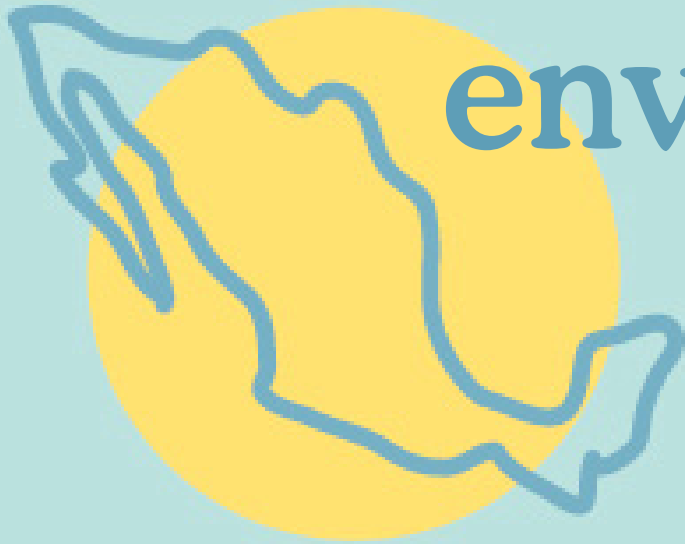




Bancomer

adelante.

Maintaining leadership in a competitive environment



*Ignacio Deschamps, CEO BBVA Bancomer
Morgan Stanley Latam Banks Video Tour
February 2007*



agenda



- Recent Financials
- Competitive edge
- Future challenges
- Conclusions



agenda



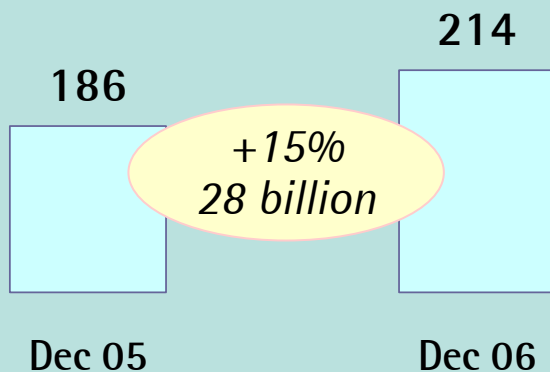
- Recent Financials
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In 2006, results
were driven by
increasing
business
volumes

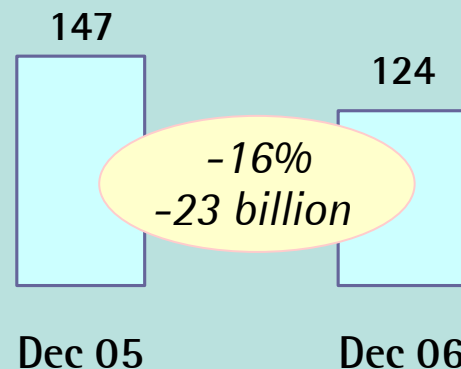


Deposits are growing in and off balance sheet to improve our profitability

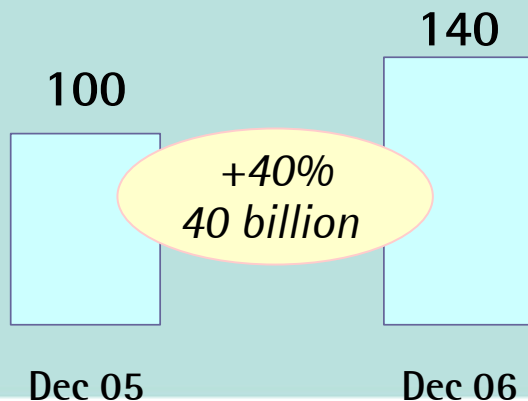
Demand deposits



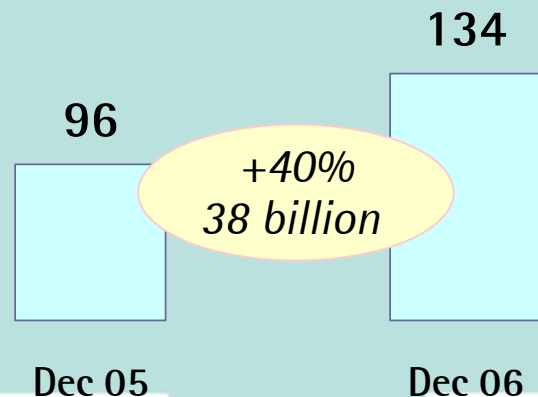
Customer time deposits



Mutual funds



Client repos

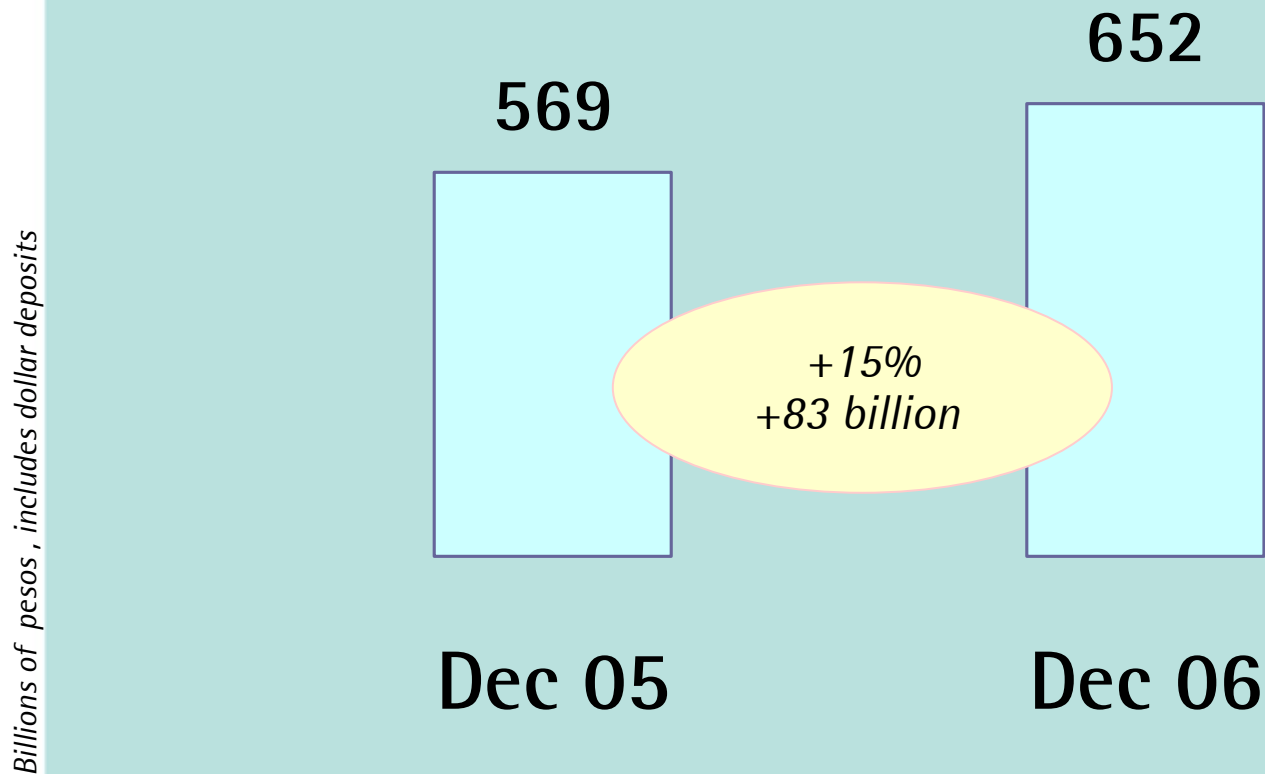


Billions of pesos



Total client resources increased 83 billion pesos in 2006

Total customer funds
(demand, customer time, mutual funds, client repos)

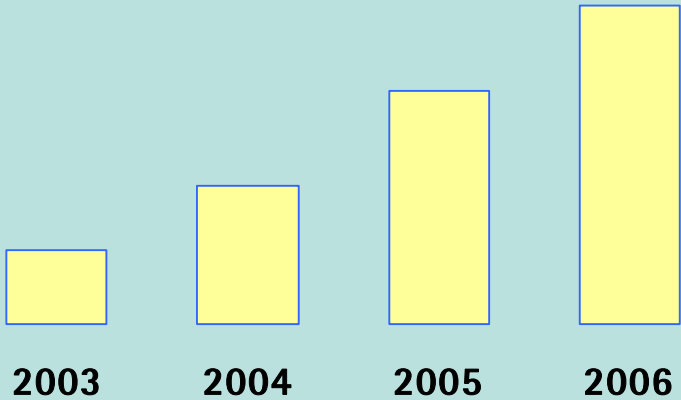
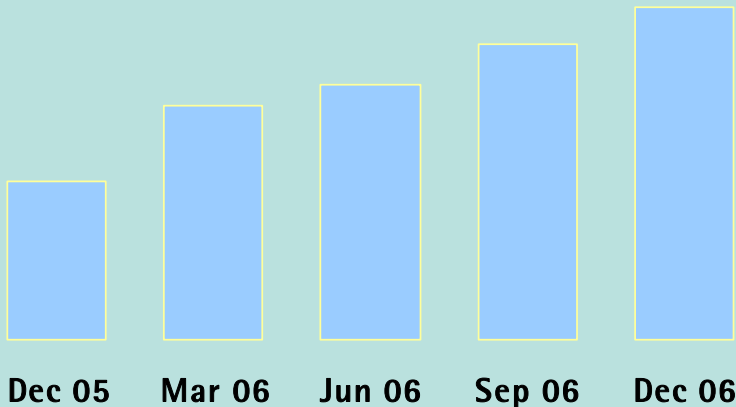
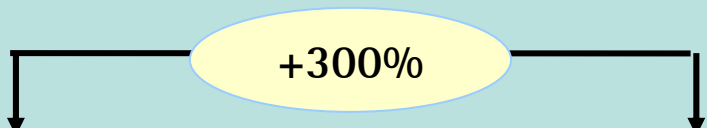
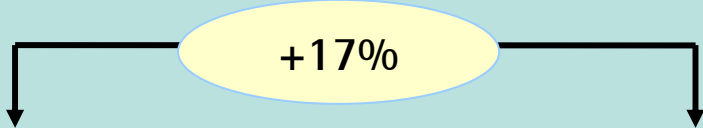




Demand deposits are supported by payroll accounts; we are also focusing in growing our mutual fund customer base

Total payroll accounts

Mutual fund customers

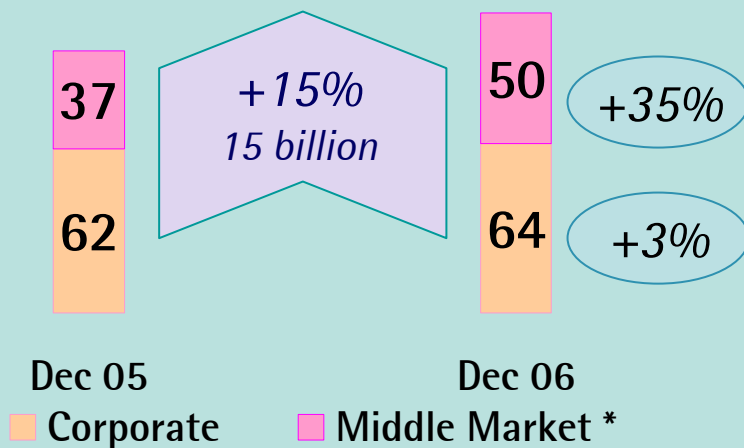


Total private
loans increased
32% in 2006

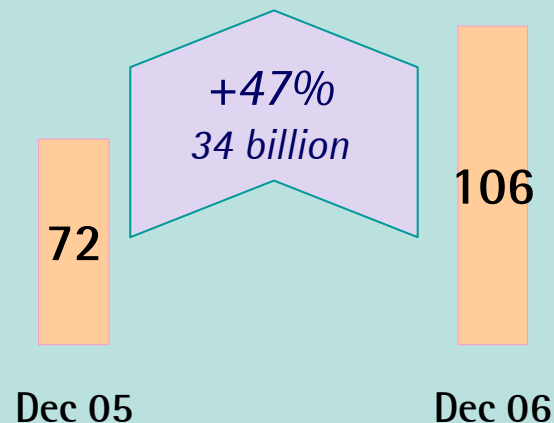


Loans to individuals represent almost 60% of our total private loan portfolio

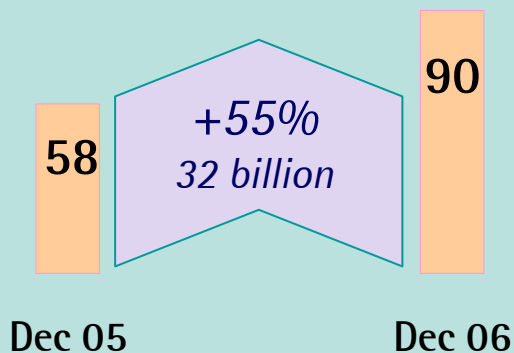
Commercial



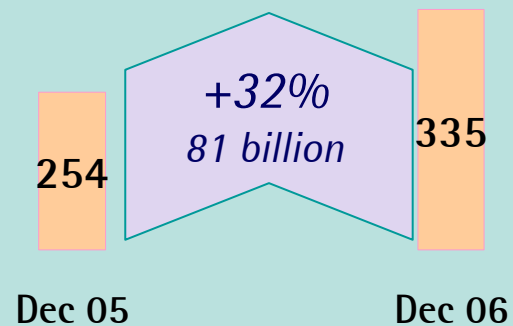
Consumer



Mortgages



Total private

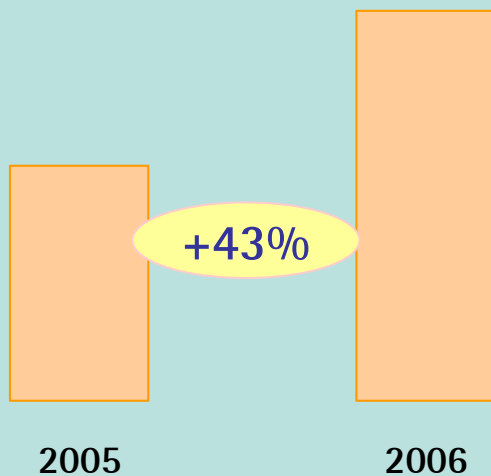


* Excluding Government
 • The mortgage portfolio excludes balances of old mortgage portfolio
 • Billions of pesos

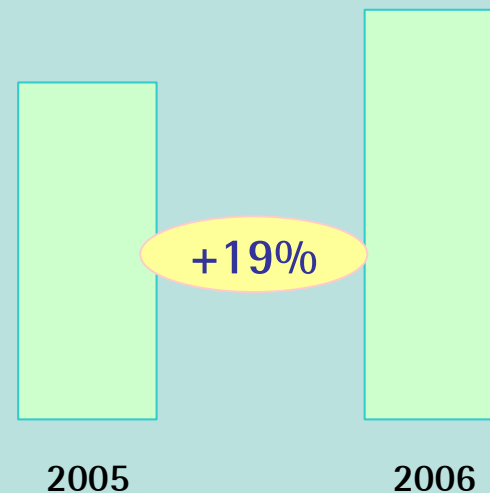


Consumer financing has taken off in all segments

New credit cards (Bank and Finanzia cards)



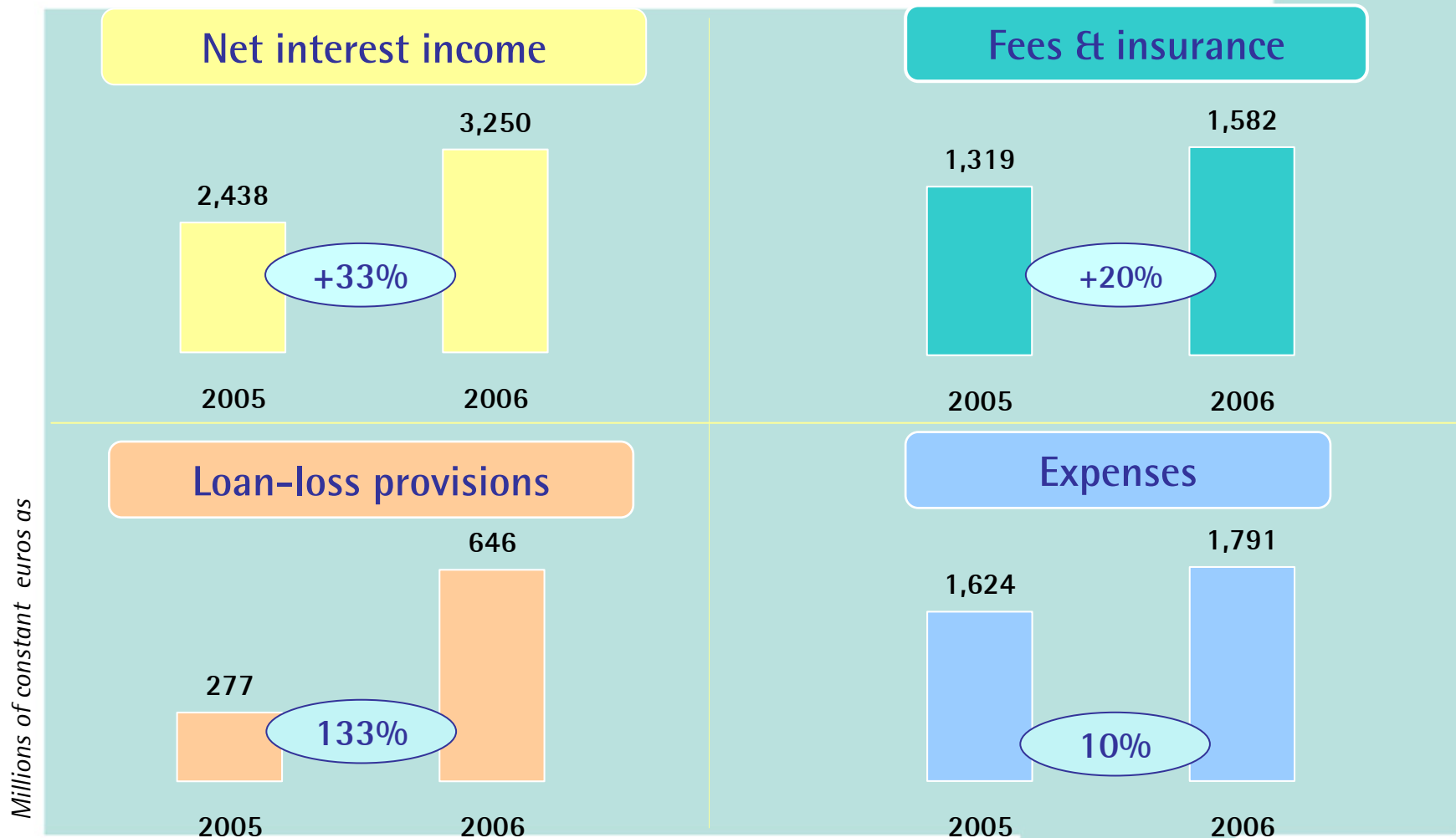
New consumer loans (payroll, auto, mortgages)



Recurrent
income is the
core
contributor to
earnings

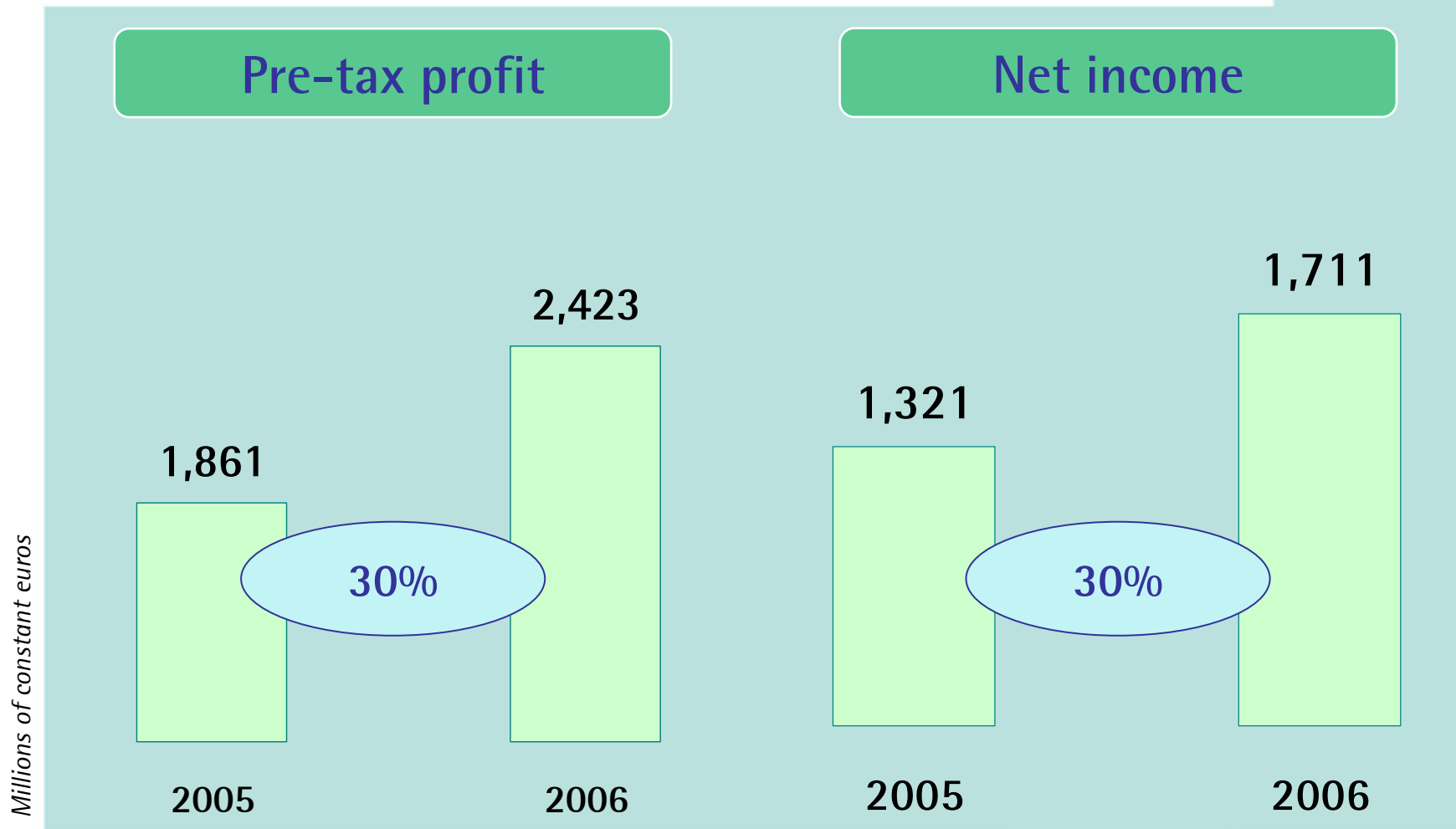


Higher activity and volumes explain growth in fees and also in provisions





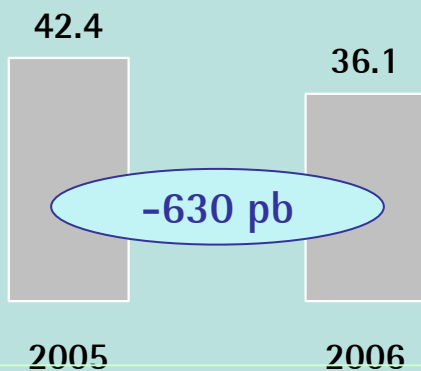
Net income grew 30%, contributing to 37% of total BBVA net income in 2006



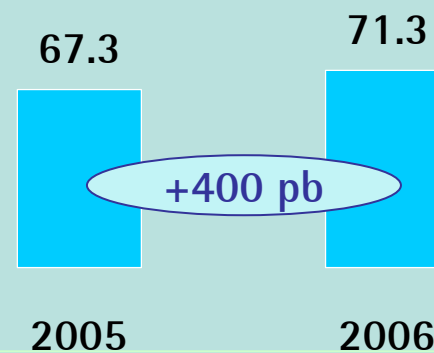


Revenue growth and expense management gives Bancomer good quality results

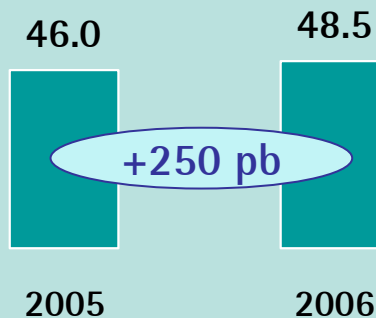
Efficiency ratio



Fee/income ratio



Return on equity





Our total non-performing loan ratio stands at 2.2% in response to a 40% expansion in our loans to individuals

Non-performing loans

Commercial

1.0%



Dec 05

0.3%



Dec 06

Loans to individuals (consumer + mortgages)

2.7%



Dec 05

3.4%



Dec 06

Total NPL

2.3%



Dec 05

2.2%



Dec 06



Our constant focus on efficiency is evident on the more than proportional increase in core revenues to expenses

	<u>Dec-05</u>	<u>Dec-06</u>	<u>change</u>	<u>% change</u>
Net interest income	2,438	3,250	812	33.3
Fees & insurance income	1,319	1,582	263	19.9
Core revenues	3,757	4,832	1,075	28.6
Trading income	170	182	12	7.1
Ordinary revenues	3,927	5,014	1,087	27.7
Total expenses (includes amortizations)	(1,624)	(1,791)	(167)	10.3
Other operating expenses	(107)	(121)	(14)	13.1
Operating profit	2,196	3,102	906	41.3
Loan loss provisions	(277)	(646)	(369)	133.2
Other net income	(58)	(33)	25	(43.1)
Pre-tax profit	1,861	2,423	562	30.2
Corporate income tax	(537)	(710)	(173)	32.2
Minority interest	(3)	(2)	1	(33.3)
Net attributable profit	1,321	1,711	390	29.5

Millions of constant euros



agenda



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**Bancomer
continues to
lead almost all
business lines**

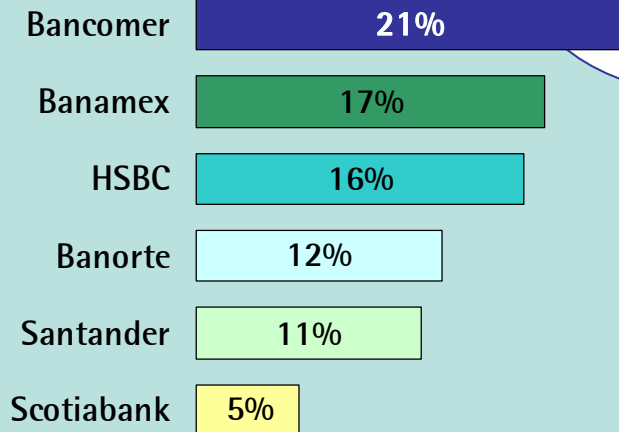


Our network is the largest in Mexico and in 2007 we will continue to invest in its expansion and modernization

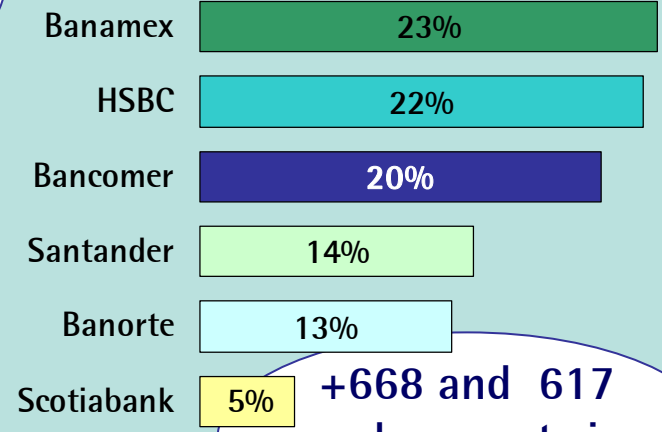
Market Share

Branches (1,733)

+100 in 2007



ATMs (4,731)



+668 and 617 replacements in 2007

POS (78,027)
36% market share

+14,000 in 2007

Figures as of September 2006



In deposits, we are growing on more profitable segments

Market Share

Market shares in % of largest six banks except mutual funds for entire market.

#1

Peso demand deposits

29.3%



Dec 05

29.7%



Dec 06

+39bp

#1

Mutual funds (individual customers)

25.5%



Dec 05

26.7%



Dec 06

+117bp

#1

Total mutual funds

23.3%



Dec 05

23.3%



Dec 06

+0bp

#1

Total Deposits

25.5%



Dec 05

26.0%



Dec 06

+52bp

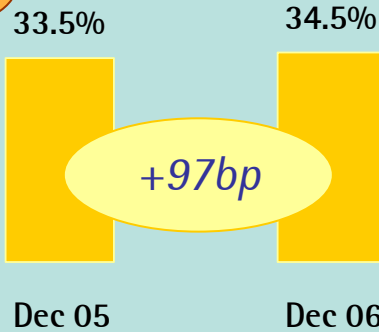


Bancomer is leader and yet continue to gain its market share in all loan segments

Market Share

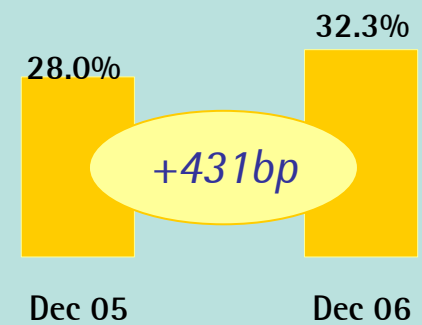
Total consumer

#1



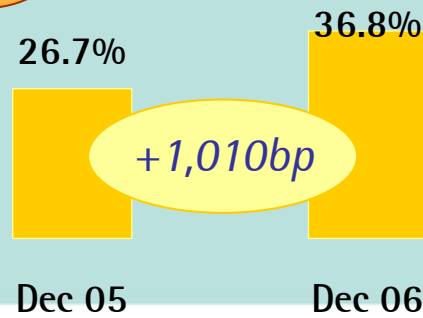
Mortgage

#1



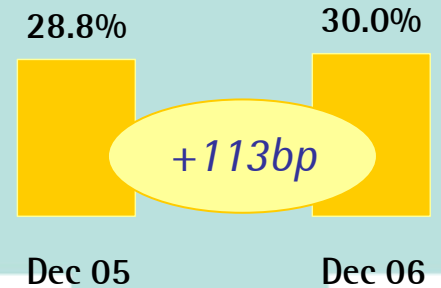
Auto

#1



Total private

#1



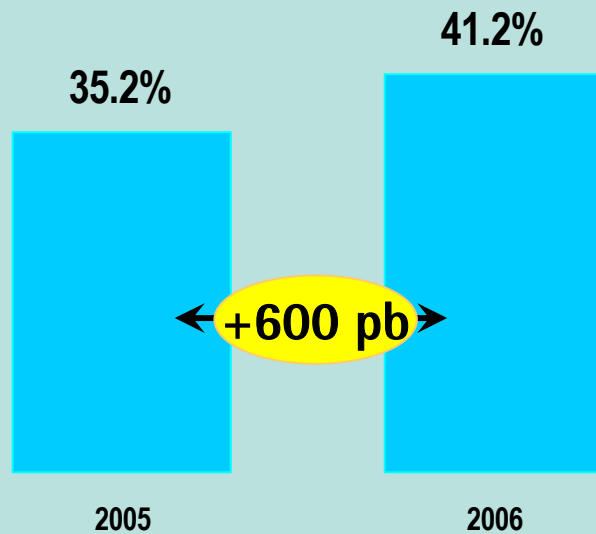
Market shares in % of largest six banks



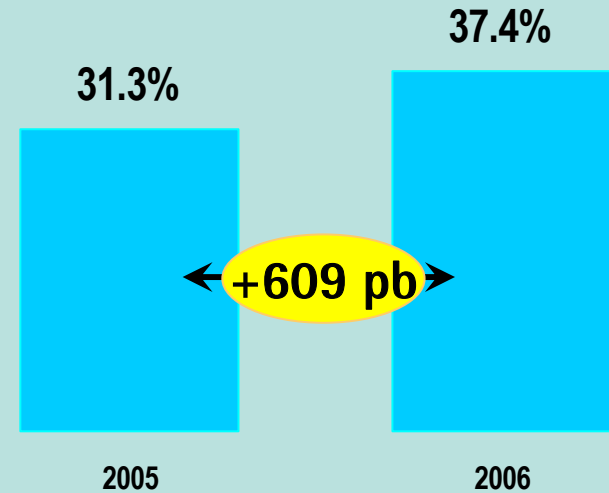
With the acquisition of Hipotecaria Nacional Bancomer became the largest mortgage originator in Mexico

Market Share

Number of new mortgages



New mortgage portfolio





agenda

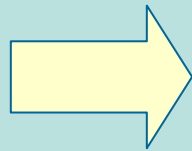


- Recent Financials
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Mortgage market

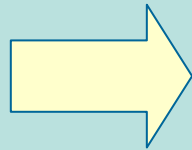


Bancomer's mortgage business includes both financing for developers and for individuals



Housing developers

Construction
887 customers



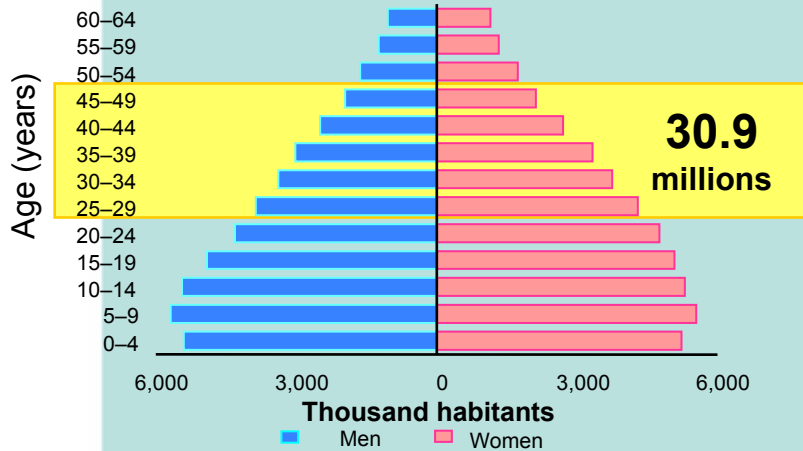
Individuals

Home mortgages
277,562 customers

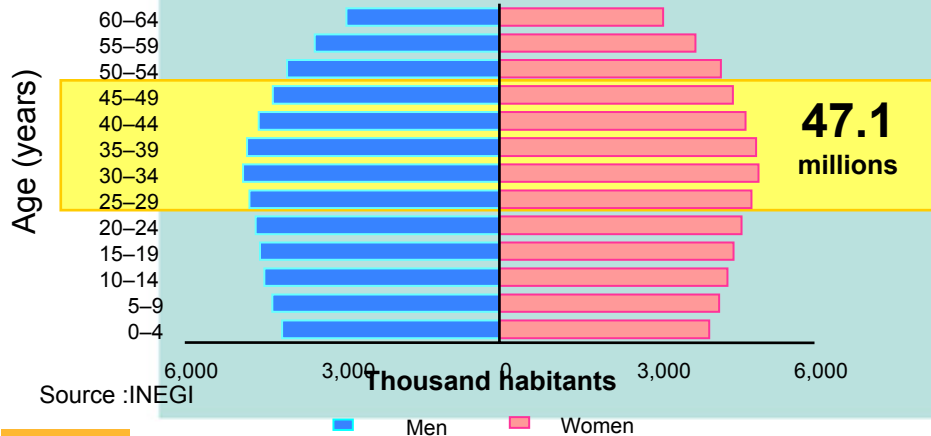


Demographics is a key driver for further mortgage growth

Population pyramid 2000

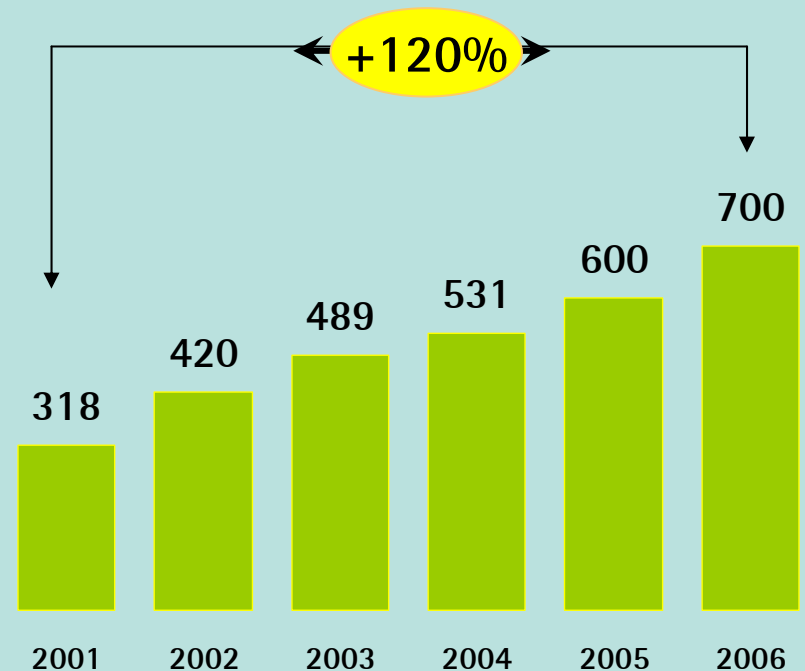


Population pyramid 2025



Source : INEGI

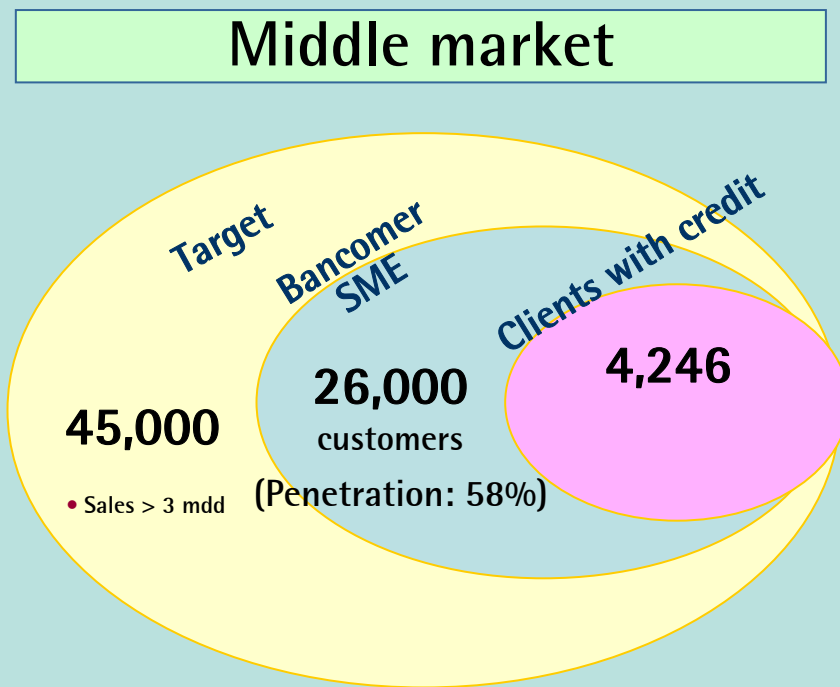
Total mortgages (thousand)



Medium-sized companies



We have a specialized network to cater middle market companies



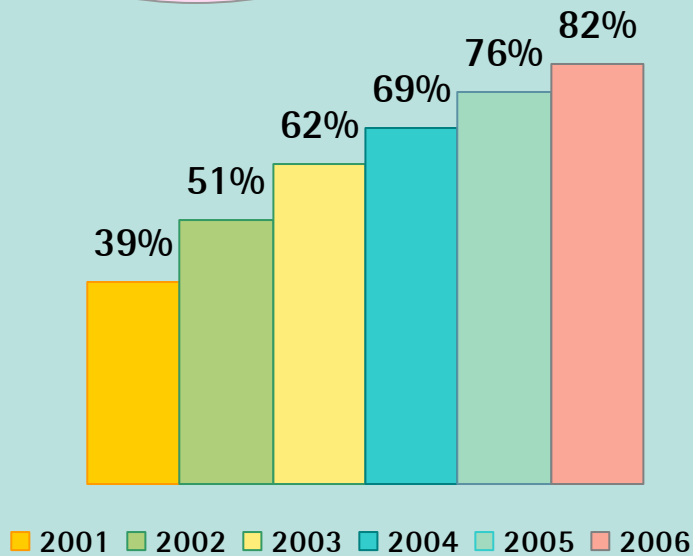
92 branches and 489 specialized executives



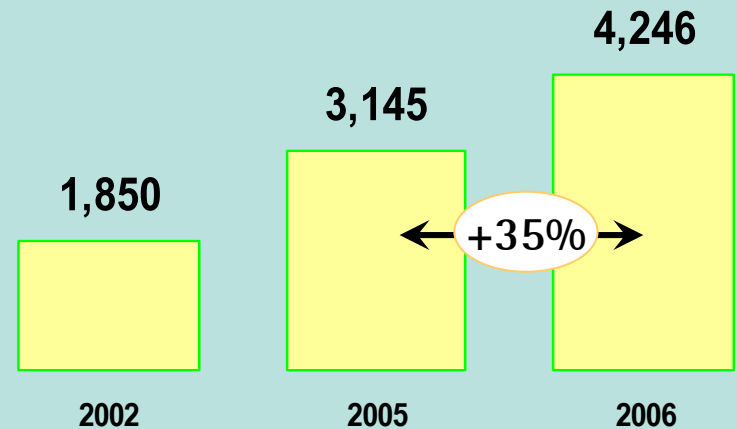
We have increased the number of clients with credit through a higher lending delegation to branches

Clients with three or more products

Increased cross-linkage with the clients



of clients with credit

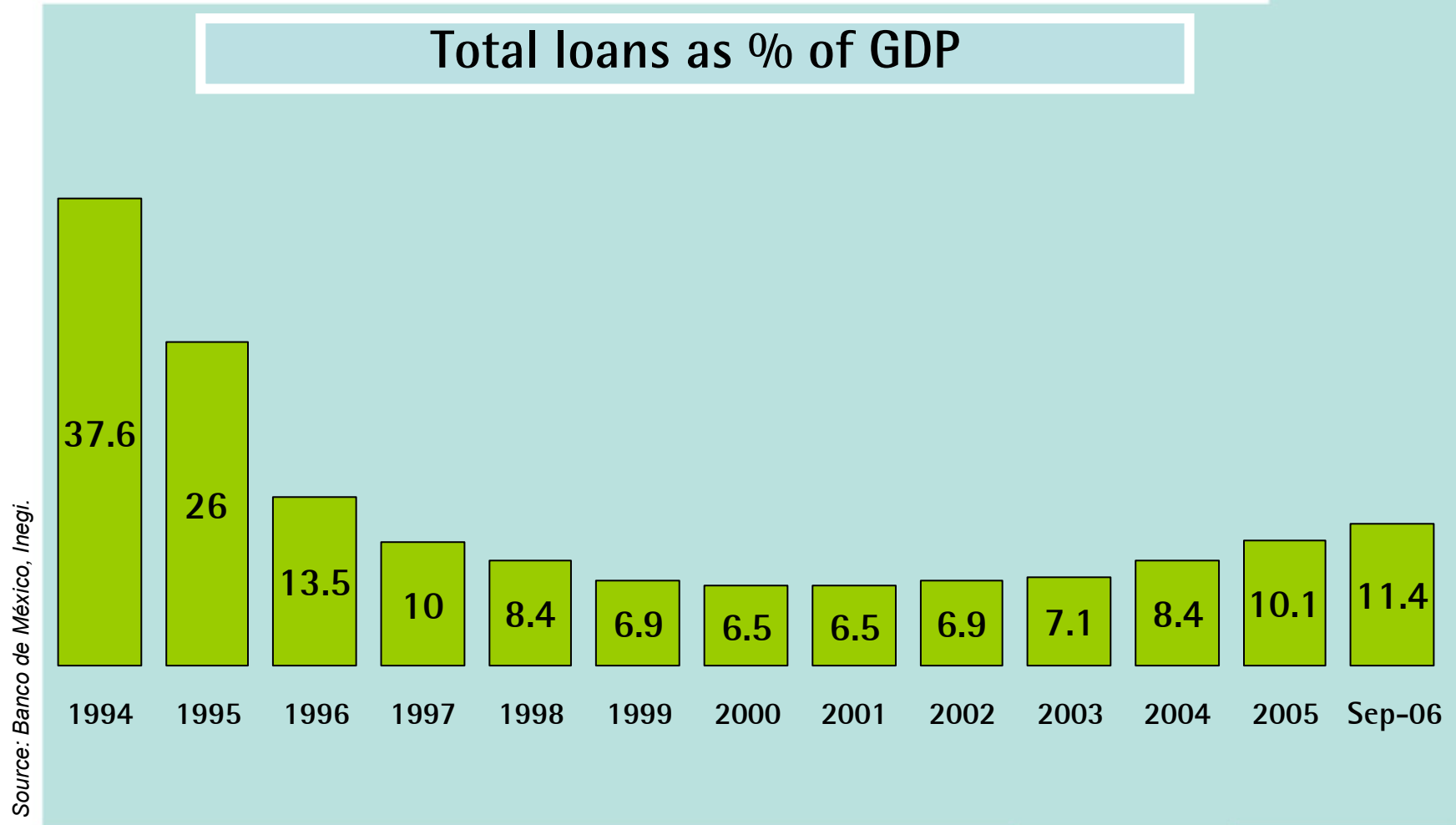


Penetration in new segments



Loan penetration in Mexico is lagging significantly, it is only one third of what was before the 1995 financial crisis

Total loans as % of GDP

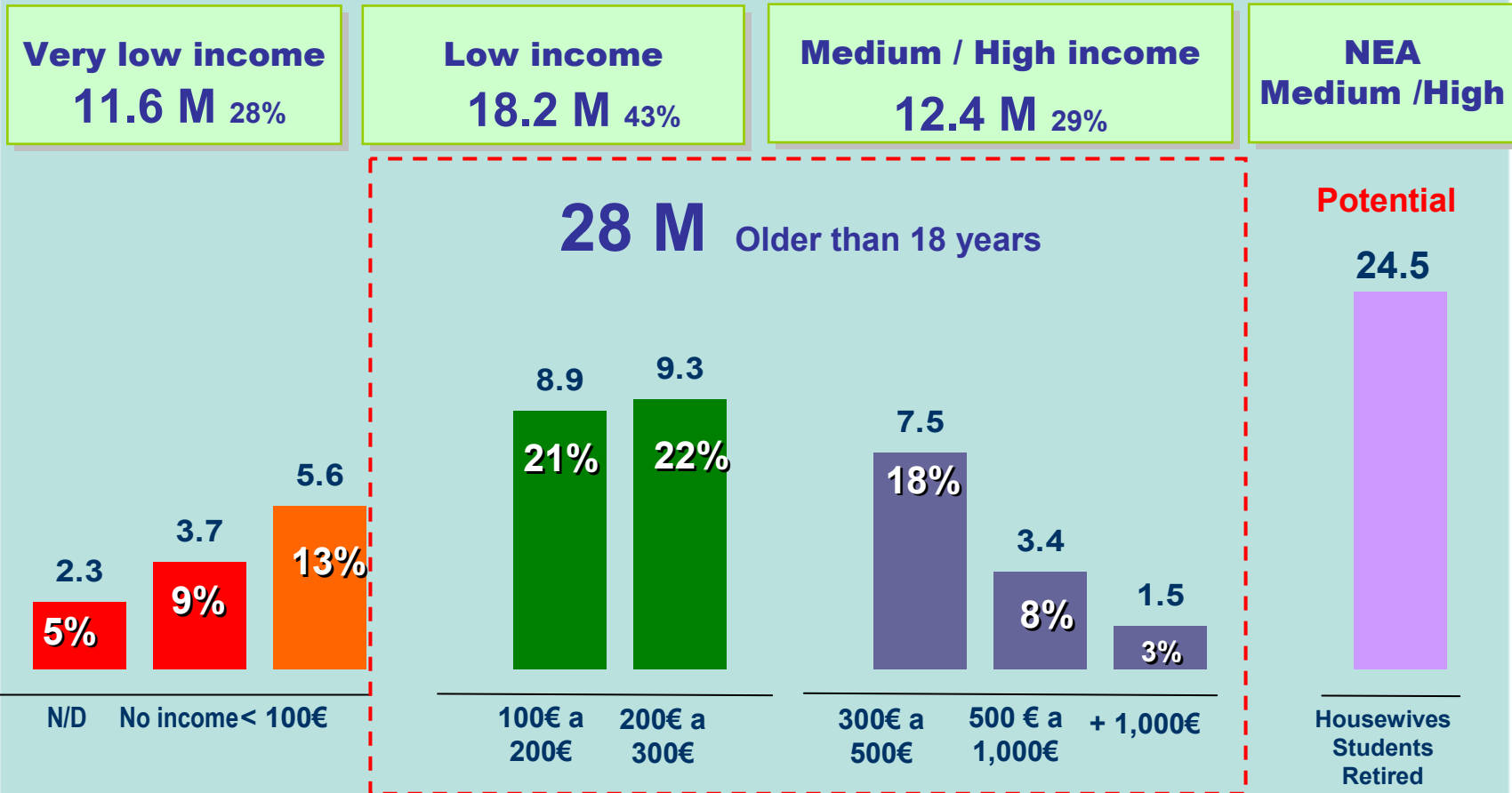


Source: Banco de México, Inegi.



Only 50% of the population with employment have a banking relationship

PEA
42 M


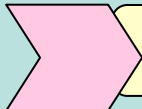
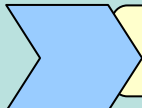


1€ = \$14

Monthly income



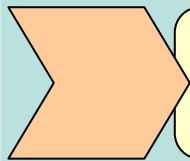
We are focused on specific segments:

-  Lower income segments
-  Small companies
-  Youngsters

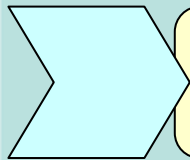
Service



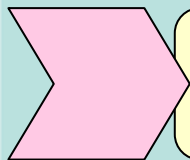
A better service to our clients is always a priority in a high competitive environment



Guarantee of high valued services to our clients



Increasing perception of service



Long-term quality service platform with public commitment



This objectives will not be feasible if we do not continue focusing our efforts on building

A better place to work

100% of headcount in bonus scheme



agenda



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Bancomer is a unique bank focused on customers, with multichannel distribution, and specialist skills

- Sustainability is based on increased linkage with existing customers in addition to banking new ones
- Bancomer's strength and its business model provide a unique market advantage
- Bancomer leadership is driven by customer focus, increase in productivity and innovation in commercial strategies
- The basis for Bancomer 's differentiation from the competition is the stability of its core business earnings, recurrent income and its ability to keep improving financial margins
- The outlook for Bancomer in 2007 is that Bancomer will support its profitable growth going forward with a robust balance structure and a dynamic business performance
- Challenges for 2007 are improving the service to our clients and building a better place to work, while maintaining growth and profitability



Bancomer

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