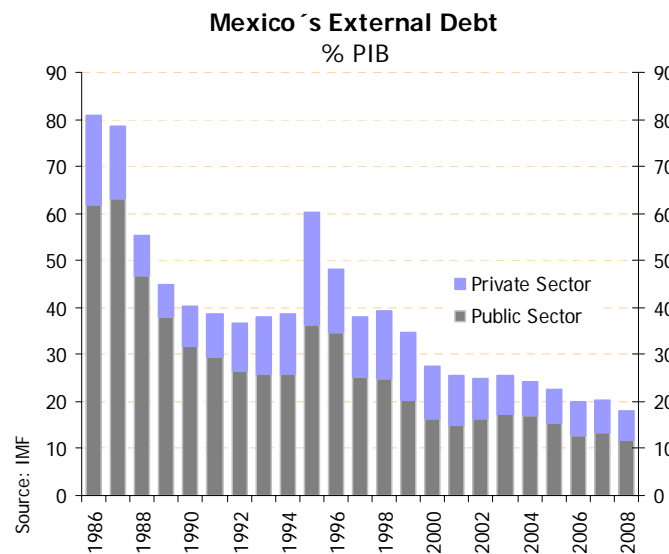
Increasing share of Mexican imports in US
Positive exchange rate evolution

How did Mexico face the crisis? Strengths

Nominal Stability:
there were no adverse effects on purchasing power

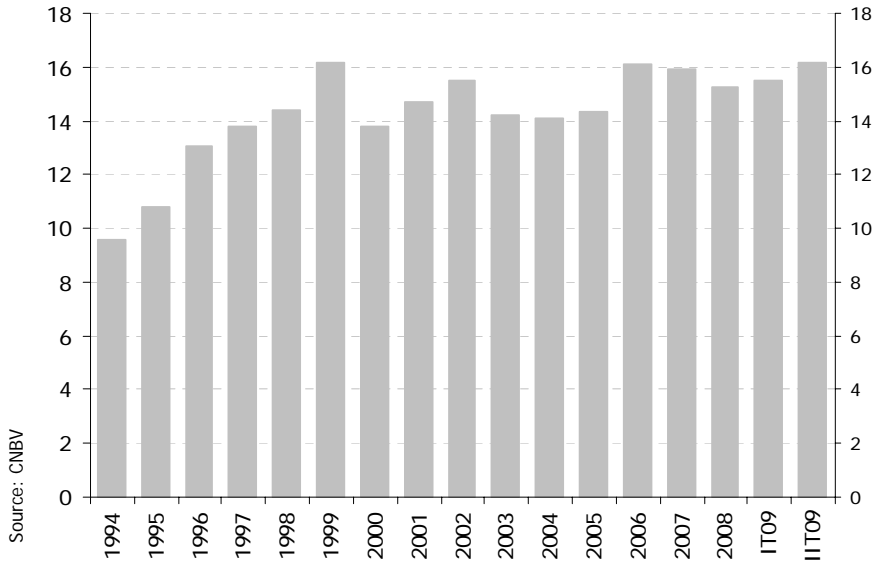


Sustainability of Public debt in the medium term

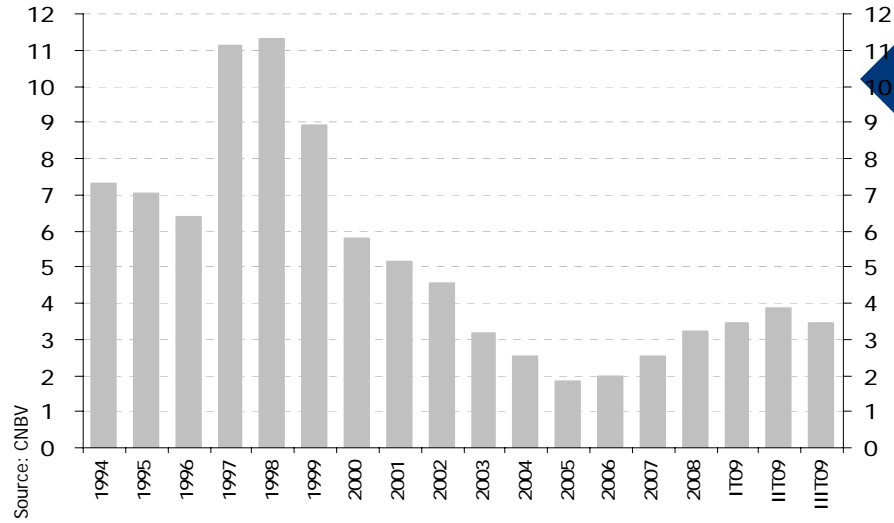


Financial Sector: Strength built through better regulation

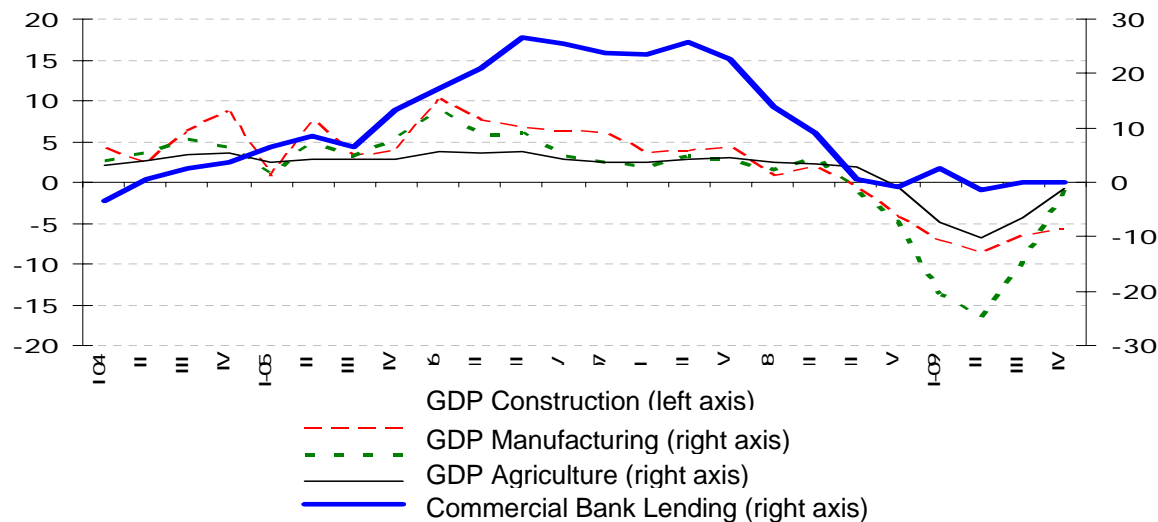
Capital Ratio, Commercial Banks (%)



Delinquency Rate, Commercial Banks
Delinquency loans / Portfolio, %



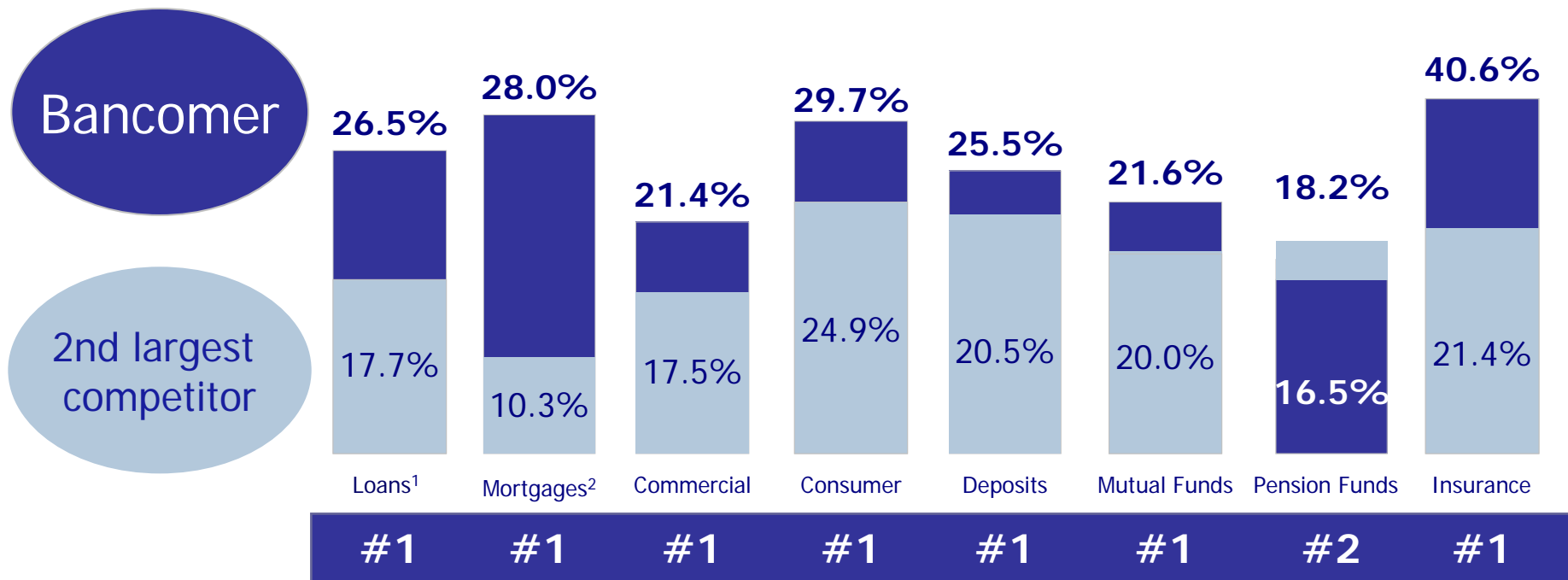
Commercial Bank Lending and GDP
(real annual growth rate, %)



BBVA Bancomer

BBVA Bancomer is the leader of the Mexican banking system

Market Share (%)



Source: CNBV, SHF, CONSAR, AMIS y AMIB. Figures as of December 2009

(1) Gross Loans

(2) Includes Sofoles, excludes securitizations

With presence in all Mexican States

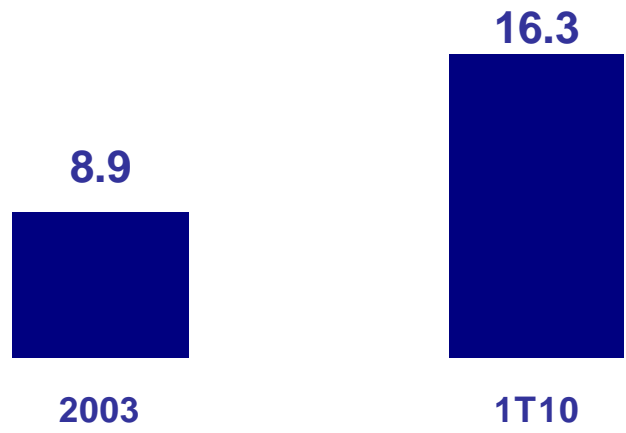
Leader in deposits 2009

Municipalities 566

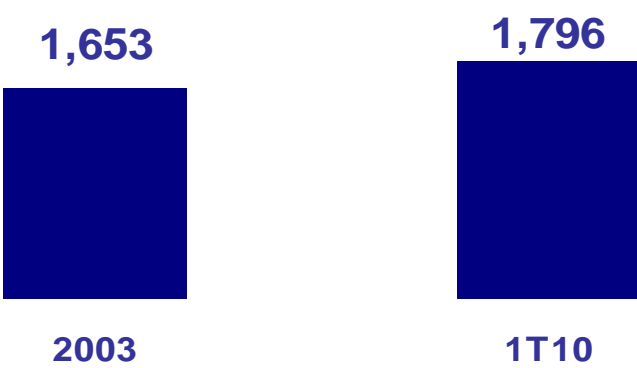


With the widest network to cater its customers

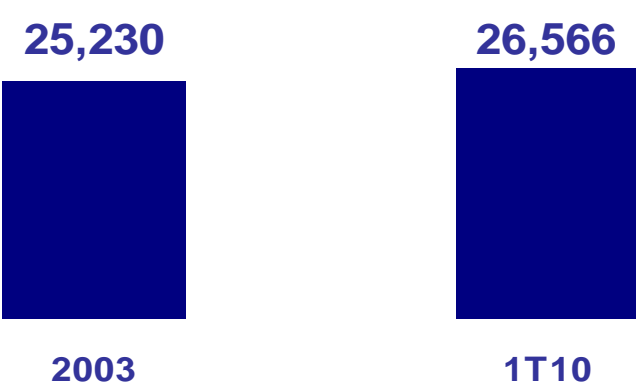
Customers (million)



No. Branches



No. Employees



BBVA Bancomer: Outstanding track record in a difficult environment

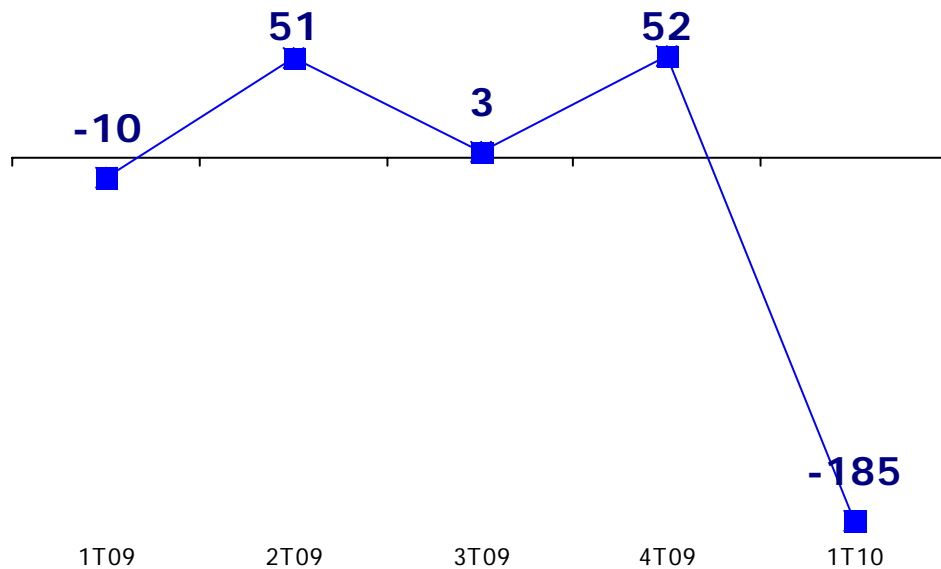
	CAGR	
	2005 - 07	2007 - 09
GDP	+4.1%	-2.6%
Total loans	+28%	+5%
Loans to individuals	+39%	+2%
Loans to Small Businesses	+48%	+121%
Total Deposits	+5%	+12%
Mutual Funds	+32%	+7%
Net profit (avg. %change)	+37%	+8%
Fundamentals (1T10)	Efficiency ratio	34.8%
	Coverage ratio	131%
	Risk Premium	4.03%
Market share growth:		
Total loans	+246bp	+98bp
Demand deposits	+83bp	+147bp

...Maintaining the leader position in market share and quality ratios in 2009

	1Q10/4Q09
Market Share:	
Demand deposits	+84 bp
Mutual Funds	+21 bp

	1Q10/4Q09
Market Share:	
Commercial loans	+24 bp
Credit Card loans	+53 bp

Risk Premium
quarterly changes in bp



Risk Premium*

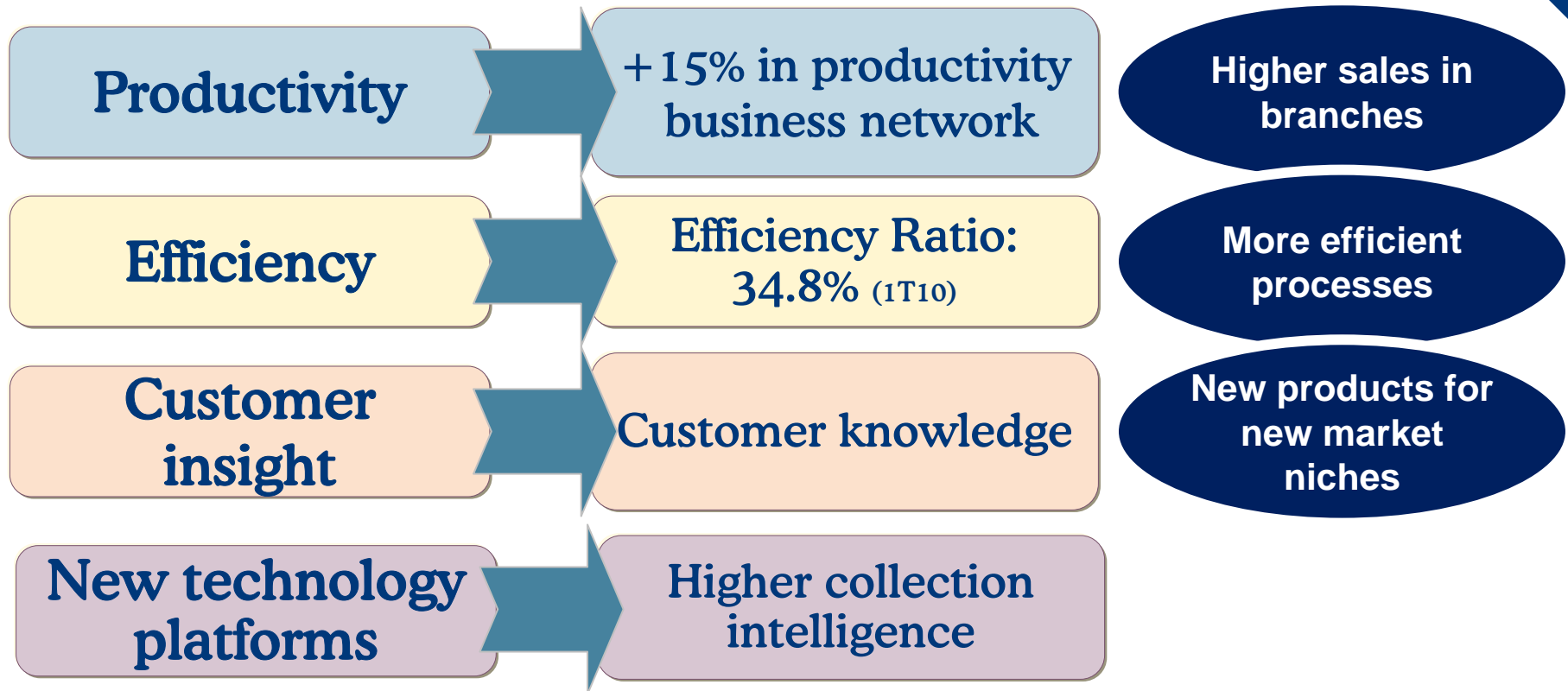
	1Q10
Bancomer	4.03%
Peer 1	5.81%
Peer 2	6.37%
Peer 3	7.67%

* Peers in local accounting standards

Opportunities

Bancomer has been working in initiatives to enhance long term productivity

Transformation Plan (2008-2010)



Focused on a better service for our customers

And today, we are designing a new Plan to achieve higher growth

g PLAN

Positioning for future **GROWTH**
(2010-2012)

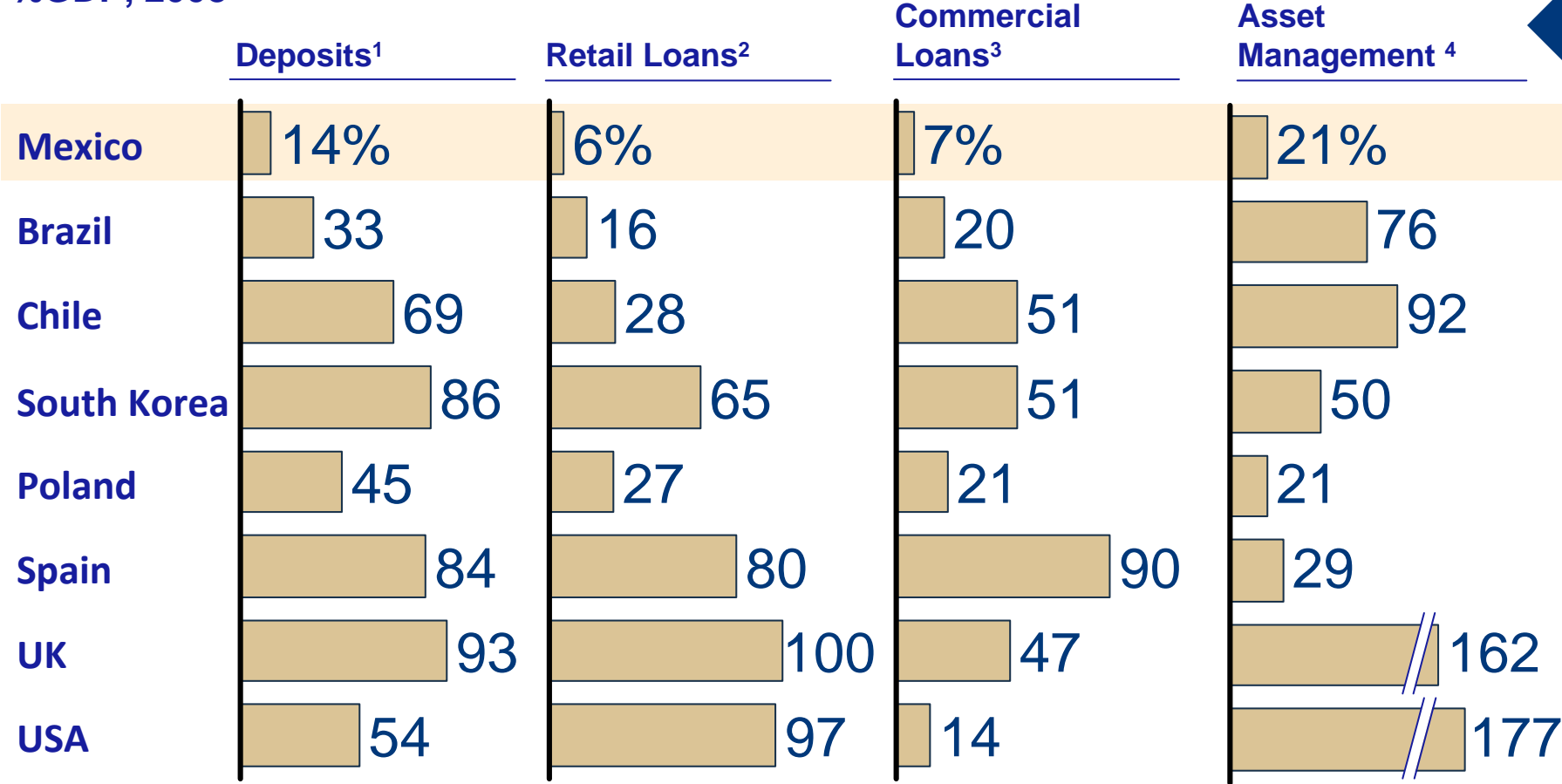
- 1** Bancarisation
- 2** Distribution
- 3** Cross-selling

Growth in key market segments supported on a strong risk platform

1

Bancarisation: Lower financial penetration than Brazil and Chile

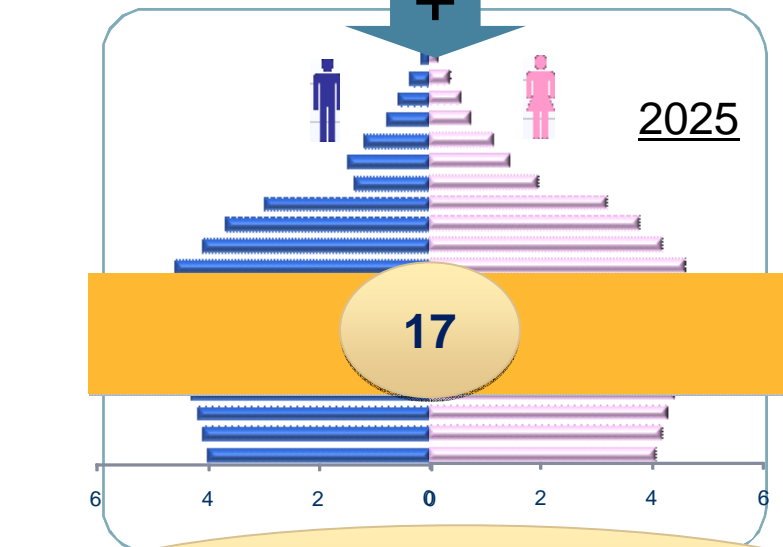
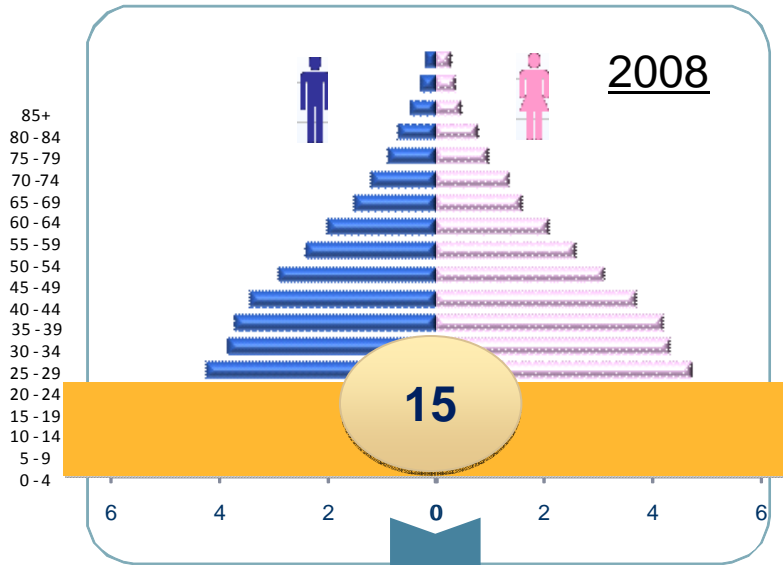
%GDP, 2008



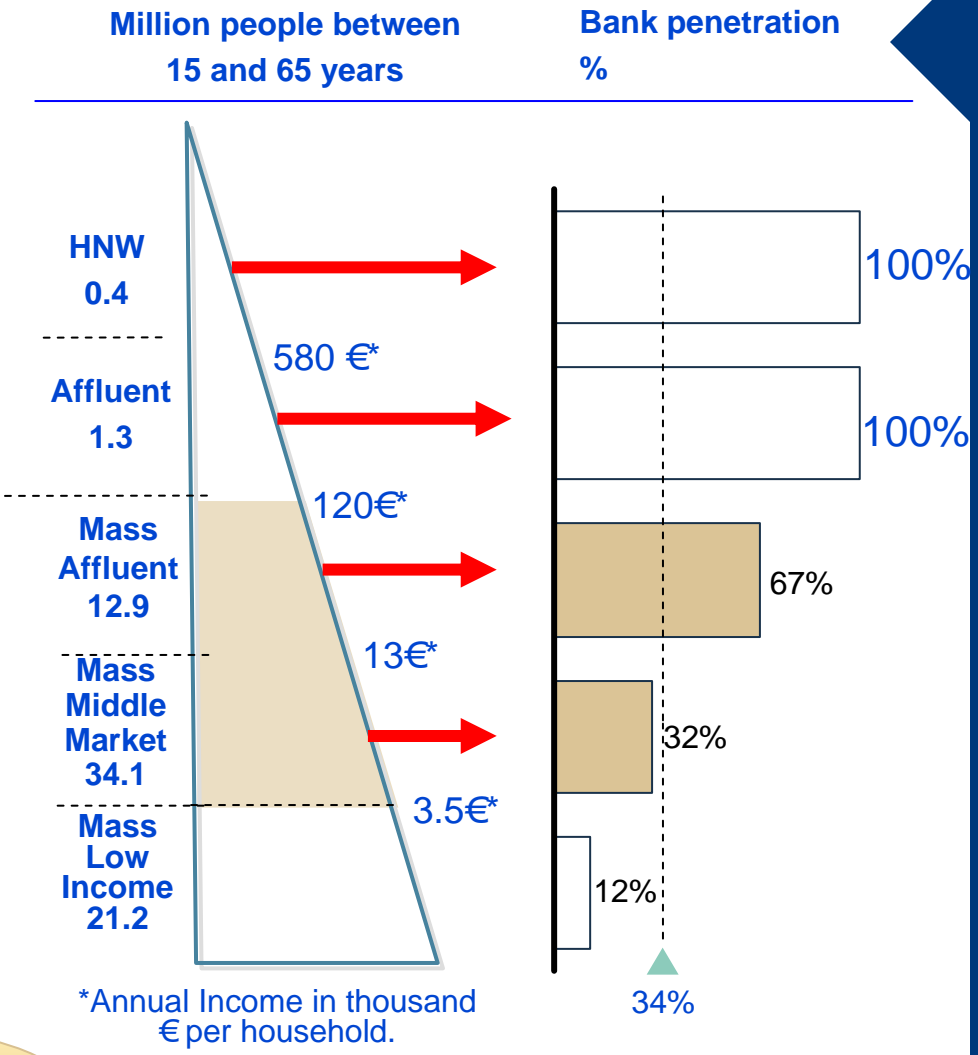
(1) Retail Payments + Retail Deposits + PyMES and Corporate payments and deposits
 (2) Personal loans, credit cards, automobile, mortgages
 (3) Trade Finance for corporates and PyMES, Factoring, structured loans, syndicated loans, direct financing to PyMES and corporates, specialized products for PyMES
 (4) Retail mutual funds, pension and other institutional funds

1

Bancarisation: 30 million to be bancarised



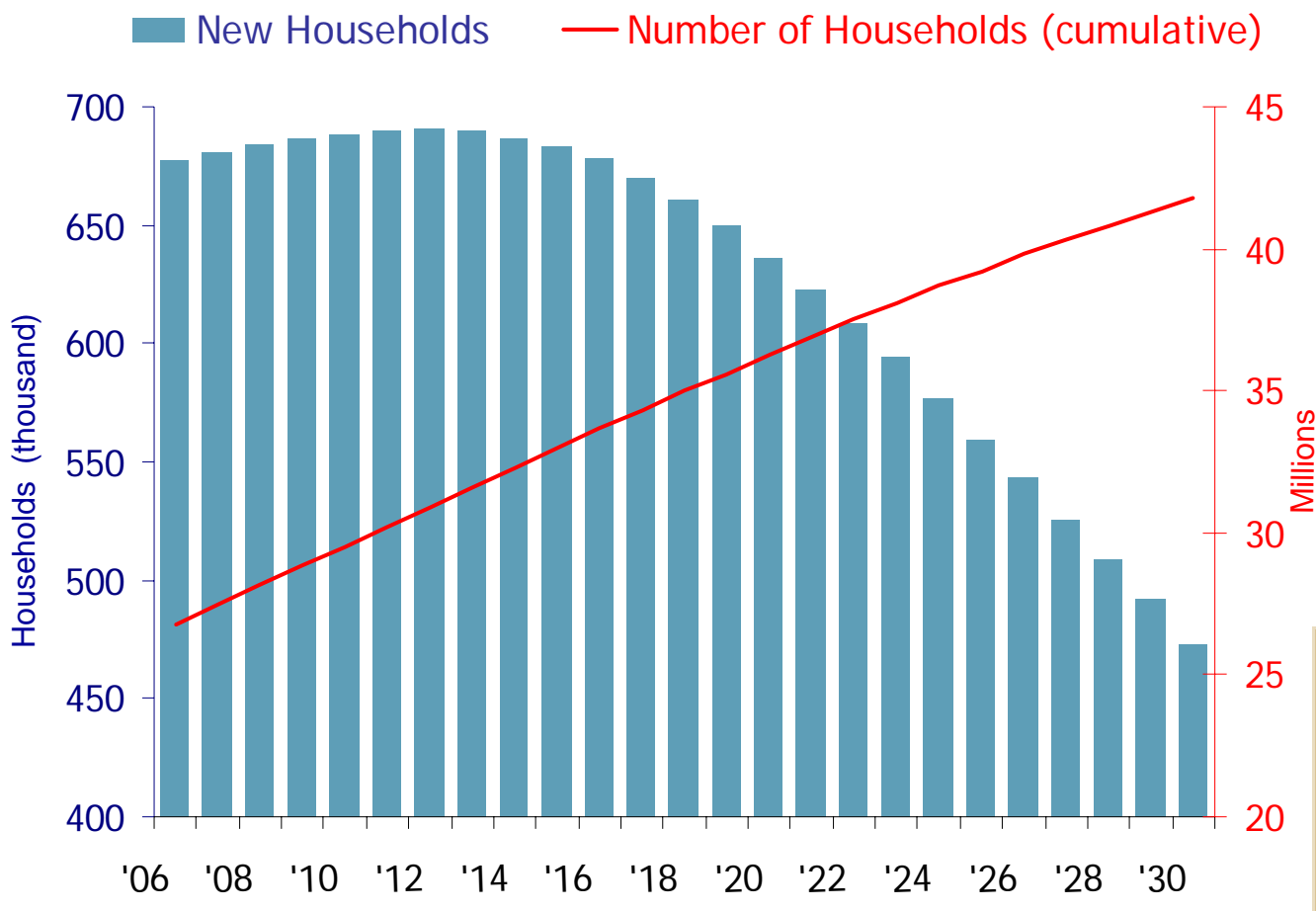
Young people that need access to financial services



1

Mortgage Market: Household creation determines potential demand for mortgages

Household creation (cumulative data and flows)



Firm government support

600,000 new homes each year

New households = potential demand for mortgages

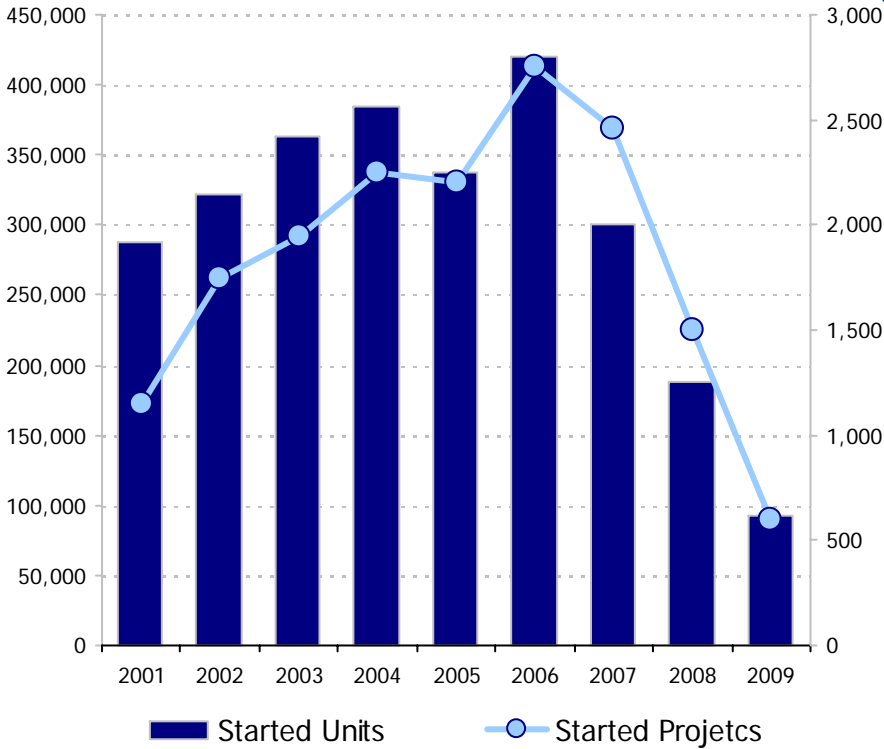
1

Mortgage Market: structural housing deficit

Housing Deficit (million)

Houses in poor conditions no access to public services	2.5
Houses in bad conditions Necessary improvement	1.1
Without House	0.7
Deficit	4.3

New homes (projects)



Potential credit demand: 6.1 million houses

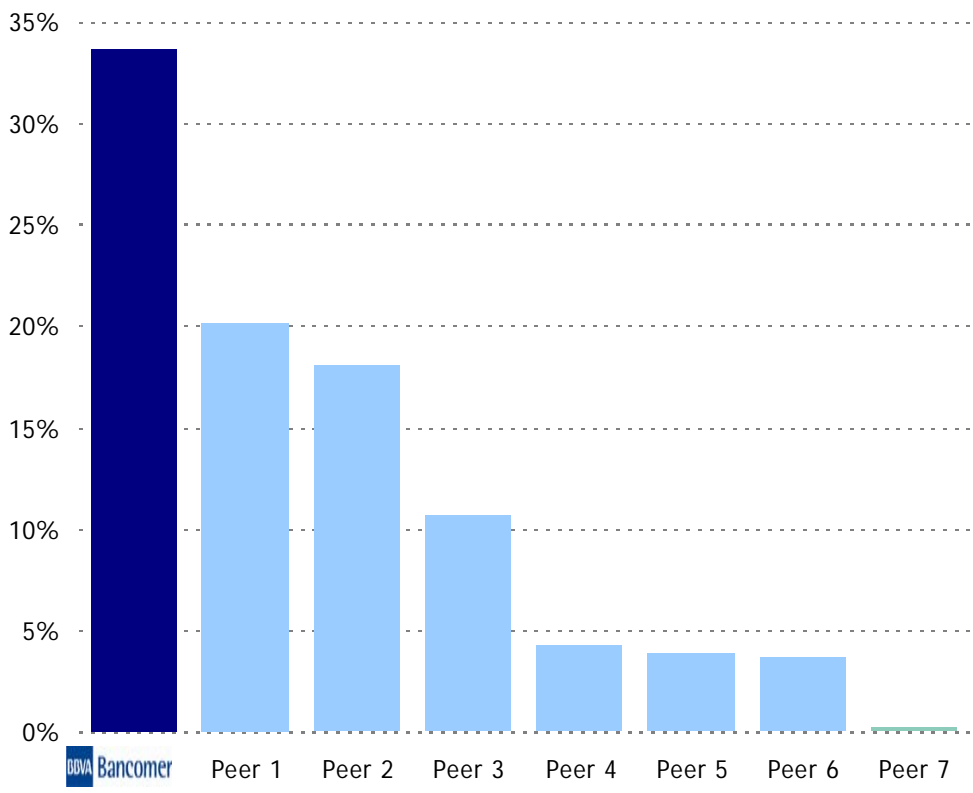
Source: BBVA Bancomer: Economic Research, CONAPO, SOFTEC

1

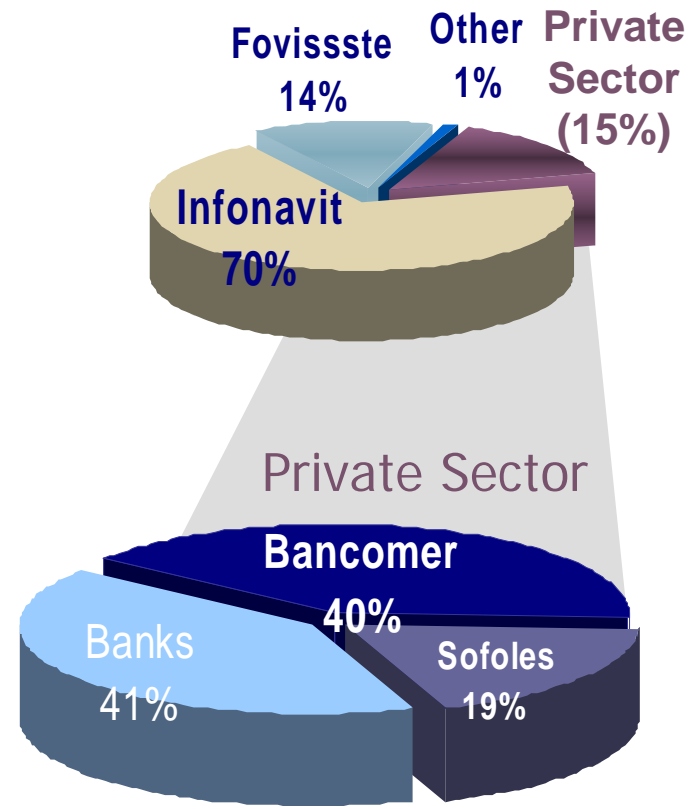
Bancomer: best positioned to take advantage of the Mortgage Market opportunities



Market share in New Mortgage Portfolio Private Sector (% , february 2010)



y-o-y market share growth: +252bp



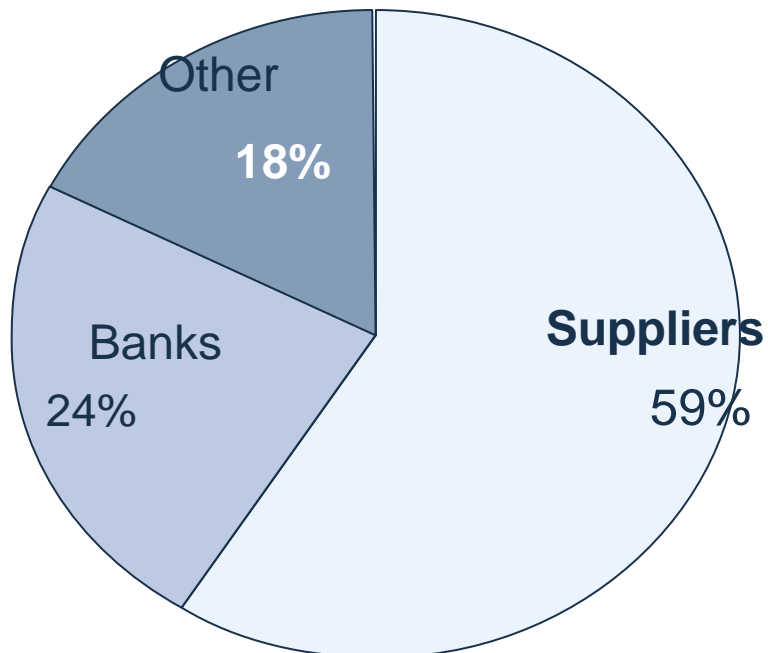
1

Micro, small and medium-sized enterprises: low financial penetration

Financing come mainly from suppliers

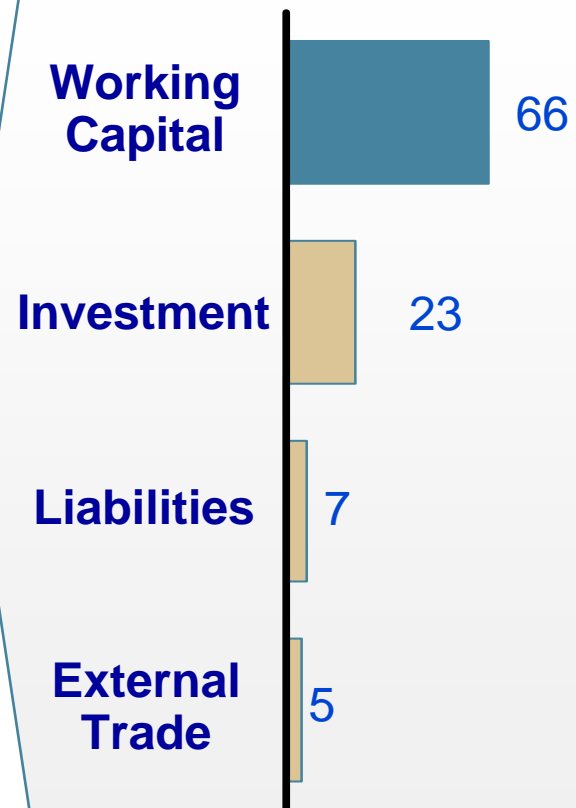
Commercial financing, 2009 %

enterprises: 3.8 Million
100% = MXN 3.6 billion



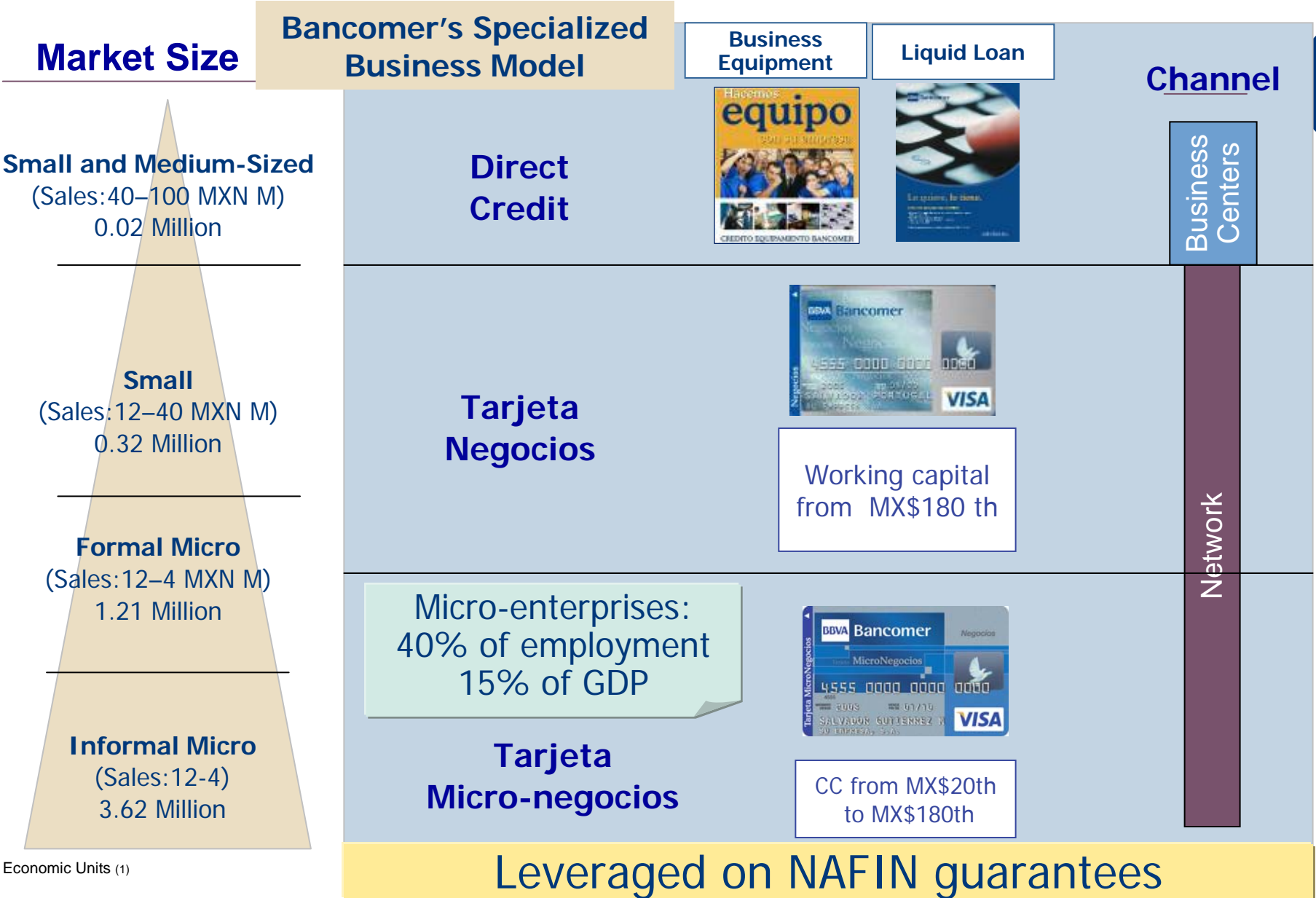
Microcompanies:
67% financing from suppliers

Uses of credit %



1

Micro, small and medium-sized enterprises: low financial penetration



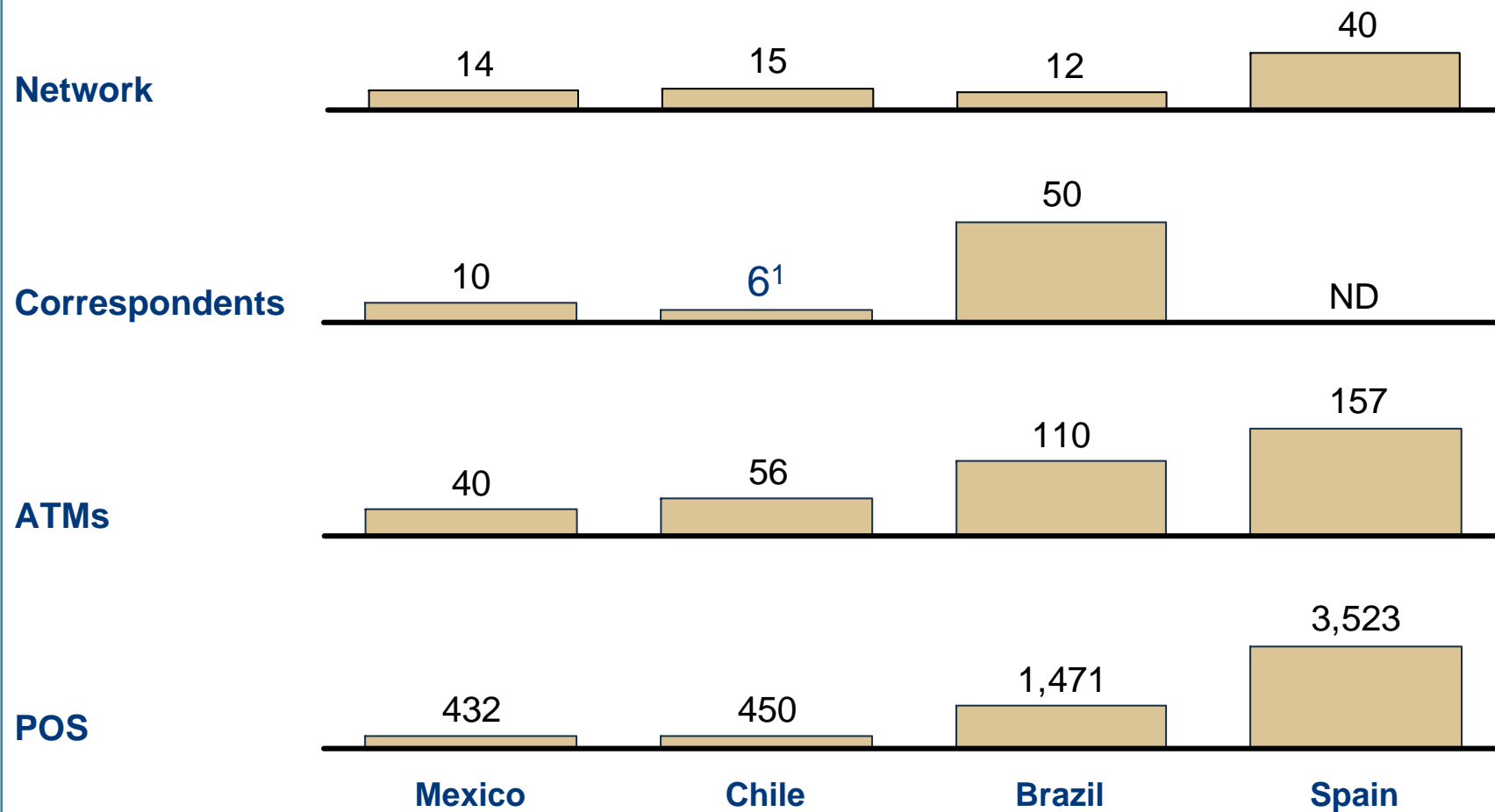
Economic Units (1)

2

Distribution : Poor access to financial services

Physical Access to Financial Services

Points per 100,000 inhabitants, 2008



¹ Data as of 2007

2

Distribution : Bancomer's Approach

Servicing: transaction migration to low-cost channels

**ATMs
2nd
generation**



**Cash-recycling
(Correspondents)**



**Cashpoints
(branches)**



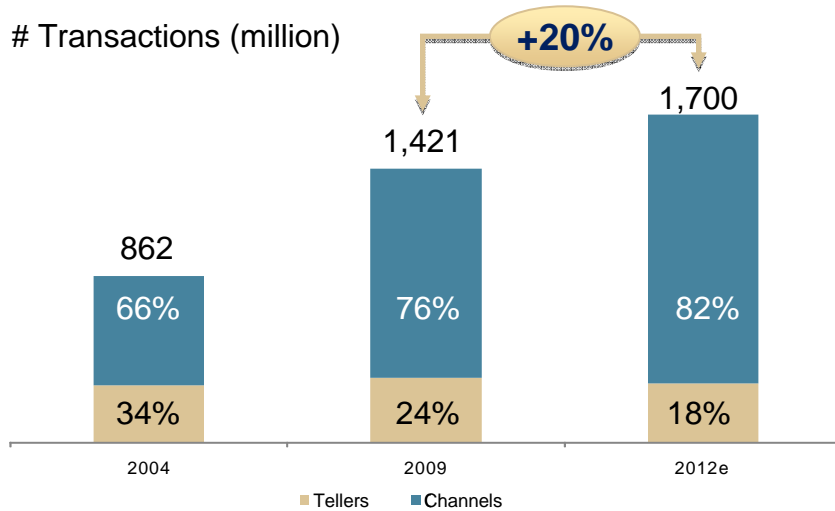
Bank Correspondents



Bancomer Express



Transactions (million)



2

Distribution : Bancomer's Initiatives

Electronic payments

New means of payment

Network Expansion:

Bank correspondents: 12,000 points

ATMs: >3,000

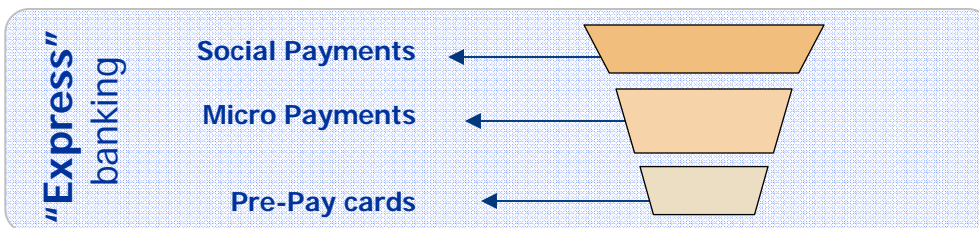
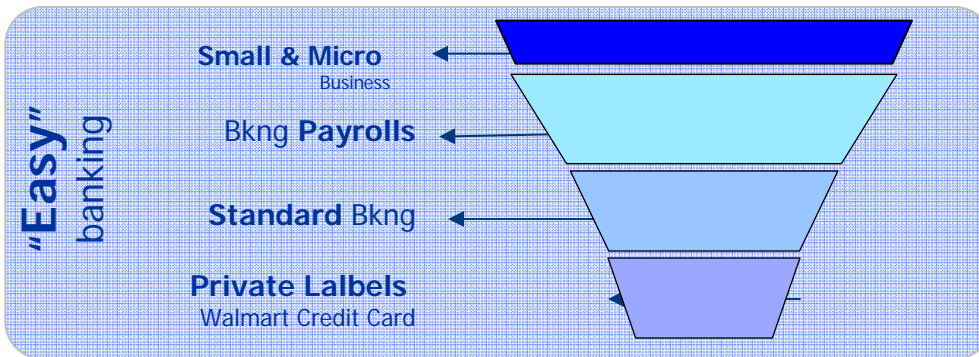
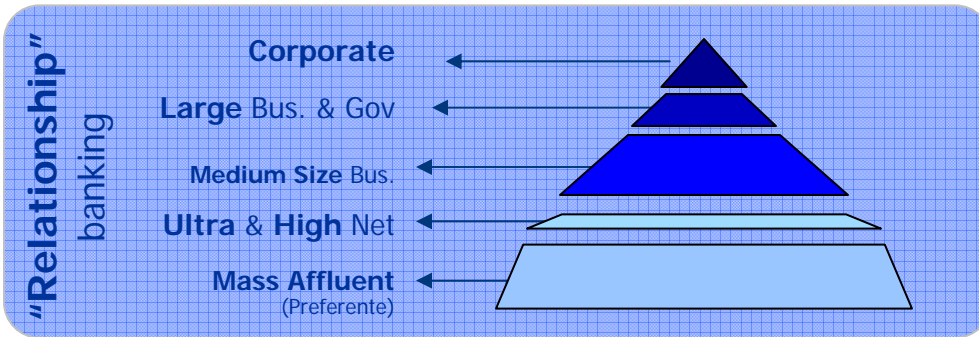
Branches: 100-200 new branches

POS: >60,000

3

Cross-selling: Bancomer has the largest customer base and huge opportunities to cross-selling

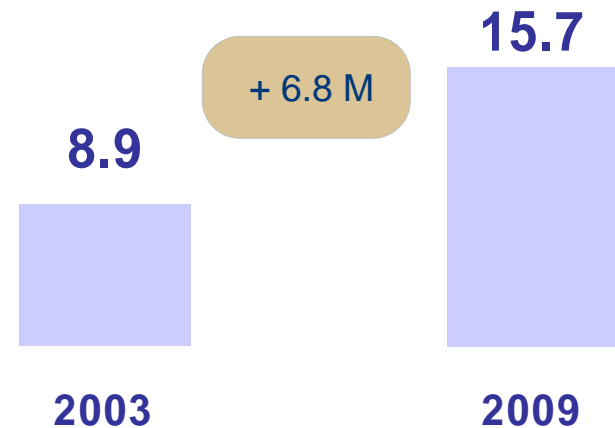
2009 – 15.7 M Customers



“CROSS SELLING”

“Low Cost” service

Total customers (million)



- **Correspondent**
- **Mobile banking**
- **Express card** (debit & prepay)

Concluding Remarks

Concluding remarks

Mexico is a strong country and offers unique opportunities

BBVA Bancomer has been resilient to the global crisis

BBVA Bancomer has huge opportunities to growth in the Mexican market

BBVA Bancomer continues to strengthen its fundamentals and is prepared to address the significant growth