BBVA Bancomer

Annual Report 2010

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Group profile

BBVA Bancomer Financial Group ("the Group" or "BBVA Bancomer") is a financial institution with a major presence in Mexico.

BBVA Bancomer offers a broad range of financial products and services through its extensive network and infrastructure. It conducts its core activities through BBVA Bancomer (the Bank), Mexico's largest bank in terms of deposits, loan portfolio, number of ATMs and number of branches. Its business model is based on a segmented distribution by type of customer, with a philosophy of risk control and a goal of long-term growth and profitability.

The Group works toward a better future for people and offers its customers a mutually beneficial relationship, proactive service, consulting and comprehensive solutions.

The Group is a subsidiary of Banco Bilbao Vizcaya Argentaria (BBVA), one of Europe's leading financial groups.

Our Mission

- Building trust by expanding and enhancing customer service with transparency and integrity, always offering top-quality products and services.
- Providing our employees with the ideal working conditions to help them develop their full potential.
- Preserving our solvency and offering our shareholders attractive returns.
- Fostering social well-being as a result of our business activities.

Business Model

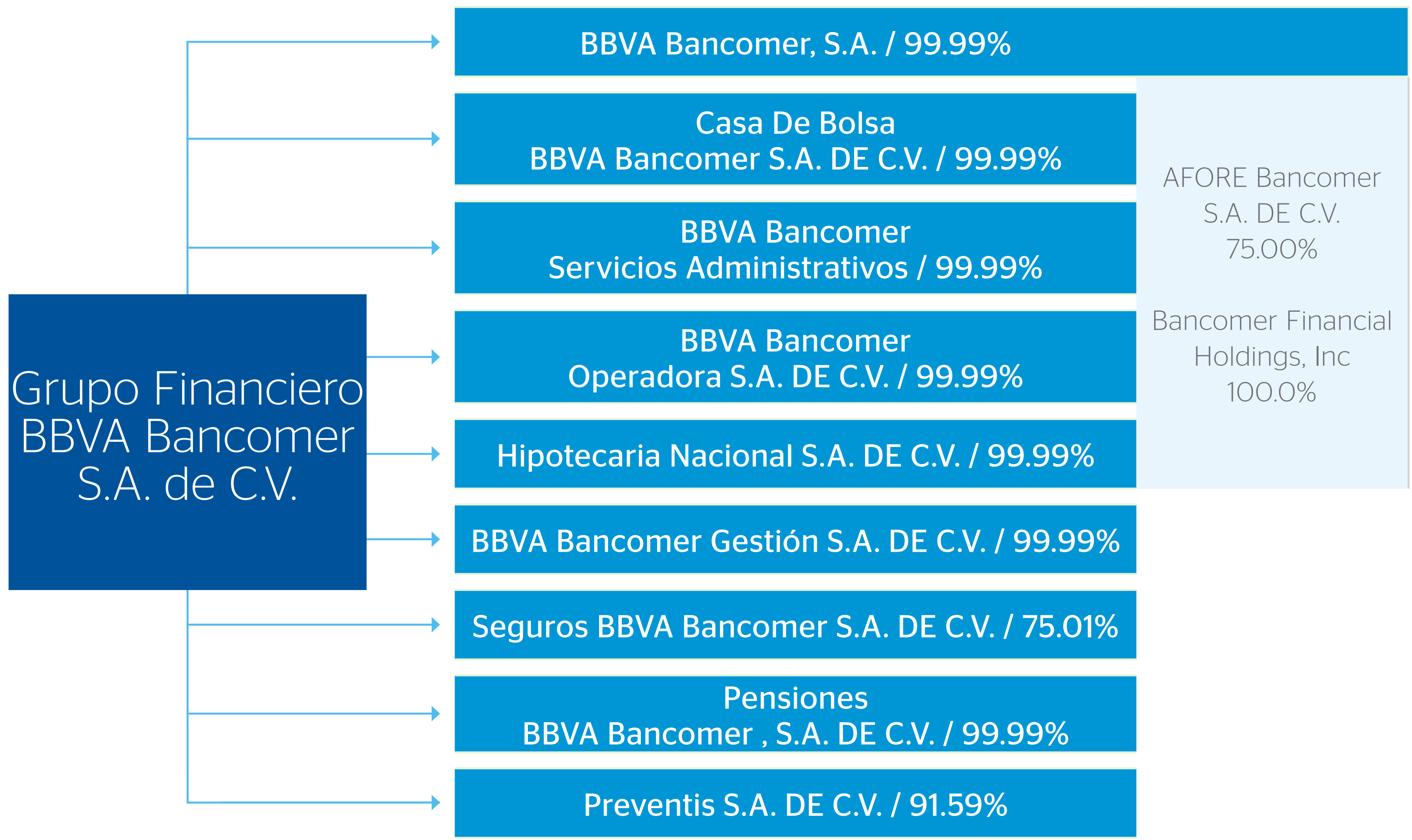
Employees:
34,189

Branches:
1,797

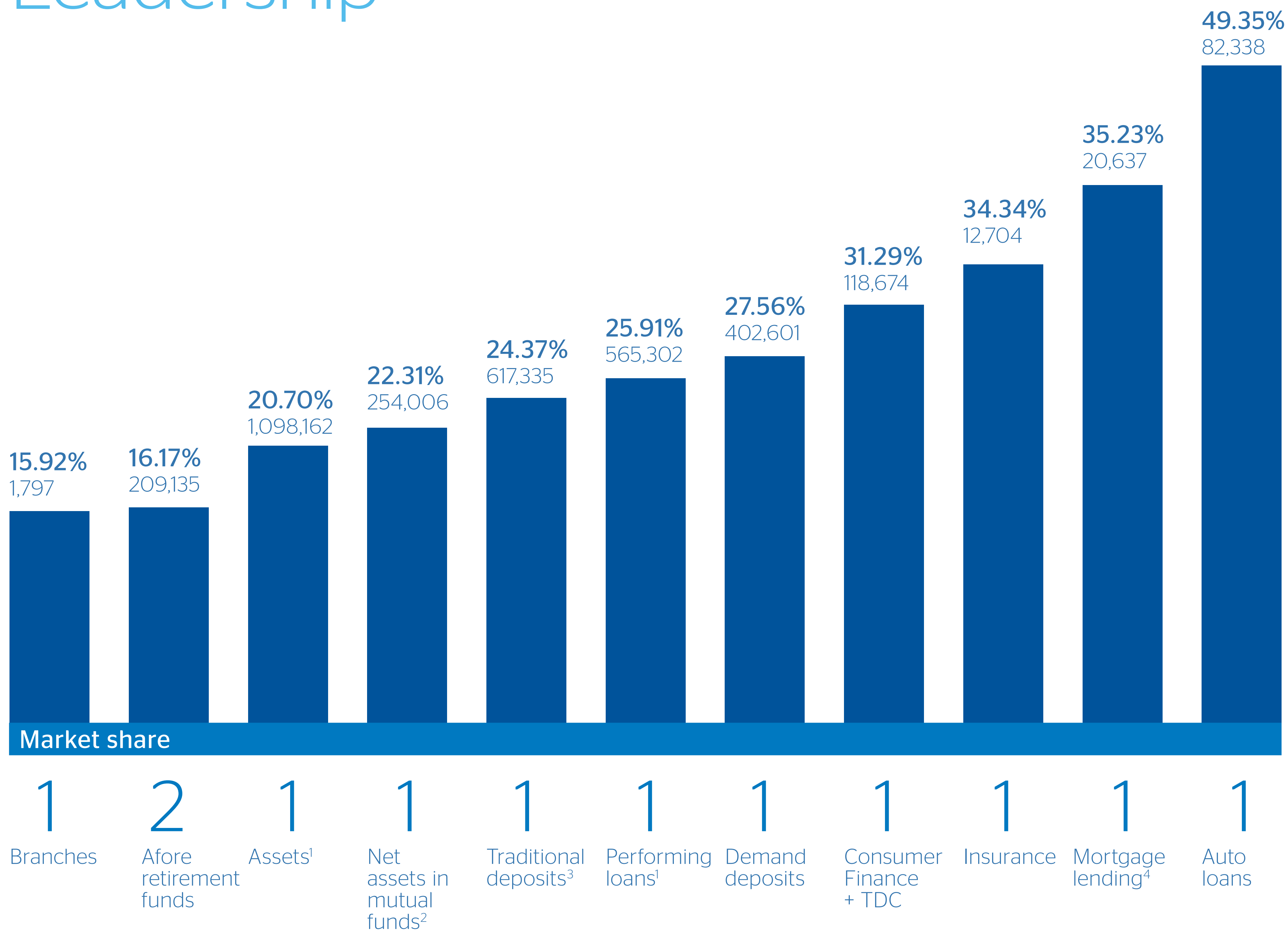
	Focus	Dedicated Network
Individuals		
Private Banking	High-end clients	57 offices
Retail Banking	Individual clients	1,780 offices
Mortgage Banking	Mortgage Banking	95 offices [1]
Companies		
Corporate Banking	Major corporations	3 offices
Middle-Market and Government Banking	Mid-sized companies	80 offices
	Government agencies	38 offices
Mortgage Banking	Mortgage Banking	95 offices [1]

[1] A single branch network

Structure


Grupo Financiero BBVA Bancomer S.A. de C.V.
BBVA Bancomer, S.A. / 99.99%
Casa De Bolsa BBVA Bancomer S.A. DE C.V. / 99.99%
BBVA Bancomer Servicios Administrativos / 99.99%
BBVA Bancomer Operadora S.A. DE C.V. / 99.99%
Hipotecaria Nacional S.A. DE C.V. / 99.99%
BBVA Bancomer Gestión S.A. DE C.V. / 99.99%
Seguros BBVA Bancomer S.A. DE C.V. / 75.01%
Pensiones BBVA Bancomer , S.A. DE C.V. / 99.99%
Preventis S.A. DE C.V. / 91.59%
AFORE Bancomer S.A. DE C.V. 75.00%
Bancomer Financial Holdings, Inc 100.0%

Leadership



Source: CNBV, Jato, SHF, CONSAR, AMIS, AMIB and AHM. Figures in millions of pesos

[1] The market includes mortgage Sofoles
[2] Without overlapping of funds
[3] Includes demand deposits plus term deposits plus credit instruments issued.
[4] Balance of new individual loans

BBVA Bancomer

Presence

Baja California Norte
1,124 employees
60 branches

Employees:

34,189

Branches:

1,797

Relevant information

General indicators of multiple banking in Mexico	Dec-08	Dec-09	Dec-10
Total Multiple Banking Institutions	43	40	41
Branches	10,354	10,736	11,384
Employees	157,014	160,931	166,638
Number of bank accounts	75,113,013	82,755,248	94,860,734
Total banking assets (million pesos)	4,578,054	4,876,416	5,304,698
GDP current prices (million pesos)	35,769,411	33,594,999	35,442,812
% of GDP	12.8%	14.5%	15.0%
Total gross banking portfolio (million pesos)	2,044,312	2,107,409	2,231,921
% of GDP	5.7%	6.3%	6.3%
Total deposits (million pesos)	2,242,353	2,307,425	2,533,327

Source: CNBV, Banxico

Importance of BBVA Bancomer in the Mexican economy	Dec-08	Dec-09	Dec-10
Total assets (million pesos)	1,170,894	1,093,391	1,098,162
Share of total assets	25.6%	22.4%	20.7%
Traditional deposits / Total assets	47.4%	53.8%	56.2%

Source: CNBV
Information on banking business including mortgage SOFOLES

Breakdown of economic value added (EVA):	Dec-08	Dec-09	Dec-10
Dividends	18,691	16,231	16,209
Personnel costs	13,883	13,778	13,969
Interest expenses	45,923	44,984	28,352
General administrative expenses	12,606	13,107	15,203
Taxes	6,190	6,244	7,984
Community support: resources allocated	97,293	94,344	81,717

Economic value generated and distributed			
Economic value generated	88,483	88,497	90,250
Net interest income	62,775	54,911	60,395
Net fees	21,615	20,855	21,799
Other ordinary income (1)	2,557	14,834	8,877
Other net income/losses	1,536	-2,103	-821
Economic value distributed	51,198	49,128	53,049
Dividends	18,691	16,231	16,209
Minority interests	(172)	(232)	(316)
General administrative expenses (2)	12,606	13,107	15,203
Taxes	6,190	6,244	7,984
Personnel costs	13,883	13,778	13,969
Economic value retained	37,285	39,369	37,201
Loan-loss reserves and Amortization + depreciation (3)	26,004	29,444	18,222
Reserves	11,281	9,925	18,979

Source: BBVA Bancomer

(1) Includes the net interest income + other income or expenditure from the transaction + participation in the result by subsidiaries and associstes
(2) includes general expenditure – taxes – IPAB – depreciation and amortization
(3) Loan-loss reserves
Figures in million pesos, with information from the BBVA Bancomer Financial Group

Report from the Chief Executive Officer

End-of-period balances in million pesos

It is always a great pleasure for me to present our Annual Report for 2010.

In line with our corporate principles of simplicity and efficiency, and taking into account global trends, we are for the first time presenting the Financial Report and Corporate Responsibility Report as one.

In 2010, a year of transition towards economic recovery, BBVA Bancomer strengthened its franchise and reputation. As a reflection of our institution's commitment to the country, we grew in lending and customer funds, and increased investment in infrastructure, innovation and technology.

BBVA Bancomer's total outstanding lending registered a significant recovery, with a year-on-year growth of 12.0%, which in terms of the average balance represented an increase of 13.9%. Thus the balance of the loan portfolio stands at 565,302 million pesos at the close of 2010.

The commercial portfolio (companies, SMEs, financial institutions, housing developers and the government) amounted to 301,156 million pesos at year-end, a year-on-year growth of 13.3%. As a result of this positive growth, our share of the commercial lending market in 2010 increased. Finance for SMEs and micro-enterprises showed a positive trend, with a growth of 13.7% compared with year-end 2009, reaching around 360,000 customers. In medium-sized companies, the number of new customers increased by 16.0%.

Good news included the recovery of consumer finance, which at year-end stood at 118,674 million pesos, 14.4% up on the previous year. This represents its best performance since the start of the crisis. The number of new consumer loans (car, payslip and personal) was up 58.3%, and 24.1% more credit cards were issued than in the previous year. This high level of activity strenghtened BBVA Bancomer's market position in this segment in 2010.

Finance for home purchase amounted to 145,472 million pesos, a rise of 7.7% compared with the close of the previous year. Thus BBVA Bancomer has maintained its leadership in this segment, where it has financed one in three mortgages in the bank and Sofoles market. In 2010, 34,246 loans were granted to individuals and more than 93,000 homes were financed through loans to housing developers. As a result of this leading position, BBVA Bancomer has for the third year in a row received the National Housing Prize for offering special solutions to more than 50,000 customers affected by the crisis.

The structure of the loan book remained adequately diversified, with similar shares as at the close of 2009. Commercial lending amounted to 53.3% of the total, followed by home loans with 25.7% and consumer finance at 21.0%.

Total funds, including bank deposits, repos and credit instruments issued, stood at 617,200 million pesos in December 2010, a year-on-year increase of 4.9%. There has been a notable growth in demand deposits, which have increased at a year-on-year rate of 13.4%, and continue to be the main component of liabilities with a profitable lending structure.

Among off-balance-sheet funds. investment companies performed outstandingly, with assets under management closing 2010 up 27.2% year-on-year to 253,861 million pesos.

BBVA Bancomer has the biggest network of branches in Mexico, which are strategically located across the country. It also has one of the best networks of ATMs and point-of-sale terminals. At the close of 2010, there were 1,985 BBVA Bancomer branches, including specialized network offices, 6,760 ATMs and more than 127,000 point-of-sale terminals.

In 2010 it also launched a new strategic plan designed to take advantage of the opportunities offered by Mexico for continued growth. The plan covers all the units, including business, support and corporate responsibility. It involves an ambitious investment plan of 570 million dollars as an annual average over the next 3 years to expand infrastructure, transform the business model, improve the technological platform and continue with the construction of new corporate headquarters.

Non-banking businesses also performed positively. The insurance branch Seguros Bancomer was extremely active commercially, and recorded a net profit of 2,629 million pesos, 15.7% up on the previous year. This maintained its position as leader of the bancassurance segment. Afore Bancomer consolidated its position as leader in the voluntary savings segment. It lowered its fees and thus improved conditions for its customers as one of the cheapest Afores in the market. In addition, the annual return of the Siefores included in were 40 basis points better than the annual average return in the market.

As a result of sound capital and liquidity management, in 2010 BBVA Bancomer placed more than 29 billion pesos on the financial markets. This included one of the biggest ever issues of capital notes by a Mexican bank on the international market, with 1 billion dollars of 10-year securities sold to investors in the United States, Europe and Asia. This puts the total debt issued at 118,653 million pesos, making BBVA Bancomer the main issuer of debt in the Mexican market.

This increased lending and deposit activity, combined with good business management, gave the BBVA Bancomer Financial Group a net profit of 26,695 million pesos at the close of 2010, a satisfactory increase on the previous year. Revenue remained stable, expenses under control, asset quality indicators improved and there was a high level of profitability. Our solvency and liquidity levels also allow us to continue growing.

In 2011 BBVA Bancomer will be in a privileged position to take advantage of the new economic environment. We will be able to construct the bank of the future with a focus on customers and on a different type of relationship with them.

We have consolidated our community involvement in Mexico by using our leading position to implement development and education programs and actions in the country. The year 2010 was very important for all Mexicans, because we celebrated the Bicentennial of Mexico's Independence and the Centenary of its Revolution. BBVA Bancomer took part in the celebrations through its Foundation by being given the honor of hosting the El Mestizaje Mexicano (The Mexican Mix) encounter, at which major thinkers and historians met to analyze and debate on fundamental subjects related to indigenous culture and the Hispanic world, coordinated by the historian Enrique Krauze.

At BBVA Bancomer we continue to progress in our commitment to reduce the environmental footprint through the Eco-Efficiency Plan 2008-2012. We have already gone some way in this respect, above all in terms of emissions and energy efficiency. Electricity consumption per employee was reduced by 5% and direct CO_2 emissions by 15%.

Support for education continues to be a priority in our Strategic Corporate Responsibility and Reputation Plan. We have given more than 20,000 scholarships to young people to study the complete cycle of secondary education since the start of our social-integration grant program Por los que se quedan (For those left behind). A further 7,000 scholarships were granted in the Olimpiada del Conocimiento Infantil (Children's Knowledge Olympics), thanks to the support of 1,643 voluntary employees who acted as "godfathers" and "godmothers."

We have also extended our financial literacy program Adelante con tu futuro (Forward with your future) to more beneficiaries. In 2010 we managed to increase the skills of more than 300,000 people at no cost for them so that they can make good use of their personal finances.

To extend the company's commitment to its stakeholders, we have extended the dialog process to more groups, such as experts in corporate social responsibility and organizations in civil society. The aim is to get to know their opinions and needs and thus improve the Bank's capacity to respond to their expectations.

I would like to take this opportunity to reiterate the commitment of our Institution to the Global Compact, which we joined in 2003, and whose principles have been incorporated into this report as part of Communication of Progress for this period.

I greatly appreciate the unwavering dedication of our work teams, the loyalty of our customers, and the Board of Directors, for their continued work in further strengthening our Institution.

In 2011, we will continue to progress. Adelante.

Ignacio Deschamps González
Chairman and Chief Executive Officer

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BBVA Bancomer has demonstrated it is a solvent and stable bank with sound results over the years. This has now allowed it to focus on consolidating its positioning in the future.

BBVA Bancomer is aware that customers are its main strength. It therefore aims to increase customer insight so that we can continue to offer customized products and services in the SIMPLEST possible way. Above all, we want to offer them what they need; we want to increase their LOYALTY to the bank and ensure it is their bank OF CHOICE.

We want our customers to make the best possible use of our products and services through personalized service, with the best and strictest measurements of service quality, so that they keep us as their bank of choice.

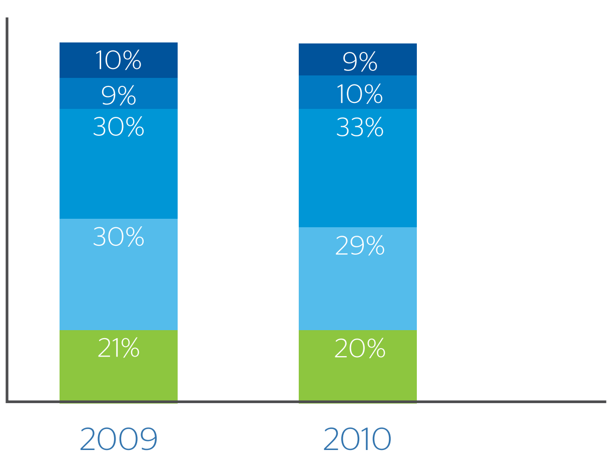
We are working to create a different way of relating to them. Integrating a multi-channel distribution model that gives easy and efficient access to financial services.

We are positioned to continue growth, construct the bank of the future with the best working team, the best business model, and the best technology, leveraged in innovation.

Operational Summary

Retail Banking

Transactions by channel
(Millions)



Other electronictransactions
Internet
POS terminals
ATMs
Tellers

In 2010 the Retail Banking unit focused on innovation and closer ties with customers. This has given extraordinary results in the main business indicators.

Innovation

A range of innovative high-technology products were launched over the year, such as **Bancomer Móvil**, a new channel that gives customers access to free consultations, purchases and basic banking transactions via their cell phones. At the close of 2010 there were 274,000 customers registered with the service, through which 4.2 million transactions had been made.

The first cell-phone account was also launched in Mexico, called **Cuenta Express**, where the account number is the customer's cell-phone number. This account gives simple low-cost access to banking services.

Similarly, an i-Phone application is available that locates the closest BBVA Bancomer ATMs and branches for customers using the GPS system.

We launched the 7 **Módulos Express** as a way of reaching more segments of the population. They are strategically located at sites with a large number of passers-by and sell products outside the branch network. Customers can pay for services, make cash deposits or transfers and receive specialized advice on the purchase of products.

For micro-enterprises, the **Tarjeta Micronegocios** card gives them the chance to grow their business through commercial loans that are kept separate from their personal finances. And taking advantage of the potential of the social networks, the **YosoyPyME**, (http://www.yosoypyme.net/) is a blog giving business advice, which already has more than 2,000 followers on Facebook and Twitter.

Our continued innovation in investment products led to the launch in 2010 of products such as the **Fondo Triple Líquido**, which is a unique fund in the long-term mutual fund market. It has special attributes such as capital protection, monthly liquidity and monthly return that can be re-invested. In the last quarter of the year, the fund obtained funds of more than 4 billion pesos.

Closeness to the customer

An innovative concept of **Dynamic Marketing** has been developed, consisting of the provision of financial literacy, products and entertainment through TV monitors for customers in the branches.

The **Reservación Bancomer** reservation system was also introduced in 62 branches. This gives customers the chance to set up an appointment and be attended by a manager or go directly to the window without waiting.

In 2010 the productivity of the retail network, measured as the capacity for the sale of strategic products per manager per month, increased by 16.8% year-on-year.

All this activity, combined with its sales activity and advertising strategy, has given the BBVA Bancomer brand a 35% ranking from *Top Of Mind* with the Mexican public. This is far higher than any other banking brand in the country, according to the Advertising Tracking Study for 2010.

Commercial activity

Demand deposits stood at over 214,000 million pesos, and there was an improvement in the costs of gathering funds, thus supporting the net interest income. This strength was boosted by the traditional sales campaigns **Quincenas del Ahorro (Fortnight Savings)**, in which for the first time in history more than a million customers were rewarded. Children were encouraged to save through the **Mini Quincena del Ahorro (Mini savings fortnight)** Using the **Winner Card** customers were rewarded with 51,000 memberships of Cinépolis.

Competition increased in 2010 among mutual funds. The Retail Network met its targets, with a balance of 105,505 million pesos, mainly supported by the **Invierte y Gana (Invest and Win) campaign,** together with the launch of the **Fondo Triple.**

The banking credit card portfolio closed the year with a balance of 56,956 million pesos, thanks to the economic recovery, the great capacity for pre-approving applications and a distribution network with the highest level of capillarity in the country.

The consumer finance portfolio grew by 19.2% over the year, and ended with a balance of 29 billion pesos. This growth was mainly supported by the capacity to grant payslip loans to the large BBVA Bancomer customer base.

In the SME segment, lending grew at an annual 13.7%. BBVA Bancomer was recognized by the Secretariat for the Economy with the **SME 2010 Award** as the bank with the biggest market share of lending to SMEs.

Infrastructure

BBVA Bancomer continues to invest in self-service infrastructures. In 2010 it consolidated its leading position in terms of its ATM network: 6,727 units and 127,153 point-of-sale terminals, with a market share of 32.0%.

In 2010, BBVA Bancomer signed a broad-ranging agreement for a network of banking correspondents under certification by the Mexican Banking and Securities Commission (CNBV). These allow cash withdrawals and deposits in retail outlets such as Oxxo, Walmart, Farmacias Benavides, Telecom and Piticó.

Online banking had 1.5 million users registered with the Bancomer.com service, a net growth in customers of 9.8%. Between them they made more than 164 million financial transactions over the year. It is worth highlighting that our Internet portal was chosen as the **Best Financial Portal in Mexico** by the Mexican Internet Association AMIPCI and the Latin American Institute for Educational Communication (ILCE).

The increased number of transactions through channels other than the branch network is a reflection of BBVA Bancomer's commitment to provide its customers with the best possible service.

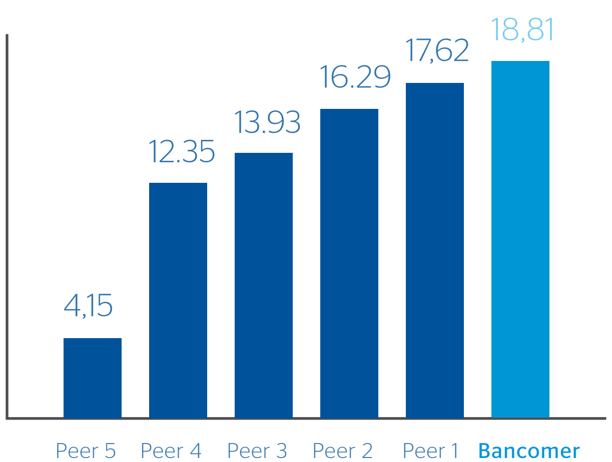
Equity and Private Banking

HNWI banking used the leverage of its business model focused on customer service in personal, family and business banking. It generated spectacular growth in investment funds of 28% over 2009.

Customers participated with more than 10 billion pesos in market issues by Chedraui, OHL, SARE, Televisa, Grupo México, Cemex, Citi and América Móvil.

As a demonstration of confidence by Mexican investors in the BBVA Group, the customers of Bancomer's HNWI and Private Banking took part in the Group's capital increase following the acquisition of 24.9% of the Turkish bank Garanti.

ATMs
Market share (%)

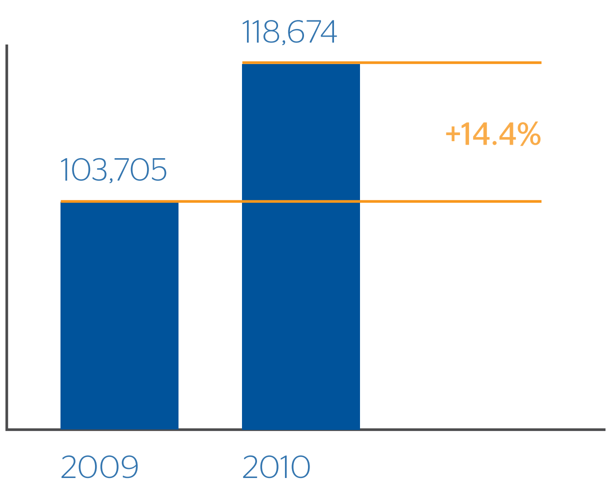


Source: CNBV

Consumer Credit Unit

Recovery of consumption in 2010

Consumer Finance + TDC
(Million pesos and % annual change)



In 2010 this unit had the major challenge of recovering its positioning and improving its main market indicators. At the close of the year, the customer portfolio and TDC were growing faster than in the period before the crisis.

The Bancaria credit card portfolio had a balance of 56,956 million pesos, 8.4% up on the figure for December 2009. A total of 1,168,000 cards were issued, 23.7% up on the previous year. Revenues from sales increased year-on-year by 16.1%, the third year in a row of double-digit growth.

The program for improving interest rates for sound customers, **Paga bien Paga Menos (Pay well, pay less),**, was and continues to be one of the pillars of success in this area. At the close of 2010, 36% of the current customer base was within this program. As a result, and supported by other plans, the default portfolio fell by a year-on-year 48.4%.

The Finanzia credit card issued 1.4 million new active accounts, equivalent to a year-on-year growth of 25.4%. Active portfolio management, combined with point-of-sale offers, increased revenues by 14.7%, while the balance of the portfolio increased by 11.7% compared with the previous year.

It is important to mention that of total car finance in Mexico, 44.9% is through participants of the banking system. In 2010, 82,625 car loans were issued, representing a year-on-year growth of 52.8% in the portfolio and a market share of 49.4%, according to *JATO*..

There were a total of 985,000 payslip and personal loans issued, 57.6% up on the previous year. Around 120,000 loans were issued through electronic means, mainly through ATMs, with 80.7% of the multi-channel issuance. The balance of payslip and personal loans grew by 23.7% on the 2009 figure to 28,262 million pesos.

Financiera Ayudamos

With the aim of continuing to incorporate new customers to financial services, BBVA Bancomer makes use of **Financiera Ayudamos** to offer financial products for low-income families and micro-enterprises. In 2010 it began a process of expansion with the opening of 10 new branches. At the end of the year it had a network of 24 branches.

Over the year, Financiera Ayudamos issued 16,000 loans, 5.2% more than the previous year. Year-on-year growth of the portfolio stood at 12.0%, 51.0% in micro-enterprises and 49.3% in consumer finance. The main challenge in 2010 was control of portfolio quality. There was an improvement of 223 basis points in the risk premium and 117 basis points on the portfolio default rate compared with 2009.

Middle-Market Banking

+16.0%

registered customers

Government Banking

+12.1%

performing loans

Middle-Market and Government Banking

Middle-Market Banking

Despite a first half of 2010 in which financial uncertainty prevailed due to the impact of the economic situation in 2009, over the whole year the corporate borrower base of SME Banking grew by 16% year-on-year.

The loan portfolio grew by an annual 8.5% at year-end 2010. This once more showed the strong support provided by SME Banking to the sector and its contribution to the reactivation of the country's economy. As a result, it increased its market share and maintained a good portfolio quality.

In terms of traditional deposits, SME Banking performed well compared with 2009, mainly boosted by investment companies.

A key factor that differentiates SME Banking is its specialized and innovative range of solutions and the value that these generate for its customers, which confirms their loyalty.

Government Banking

Institutional Banking increased its customer base by 1,975 government dependencies and bodies, thus consolidating its leading position in the sector.

Continued innovation in solutions that meet the needs of the segment resulted in this unit offering 2,827 additional collection solutions in 2010 in addition to those granted in 2009.

In 2010, Institutional Banking once more demonstrated its leadership in managing funds for the government sector, with an annual growth in traditional deposits of 13.3%.

The loan portfolio grew 12.1% on 2009, increasing investment with the major states and municipalities and supporting their needs to finance infrastructure projects and short-term liquidity.

In 2010, Government & Corporate Banking consolidated its major boost to payroll solutions for corporations and government bodies by increasing the number of customers with electronic deposits by over 389,000. This contributed 67% of the growth in new customers who receive their paycheck through BBVA Bancomer accounts.

Mortgage Banking Unit

New mortgages to private individuals

+34,000

New housing developments

+93,000

Mortgage lending maintained a positive trend in 2010.

The strength of the commercial activity of BBVA Bancomer's Mortgage Banking unit was clear in the issue of more than 34,000 new mortgages for individual customers.

Equally, there was a positive trend in lending for housing developers, with the construction of 93,161 homes. This increased the total amount to 22,336 million pesos at the close of the year, 29.8% up on 2009. Thus at the close of 2010 BBVA Bancomer had 143,300 homes under construction.

The growth in mortgage lending was accompanied by improved quality, as the portfolio default rate closed the year at 3.03%, 99 basis points down on the figure the previous year.

For the third year in a row and the fifth time overall, the Mortgage Banking unit of BBVA Bancomer received the **National Housing Prize** in recognition of the alternative solutions offered to more than 50,000 customers with payment problems. At the same time, Ignacio Deschamps González, Chairman and Managing Director of BBVA Bancomer, received the **"Male and Female Homemakers prize"** for the support given by BBVA Bancomer to the housing sector as a motor of economic development in the country.

New individual products were developed to maintain the specialized service offered to customers by the Mortgage Banking Division and extend their purchasing capacity. These included. **Alia2 Plus** in alliance with FOVISSSTE, Bancomer **Cofinavit AG** and **Esta es tu Casa (This is your Home)** (a public subsidy program). Furthermore, the bank obtained the ISO 9000:2008 certification for its quality management system for individual loan origination processes and customer service in its *call centers*.

In 2010, the Mortgage Banking unit launched **the Academia Hipotecaria to cover the development and knowledge needs of Mortgage Banking, by increasing the staff's business-linked skills**, a skills development program designed particularly to channel and boost the development of the team.

At the start of 2011, the Mortgage Banking unit was merged with the SME Banking network to service housing developers and the Commercial Banking network to service individual customers.

Corporate and Investment Banking

In 2010 Corporate and Investment Banking established a new asset class by issuing the first senior bonds from Industrias Peñoles for 530 million dollars on local markets. In addition, syndicated loans were granted to *PMI Trading Limited* for 500 million dollars and *Americas Mining Corporation* for 1.5 billion dollars. A bond was also issued for Daimler Mexico for 750 million pesos. The high level of activity of this business unit gave it a prime position in the ranking of *Debt Capital Markets* (Loan Pricing Corporation).

BBVA Bancomer was also in first place in the ranking of *Equity Capital Markets* according to Thomson, thanks to BBVA Bancomer being leader in the initial public offer of shares in **SARE Holding**, for 930 million pesos, with a bid-to-offer ratio of 3.7. We were the leading placing agent of development capital certificates by **Prudencial Real Estate Investors** for 3,095 million pesos and in the initial public offering by **Grupo Comercial Chedraui** for 425 million dollars.

In the structured financial market, we assisted in the finance of the **La Ventosa** wind farm in Oaxaca through syndicated loans. We also financed **ICA** with 25.4 million euros for its import of tunneling equipment. We were the administrative agent, global coordinator, bookrunner and sole insurer in an operation for 225 million dollars for the lease of a semi-submergible PetroRig III platform for **Grupo R Exploración Marina.**

Also of note is BBVA Bancomer's work with the Federal Government to implement measures to obtain public funds through the **Cetes Directo* program**

*A UDI trust program for direct sales to the public.

BBVA Bancomer maintains its leadership in the structured bond market

27.0%

Global Markets Mexico

This unit designs, structures, distributes and manages the risk of financial market products, following a model that seeks to satisfy customers' investment requirements and risk coverage.

In 2010, despite the global financial crisis and the volatility of financial markets, the unit grew, boosted by its successful customer-focused business model that is integrated into the BBVA Bancomer networks. This provided strong, recurring earnings.

The *Equity* and *and FX* business were the main drivers of growth. For the *Equity*business, the new **Casa de Bolsa** operation system was launched. This makes it easier to provide a comprehensive operational service that offers a more flexible and swifter response to customer requirements. In *and FX* the market share was increased by 50%, with a new team of specialists who operate on the main trading floors in Mexico and offer a personalized and highly specialized service in foreign exchange.

In 2010, BBVA Bancomer, together with Corporate and Investment Banking, became the lead broker for public offerings, among them the 15% of the share capital of an important commercial group in the BMV. A **Capital Development Certificate** (CKD) was placed with domestic clients, and among the highlights in the last quarter were the placements of SARE, as well as the mixed public offering of OHL.

BBVA Bancomer became a leader in the warrants market, with a notional amount issued of over 2.8 billion pesos in 20 issues, amounting to 58%[1] of the market.

BBVA also maintained its leading position in the structured bond market, with a share of 27.0% in 2010.[2] It has maintained this position since July 2007.

Source: (1) Emisnet (2) Valmer

Leader with the biggest range of mutual funds on the market

22.3%

Asset Management

In 2010, BBVA Bancomer consolidated its position as one of the biggest competitors in the investment management market, with a balance of assets of 451,751 million pesos, 43.0% up on the figure for 2009, and a balance of 136,117 million pesos in deposits. This result was due to the good performance of **mutual funds** and **exchange-traded funds** *(ETFs).*

Our product **BRTRAC**, which invests in the main companies in Brazil, obtained 16,592 million pesos in the first eight months since its launch. We have also offered our customers **MEXTRAC**, which participates in the main issuers in Mexico and with ETFs that invest in sectors with favorable growth prospects.

In the local mutual fund market, BBVA Bancomer remained the main participant with assets of over 294 billion pesos. It confirmed its leading position in net assets without overlapping funds, with a market participation of 22.3%. At the close of 2010 BBVA Bancomer also consolidated its position as the manager with the largest number of customers and a share of 31.3%.

In 2010, BBVA Bancomer was the participant with the most extensive launch of products, offering its customers 18 new investment options, including funds and ETFs. One example was the launch of the **Triple Líquido fund**, which protects the capital invested and offers a liquidity option if required, as well as monthly returns that may be re-invested in other funds.

Five new international funds were launched for high net-worth customers. They offered the best coverage in this segment, with 12 products investing in Asia (except Japan), Oceania, Europe, United States, Latin America, Brazil, Russia, India and China, as well as in the technological company sector.

The offer of funds was extended for institutional and corporate clients with new equity series, making a total of 20 different options for corporate entities and tax-exempt corporate entities.

BBVA Bancomer was also an innovator in developing the first Social Responsibility fund, **B+Educa**This allows investors to donate 25.0% of their interest earned to the **Por los que se Quedan (For those left behind) scholarship program**. At the close of 2010 this fund had assets of 3,208 million pesos, and helped educate 2,481 children in the 2010/11 academic year.

The positive performance of BBVA Bancomer investment funds was recognized by *Fund Pro Platinum Performance,* which named it the best short-term debt operator for the fourth time, with 5 *performance awards* for the **BMERINF, BMERGOB, SBTRADI, B+REAL** and **BVAEUR funds.**

Leader in voluntary savings

25.0%

market share

Afore and Pensiones Bancomer

Afore Bancomer

The pension business had a more favorable year than previous ones, due to the improvement in the labor market, economic activity and confidence.

In this environment, and with the aim of being more competitive, Afore BBVA Bancomer lowered the fees charged to offer its customers by 5 basis points to offer better conditions as one of the cheapest Afores in the market. The annual average return of all the Siefores making it up register a positive difference of 40 basis points with respect to the annual average return in the market.

In 2010 this unit consolidated its leading position in the voluntary savings segment with a market share of 25.0%[1], 250 basis points more than registered in 2009.

(1) **Source:** CONSAR

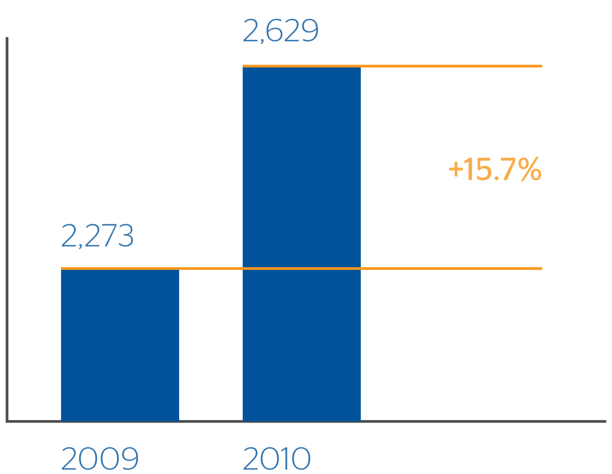
Pensiones Bancomer

BBVA Bancomer is a leader in this business segment, with the biggest market share among pensioners, at 47.0%. Pensiones Bancomer has increased lending to customers, and managed to place more than 29,000 loans and close 2010 with a loan portfolio to pensioners of more than 523,000 million pesos.

Pensiones BBVA Bancomer has 13 years of experience in the business in which it is leader, with an overall market share of 32.0%.

BBVA Bancomer Insurance

BBVA Bancomer Insurance
Net profit
(Million pesos and % annual change)



Bankassurance

34.3%
market share

In 2010 Seguros BBVA Bancomer continued to offer products adapted to the segment and sales channel.

At year-end, the total of written premiums was 12,704 million pesos. Written premiums discounting the impact of permanent labor disability grew by 7.4% compared with 2009. The net profit stood at 2,629 million pesos, a year-on-year increase of 15.7%.

The good results of Seguros BBVA Bancomer maintained its leadership in bancassurance market at the close of September, according to AMIS figures. Similarly, it became the country's fourth largest insurance company overall, among the 67 companies operating in the country, and number two in terms of net profit, generating 19.5% of the sector's profits.

Total written premiums through the branch network were 5,445 million pesos, a growth of 3.5% compared with the close of 2009, mainly supported by products in the car, life and home branch. At the same time,

Multiasistencia maintained its permanent updating program, which is designed to contain the costs of car accidents. As part of this plan, the accident service of Zurich was incorporated in 2010.

Advertising Campaigns

Some of the most important advertising campaigns in 2010 were as follows:

Finance

Issue of capital notes

1,000

million dollars

One of the main functions of Asset/Liability Management is to carry out an active management of the balance sheet. In 2010 this management was of great value for the bank. It enabled it to maintain an appropriate level of liquidity for its proper operation and a low sensitivity in net interest income in the face of interest rate movements in a highly volatile and complex market environment.

As part of the liquidity management function, **Asset/Liability Management** has a wholesale financing plan that is constantly adapted to the needs of the balance sheet. This has enabled BBVA Bancomer to respond appropriately to the rate of retail activity demanded by the environment and businesses. Under this financing program, BBVA Bancomer issued a total of 15,984 million pesos in senior bonds on the local Mexican market.

In addition, with the principal aim of consolidating BBVA Bancomer's capital base, and in a difficult international environment, Asset/Liability Management made the **biggest issue of Tier 1 capital ever** by a Mexican financial institution on the international market, for a **total of 1 billion dollars**, and demand of more than 3.5 billion dollars.

Asset/Liability Management is also responsible for relations with **rating agencies,** where as well as monitoring and effectively managing the bank's credit rating, it considers what balance-sheet measures should be adopted to differentiate the quality of BBVA Bancomer from its competitors.

It has eveloped initiatives such as the creation and launch of new products jointly with Commercial Banking in order to obtain and retain deposits that improve the bank's liquidity position. New capital issues were also designed to consolidate the capital ratio and positive contributions were made to the discussion on new methods of calculating adjusted capital by rating agencies.

Risk Unit

New pre-approval loans model with 15 million offers

The first stage of Bancomer's risk model for calculating provisions in the commercial portfolio was delivered in 2010. It obtained authorization from the CNBV for the use of internal **Debtor Risk** rating methodology for the segment of housing developers starting in 2011. This methodology will be used to carry identify, measure and cover risk in a more appropriate way for this segment.

The good performance of the admission and monitoring areas for **wholesale risks** meant that support for growth of more than 31 billion pesos in lending to governments and global businesses could be continued.

In the monitoring of **Retail Risks**, the portfolios were improved by supporting and implementing loan-loss provisions for the accounts with the biggest problems in the wake of the economic crisis. In 2010, authorization and management tools were strengthened and improved to optimize decision-making and assist in the healthy growth and improvement of relative quality.

Nearly 15 million offers were sent in 2010 through the new model of pre-approved loans, which channels the offers to customers with the best credit rating and controls risks for the bank.

Progress continues in the construction of a new integrated collection platform for the retail portfolio. This aims to improve operational efficiency and provides a more intelligent segmentation to ensure optimum recovery at the customer level. The new technological infrastructure also helps to reduce management costs.

The implementation of the platform of authorization tools for credit card applications allows changes and adjustments to be made to the authorization models quickly and easily in response to business requirements. This infrastructure will enable the new segments to be introduced into the bank to make use of different models better adapted to each.

In **Operational Risk** the BBVA Group has obtained authorization from the Bank of Spain for the advanced management model in line with the **new Basel Capital Agreement (BIS II) standards** for Spain and Mexico.

Customer Insight and Innovation

BBVA Bancomer has developed a new platform with a 360° vision to offer the best service

I Re Ne
Índice de Recomendación Neta

In 2010 this unit studied the behavior and needs of its customers in depth to continue to develop and strengthen the corporate analysis and intelligence platform. This provided it with improved segmentation of the customer base and allowed it to integrate its needs to the processes of constructing the products and services offered.

Customer Insight

It consolidated our mission of "listening to the voice of the customer." Today we know what they like and what annoys them, as in 2010 we implemented the **Net Promoter Score (NPS)** methodology in all the bank segments, thus incorporating the real voice of 250,000 customers. In this way, we have developed and offer better experiences to our customers.

At the same time, we have implemented precise and differentiated metrics in the feedback circuits that allow quantifiable measurements to be obtained that ensure a process of continuous improvement in service at all points of contact.

Analytical Customer Platform

This new corporate analysis and intelligence platform has unified the information with a 360o customer vision. As a result, we can now reverse the process of customer desertion. Business units can construct and offer a differentiated service to the different segments.

It is important to mention that the knowledge acquired through this new platform has increased the value and profitability of customers and their contribution to the Bank. It has given the business units differentiated models and defined the probable level of loyalty, as well as offering products and services based on the behavior of each customer segment.

It has also increased the value and profitability of customers, as it provides the business units with the specialized strategy appropriate to each customer segment.

Innovation

Innovation remains one of the core elements of this Unit. BBVA Bancomer aims to incorporate customers as the main focus of the business and improve relations with them as part of the new strategy.

A new methodology for measuring the level of services was introduced in 2010 to guarantee that this reflects real customer perceptions. It is worth pointing out that this methodology is in the process of being exported to other BBVA Group units in Latin America, Spain and the United States.

The active participation of BBVA Bancomer in industry wide negotiations on digital processes has given it the edge in these processes. At the same time, the inter-bank agreement for the prevention of fraud in electronic transfers has been updated.

Systems and Operations

The main challenge in 2010 for this unit has been to boost business capacity, internal control, and commercial and risk intelligence, and to improve operational and service efficiency.

As a way of improving the effectiveness and efficiency of the processes of contracting bank business, redesigned, intuitive and simple processes were implemented in the technological platform of the branch network for the sale of products such as credit cards, checks, savings deposits and consumer finance. This has improved the sales time by up to 50%, thus benefiting customers by giving them quicker service.

In Mortgage Banking the new **Individual Contracting System was completed.** This provides a new comprehensive process for granting an individual loan that starts with the initial prospecting and moves right to the contract itself. The system includes facilities to explore and pre-approve customers, and requests for socio-economic studies and appraisals. It also has an automatic integrated loan authorization process that takes into account the economic profile and risk variables, all with appropriate documentation and control for notaries.

The new corporate and institutional banking unitprovides a quick and easy way of selling deposit products and services, point-of-sale terminals, **the Integral Bancomer Treasury product** and the provision of electronic banking for companies, thus eliminating a significant amount of the manual tasks and control mechanisms through individual desktop tools.

Another development is the new Internet self-service technological platform for SMEs and large corporations, **Bancomer.net.cash**. This solution is an improvement in terms of functionality, user-friendliness and security for the **Cash Windows system**, and simplifies and supplements the functions required by this business customer segment.

In terms of internal control processes, the **payment channels technological platform was launched to**offer customers the best and most competitive products in credit and debit cards. At the same time, a powerful new platform was developed for **credit facility control** for SMEs and companies. It controls the account balances and available balances at all times, as well as the repayment dates of loans, which is particularly important for the management of customers who have different company names but form part of a single business group.

Distribution of products through electronic channels has been extended. In particular, use has been made of the network of BBVA Bancomer ATMs to offer our customers up to 30% of the pre-approved consumer loans granted in the year.

Improvements have also been made to the capacity of risk analysis and decision-making for authorizing the issue of credit-card, consumer and mortgage finance through technological tools that predict more precisely our customers' status.

To make the general operation of branches more efficient, documents and filese have been digitized to improve the storage, transfer and processing of information and to integrate cusomter files in a central depository. A technological platform was also constructed with the capacity to generate a digital tax seal for account balances, with the aim to give a tax validity to electronic account statements that prevents their printing and distribution.

Among best practices is the **FCR - First Contact Resolution process,** which allows customer claims to be handled at the time of application, with the corresponding payments made immediately without the customer having to wait for an examination of the claim.

Human Resources

In 2010 Human Resources consolidated its innovation process in the services offered to employees, while maintaining a special focus on work quality. The employee care and self-service system (SAE) **was a result of this innovation.** It unified the services in the area under a single service window, with increased availability and quality of service. This tool allowed more than 124,000 claims to be met by offering an appropriate response to the employees.

In addition, a new **Human Resources management model was designed** to develop the service to employees through specialized attention based on personalized contact of some segements and increased automation in self-service processes and channels. The new model was launched in July in three business units: Government & Corporate Banking, Mortgage Banking and the Consumer Finance unit.

The training strategy in the Group continues to be consolidated as an important factor for boosting development and improving questions such as: **Management Style** through different programs of the **BBVA Bancomer Management School.** At the close of 2010, 2,980 leaders took part in the different programs offered, and there were more than 138,000 participants in the training activities.

A new training plan was also launched in **the Academia Hipotecaria to cover the development and knowledge needs of Mortgage Banking, by increasing the staff's business-linked skills.**

In personal finance, 30,380 Group collaborators took part in the Financial Literacy program **Adelante con tu futuro (Forward with your Future)**.

As part of the commitment to continue improving in the working environment for out employees, BBVA Bancomer has taken part in various categories established by the **GPTW Institute** to rate and improve the working environment. BBVA, Bancomer, Afore Bancomer, Seguros Bancomer and Multiasistencia were listed as among the best companies to work in, with a rise of around 10 basis points in surveys compared with 2009 figures.

Internal Audit

Strength and improvement in audit processes

In 2010, Internal Audit made progress in consolidating its internal control function. It extended its activities designed to supervise compliance with rules and procedures and allocated funds to assessment of risks and controls.

The audits carried out over the year were mainly aimed at the credit portfolio. The process of evaluating asset quality was redesigned completely, taking advantage of information and technology available, and improving the processes to provide a better coverage for the different segments of the portfolio. The processes of authorization, monitoring and recovery of the main items in the credit portfolio were also evaluated.

Another aspect on which the audit placed particular attention in 2010 was the evaluation of systems and computer applications that support the operation of credit cards, consumer finance and mortgage lending. As a result of this analysis, the business units have undertaken major projects to strengthen control over these activities and provide greater security for customers.

In 2010 the audit was closer to the business units, and participated in important projects to transform the services of business deposits, the acquisition business and the re-engineering of the commercial lending process. These projects received the benefit of the bank's experience and knowledge with respect to the control process, thus achieving the aim of efficient customer-centric processes that are secure for the organization.

With respect to banking correspondents, certifications have been issued for the operation of our partners and improvements on control procedures have been made for the services they offer.

The audit has also undertaken an ambitious project together with the areas of Systems and Business Partners, designed to create an IT platform for providing relevant information on the Bank's different systems. This will enable more in-depth analyses to be undertaken on transactions, risks inherent in them and the effectiveness of controls, as well as helping to obtain the appropriate information. We are convinced that this is one of the most powerful forms of leverage to strengthen the Audit function and to incorporate new forms of work with an intensive use of technology and information.

Management Discussion and Analysis (end-of-period balances)

In 2010, the year of transition towards recovery, BBVA Bancomer presented sound results and consolidated its leading position in the Mexican market

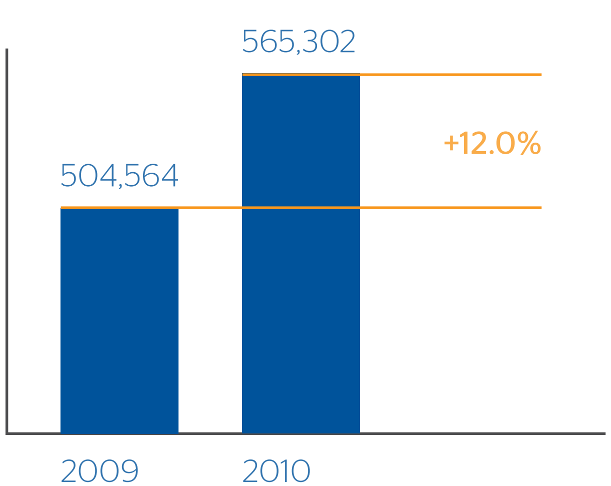
Business evolution

In 2010, lending activity recovered favorably, with a year-on-year increase of 12.0%. The bank took advantage of the opportunities offered by the Mexican market and contributed to the reactivation of the country's economy by granting loans which enabled it to close the year with a current loan book of 565,302 million pesos, 60,738 million pesos up on the figure for the previous year.

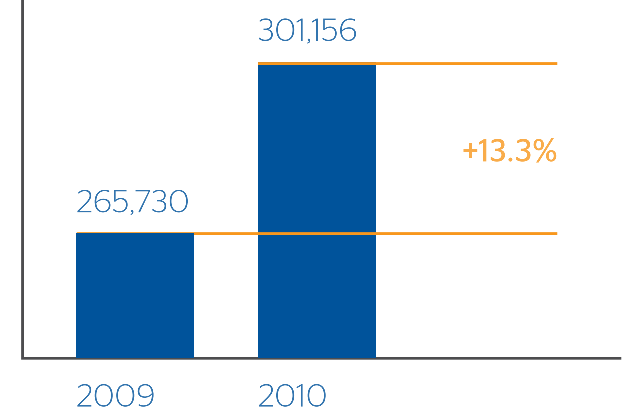
The retail portfolio (including loans to companies, financial institutions and government agencies) stood at 301,156 million pesos, an annual growth of 13.3%. This positive trend was mainly the result of the strong performance of lending to corporate clients, which grew at a rate of 23.4%. Finance for SMEs grew by 13.7% over the year. Lending to government entities also performed well, with a year-on-year increase over the year of 12.1%.

Consumer finance and credit cards had an outstanding performance, with a balance at year-end of 118,674 million pesos, equivalent to a year-on-year growth of 14.4%, the highest since June 2008. This positive performance was supported by the increased issue of new loans for payslip customers, personal loans, car loans and credit cards. Home loans closed 2010 with a balance of 145,472 million pesos, 7.7% up compared with the same period the previous year. This performance has allowed BBVA Bancomer to maintain its leading position in this segment, with one out of every three new mortgages in

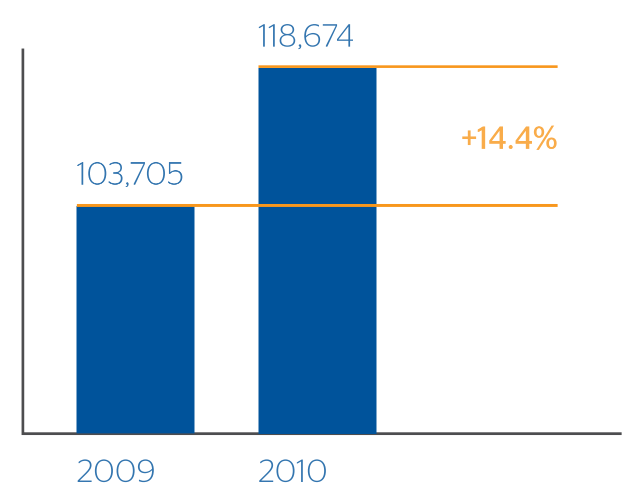
Current loans
(Million pesos and % annual change)



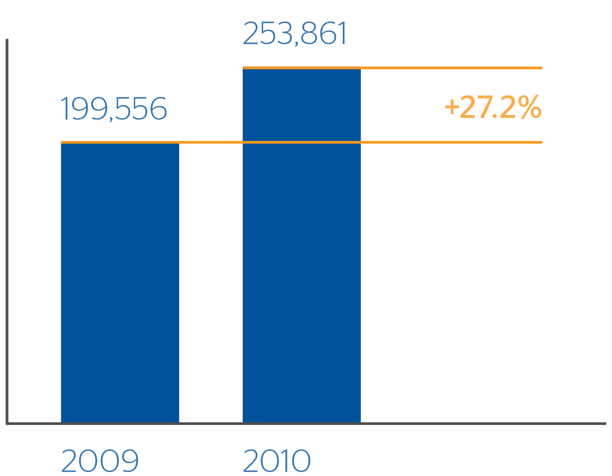
Current commercial loans*
(Million pesos and % annual change)



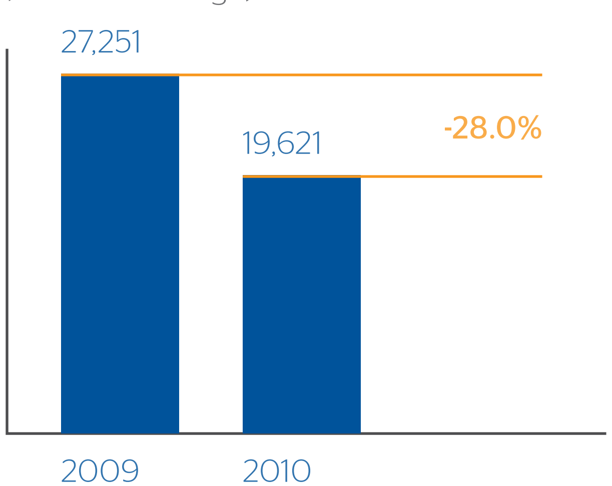
Consumer Finance + TDC
(Million pesos and % annual change)



Mutual Funds
(Million pesos and % annual change)



Loan-Loss Reserves
(Million pesos and % annual change)



the banking sector. In 2010, more than 34,000 loans were granted to individuals and more than 93,000 homes were financed through loans to housing developers.

With respect to fund gathering, the balance as of 31-Dec-2010 for all demand and term deposits and credit instruments, registered a balance of 617,200 million pesos, 4.9% up on the previous year. The launch of various campaigns to attract funds boosted the 13.4% increase in demand deposits over the year to a balance of 402,565 million pesos.

Term deposits stood at 170,016 million pesos, equivalent to an annual fall of 9.7%, while credit instruments issued closed 2010 with a balance of 44,619 million pesos. Off-balance-sheet funds reflected the positive performance of investment companies, whose assets under management were 27.2% up on the previous year, at 253,861 million pesos.

Net Interest Income

Net interest income stood at 60,395 million pesos, a slight increase of 0.7% on the previous year. This was the result of the moderate recovery in the volumes of lending activity, which maintained the mix for lower-risk segments.

Loan-loss reserves

The appropriate control of banking risks has enabled a continuous improvement in asset quality. This is reflected in the 28.0% year-on-year reduction in loan-loss reserves, which closed 2010 at 19,621 million pesos.

Fees and Commissions

Revenue from fees and commissions amounted to 21,799 million pesos as of 31-Dec-2010. This represents a year-on-year increase of 4.2%, mainly as a result of a greater volume of business and the favorable behavior of fees from investment companies and the Afores. It is important to note that in 2010 revenues were less dependent on fees, which accounted for 26.5% of revenue (net interest income plus fees), while in 2009 the figure was 27.6%.

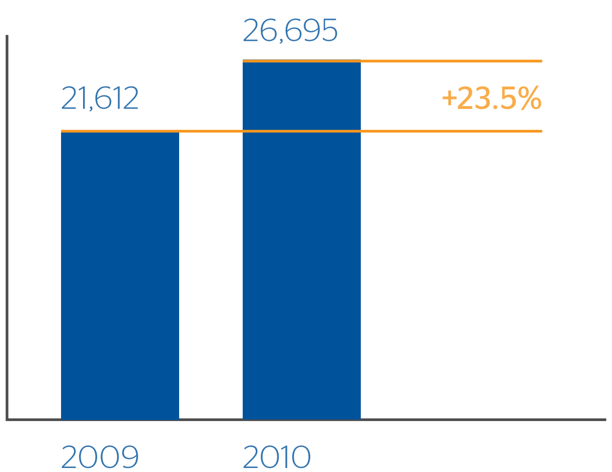
Market-Related Activities

Net interest income fell by 1,367 million pesos to 4,924 million pesos in 2010, as a result of the greater volatility in domestic and international markets.

Administration and Promotion Expenses

In 2010 administration and promotion expenses stood at 35,635 million pesos, up 7.9% on the figure the previous year. The increase was the result of continuous investment in various expansion, infrastructure and technology plans that will continue over the coming

Net Income
(Million pesos and % annual change)



years. The number of ATMs increased in 2010 by 523, and 120 new "second-generation" machines were introduced, called practicajas and recicladores. They allow you to make a number of financial transactions in cash, such as deposits into Bancomer accounts, payment of loans and services, and the re-use of cash by our correspondent partners to avoid excessive movement of money.

Other Income Statement Lines

The net result of other proceeds and expenses was a negative 820 million pesos. This can be mainly explained by the change in the parameters for calculating employment liabilities.

Net Income

The net profit for 2010 was 26,695 million pesos, a year-on-year increase of 23.5%. This good performance is mainly the result of growth of revenues and a fall in loan-loss provisions.

Profitability	2010
Efficiency Ratio	40.7
Productivity Index	61.2
Average return on equity (ROE)	22.2
Capitalization index	15.1

BBVA Bancomer Steering Committee

Name	Position
Ignacio Deschamps González	Chairman and Chief Executive Officer
Ramón Arroyo Ramos	Managing Director Human Resources
Eduardo Ávila Zaragoza	Managing Director of Finance and Controllership
Alfredo Castillo Triguero	General Director Credit Risk and Recovery
José Fernando Pío Díaz Castañares	General Director Legal Services
Gerardo Flores Hinojosa	General Director Middle-Market and Government Banking
Agustín Eugenio Mendoza López	Director of Customer Insight
José Antonio Ordás Porras	Managing Director of Global Markets and Corporate Banking
Eduardo Osuna Osuna	General Director Commercial Banking
Héctor Paniagua Patiño	Managing Director Finanzia
David Powell Finneran	Managing Director of Global Clients, Mexico
Luis Robles Miaja	Managing Director of Communication and Relations
Sergio Salvador Sánchez	General Director Systems and Operations
Gustavo Garmendia Reyes	Managing Director of the Auditing Group

Board of Directors

Directors	Alternate Directors
Ignacio Deschamps González **Chairman and Chief Executive Officer**	Luis Robles Miaja **Vice Chairman**
Fernando Gerardo Chico Pardo	Cuauhtémoc Pérez Román *
Gastón Azcárraga Andrade	Jaime Serra Puche *
Alberto Bailleres González	Arturo Manuel Fernández Pérez
Alejandro Burillo Azcárraga	José Fernando de Almansa y Moreno-Barreda *
Pablo Escandón Cusi	Andrés Alejandro Aymes Blanchet *
José Antonio Fernández Carbajal	Carlos Salazar Lomelín
Bárbara Garza Lagüera Gonda	Manuel Castro Aladro
Francisco González Rodríguez	Ángel Cano Fernández
Ricardo Guajardo Touché	Vitalino Manuel Nafría Aznar *
José Francisco Gil Díaz	

*Independent Directors

Secretary José Fernando Pío Díaz Castañares	**Secretary Pro Term** Pablo Enrique Mendoza Martell
Regular Statutory Auditor José Manuel Canal Hernando	**Alternate Statutory Auditor** Ernesto González Dávila

Regional Boards

Name	Board
María de Lourdes Giraud Espinosa	Metropolitano
Antonio Romo Femat	Aguascalientes
Rodrigo Valle Hernández	Baja California Norte
Carlos De La Madrid Virgen	Colima
Justo Javier Ezquer García	Cuernavaca
José Francisco Gutiérrez Gutiérrez	Chiapas
Rómulo Escobar Valdéz	Chihuahua
Eduardo José Vela Ruíz	Golfo
Valentín González Cosio Elcoro	Jalisco
Luis Rodrigo González Fuentes	Guanajuato
Roberto Villarreal Maíz	La Laguna
Eduardo Florentino Ramírez Villalón	Michoacán
Eduardo Garza T. Fernández	Monterrey
José Octavio Menchaca Díaz Del Guante	Nayarit
Antonio Eugenio Díaz Fernández	Oaxaca
Romualdo Tellería Beltrán	Pachuca
Alejandro Gomory Rivas	Peninsular
Angel Fernández Carbajal	Puebla
Ernesto Alfonso Sterling Bours	Querétaro
Vicente Rangel Lozano	San Luis Potosí
José Enrique Rodarte Salazar	Sinaloa
José Ramón Fernández Aguilar	Sonora
Alejandro Yabur Elías	Tabasco
Antonio Chedraui Mafud	Veracruz
José Chapur Zahoul	Quintana Roo
Carlos Alejandro Monroy Carrillo	Toluca

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We want our customers to take advantage of our products and services. We want to offer them everything they need with the best quality to increase their cross-selling and ensure their preference

BBVA Bancomer

Consolidated Financial Statements

For the Years Ended December 31, 2010 and 2009,
and Independent Auditors Report dated February 21, 2011

Independent Auditors' Report

To the Board of Directors and Stockholders of Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries (the "Financial Group") as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, all expressed in millions of Mexican pesos. These financial statements are the responsibility of the Financial Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they are prepared in conformity with the accounting criteria established by the Mexican National Banking and Securities Commission (the "Commission"). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting criteria used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Note 2 to the financial statements describes the operations of the Financial Group and the effects thereon of current regulatory conditions. Note 4 describes the accounting criteria established by the Commission through the issuance of accounting regulations for such purpose, which the Financial Group uses for the preparation of its financial information. Note 5 indicates the principal differences between the accounting criteria established by the Commission and Mexican Financial Reporting standards, commonly used in the preparation of financial statements for other types of unregulated entities. Furthermore, as explained in Note 4, in August 2009, the Commission issued modifications to the consumer portfolio rating methodology, along with accounting guidance allowing institutions to recognize the initial cumulative effect derived from applying the consumer portfolio rating methodology to credit card transactions as a charge to stockholders' equity. The Financial Group recognized in 2009 the effect of this change of methodology in stockholders' equity in the amount of $953 million pesos, net of related deferred taxes.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations, changes in their stockholders' equity and their cash flows for the years then ended, in conformity with the accounting criteria established by the Commission.

The accompanying consolidated financial statements have been translated into English for the convenience of users.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

CPC Jorge Tapia del Barrio

February 21, 2011

Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

Consolidated Balance Sheets

At December 31, 2010 and 2009
(In millions of Mexican pesos)

Assets	2010	2009
Cash and cash equivalents	$ 118,361	$ 141,683
Margin call accounts	7,346	5,872
Securities:		
Trading	156,330	202,725
Available-for-sale	126,666	117,890
Held-to-maturity	14,355	13,663
	297,351	334,278
Debtors from repurchase agreements	-	653
Derivatives:		
Trading	54,598	53,944
Hedging transactions	4,655	5,450
	59,253	59,394
Valuation adjustments derived from hedges of financial assets	1,663	1,028
Performing loans:		
Commercial loans		
Business or commercial activity	211,941	205,537
Financial entities	8,540	8,731
Government entities	80,675	51,462
	301,156	265,730
Consumer	118,674	103,705
Mortgage	145,472	135,129
Total performing loans	565,302	504,564
Non-performing loans		
Commercial loans:		
Business or commercial activity	4,029	4,378
Financial entities	5	-
Consumer	5,167	8,798
Mortgage	5,222	6,668
Total non-performing loans	14,423	19,844
Total loans	579,725	524,408
Allowance for loan losses	(25,128)	(26,995)
Total loans, net	554,597	497,413
Collection rights acquired	1	1
Total credit portfolio, net	554,598	497,414
Receivable benefits from securitization transactions	1,256	1,224
Receivables, sundry debtors and prepayments, net	25,817	19,833
Repossessed assets, net	2,951	2,270
Property, furniture and equipment, net	17,719	17,839
Equity investments	9,702	7,731
Deferred taxes, net	8,542	6,759
Other assets:		
Deferred charges, prepaid expenses and intangibles	9,612	11,694
Other short-term and long-term assets	-	108
	9,612	11,802
Total assets	$ 1,114,171	$ 1,107,780

Liabilities	2010	2009
Deposits:		
Demand deposits	$ 402,565	$ 355,066
Time deposits:		
The general public	143,096	160,425
Money market	26,920	27,825
	170,016	188,250
Bank bonds	44,619	45,024
	617,200	588,340
Interbank loans and loans from other entities:		
Payable on demand	48,158	1,483
Short-term	7,258	7,019
Long-term	5,009	5,508
	60,425	14,010
Creditors from repurchase agreements	136,000	234,386
Collaterals sold or delivered in guarantee:		
Repurchase agreement	19	-
Security loans	10,768	8,482
	10,787	8,482
Derivatives:		
Trading	62,932	62,696
Hedging transactions	1,419	1,330
	64,351	64,026
Valuation adjustments derived from hedges of financial liabilities	1,105	719
Other payables:		
Income taxes	1,240	-
Employee profit-sharing (PTU) payable	58	41
Transaction settlement creditors	22,592	13,127
Margin call accounts creditors	7,605	10,191
Accrued liabilities and other	20,014	18,453
	51,509	41,812
Subordinated debt	41,287	37,175
Deferred credits and advanced collections	5,246	4,116
Total liabilities	987,910	993,066
STOCKHOLDERS' EQUITY		
Subscribed capital:		
Paid-in capital	9,799	9,799
Share premium	79,333	79,333
Earned capital:		
Capital reserves	204	119
Results of prior years	9,399	3,153
Net income	26,695	21,612
Majority stockholder's equity	125,430	114,016
Non-controlling equity	831	698
Total stockholders' equity	126,261	114,714
Total liabilities and stockholders' equity	$ 1,114,171	$ 1,107,780

Memorandum accounts

Transactions on behalf of third parties	2010	2009
Customer current accounts:		
Customer cash balances	$ 5	$ 5
Customer transaction settlements	1,097	1,477
Clients rewards	2	-
	1,104	1,482
Customer securities:		
Held-in-custody	719,018	588,345
Securities and notes held-in-guarantee	458	40
	719,476	588,385
Transactions on behalf of customers:		
Customer option purchase transactions	7,413	183
	7,413	183
Investment banking transactions on behalf of third parties, net	28,174	28,355
Total transactions on behalf of third parties	$ 756,167	$ 618,405

Financial Group's own transactions	2010	2009
Control accounts:		
Contingent assets and liabilities	$ 97	$ 85
Credit commitments	199,413	198,764
Assets in trust or under mandate:		
Trust	289,389	282,196
Under mandate	1,098,181	2,431,172
	1,387,570	2,713,368
Assets in custody or under administration	255,556	325,348
	1,842,636	3,237,565
Collateral received by the Financial Group	84,650	40,130
Collateral received and sold or pledged by the Financial Group	79,763	36,907
	164,413	77,037
Accrued interest on non-performing loans	3,332	3,671
Other record accounts	1,623,374	1,829,030
Total Financial Group's own transactions	$ 3,633,755	$ 5,147,303

	2010	2009
Historical paid-in capital	$ 1,020	$ 1,020
Shares delivered in custody	15,841,274,669	15,841,274,669

These balance sheets, consolidated with those of the financial entities and other companies forming part of the Financial Group and which can be consolidated, were prepared according to the Accounting Principles applicable to Financial Group Holding Companies issued by the Mexican National Banking and Securities Commission according to Article 30 of the Mexican Financial Group Law, of general and compulsory observance, consistently applied, reflecting the financial position of the holding company and the financial entities and the other companies forming part of the Financial Group and which can be consolidated as of the dates stated above, which were presented and disclosed according to sound practices and applicable legal and administrative dispositions.

These consolidated balance sheets were approved by the Board of Directors under the responsibility of the signatories.

Ignacio Deschamps González
Chief Executive Officer
Eduardo Ávila Zaragoza
General Director, Finance
Gustavo César Garmendia Reyes
General Director, Auditing
Leobardo Ramírez Hernández
Director, Corporate Accounting

The accompanying notes are an integral part of these consolidated financial statements.

Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

Consolidated Statements of Income

For the years ended December 31, 2010 and 2009
(In millions of Mexican pesos)

	2010	2009
Interest income	$ 88,747	$ 97,709
Interest expense	(28,352)	(37,828)
Net interest income	60,395	59,881
Provision for loan losses	(19,621)	(27,251)
Net interest income after provision for loan losses	40,774	32,630
Commission and fee income	28,240	26,438
Commission and fee expense	(6,441)	(5,518)
Trading income	4,924	6,291
Other operating income (expenses)	485	234
Net operating revenues	67,982	60,075
Non-interest expense	(35,635)	(33,028)
Operating income	32,347	27,047
Other income	2,750	2,847
Other expenses	(3,570)	(5,042)
Income before income taxes	31,527	24,852
Current income tax	(10,245)	(7,891)
Deferred income tax, net	2,261	1,647
Income before share in net income of unconsolidated subsidiaries and affiliates	23,543	18,608
Share in net income of unconsolidated subsidiaries and affiliates	3,468	3,236
Income before noncontrolling interest	27,011	21,844
Non-controlling interest	(316)	(232)
Net income	$ 26,695	$ 21,612

These statements of income of the holding company, consolidated with those of the financial entities and other companies forming part of the Financial Group and which can be consolidated, were prepared according to the Accounting Criteria applicable to Financial Group Holding Companies issued by the Mexican National Banking and Securities Commission according to Article 30 of the Mexican Financial Group Law, of general and compulsory observance, consistently applied, reflecting all of the revenues and expenses derived from the operations conducted by the holding company and the financial entities and other companies forming part of the Financial Group and which can be consolidated, as of the dates stated above, which were carried out and valued according to sound practices and applicable legal and administrative dispositions.

These consolidated income statements were approved by the Board of Directors under the responsibility of the signatories.

Ignacio Deschamps González	Eduardo Ávila Zaragoza	Gustavo César Garmendia Reyes	Leobardo Ramírez Hernández
Chief Executive Officer	General Director, Finance	General Director, Auditing	Director, Corporate Accounting

The accompanying notes are an integral part of these consolidated financial statements.

Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2010 and 2009
(In millions of Mexican pesos)

	Subscribed Capital		Earned Capital				
	Paid-in Capital	Share Premium	Capital Reserves	Results of Prior Years	Net Income	Noncontrolling Interest in Consolidated Subsidiaries	Total Stockholders' Equity
Balances at December 31, 2008	$ 18,936	$ 33,766	$ 242	$ 28,588	$ 25,899	$ 611	$ 108,042
Movements due to stockholders' decisions –							
Transfer of 2008 net income	–	–	–	25,899	(25,899)	–	–
Capital reduction	(9,657)	(17,221)	(123)	(36,307)	–	–	(63,308)
Capital increase	520	62,788	–	–	–	–	63,308
Cash dividends paid	–	–	–	(16,231)	–	–	(16,231)
Dividends paid by Administradora de Fondos para el Retiro Bancomer, S. A. de C. V.	–	–	–	–	–	(145)	(145)
Total	(9,137)	45,567	(123)	(26,639)	(25,899)	(145)	(16,376)
Comprehensive income movements –							
Net income for the year	–	–	–	–	21,612	232	21,844
Adjustment for the valuation of equity in subsidiaries	–	–	–	2,157	–	–	2,157
Recognition of the allowance for credit losses of the credit card consumer portfolio derived from the change of rating methodology	–	–	–	(953)	–	–	(953)
Total	–	–	–	1,204	21,612	232	23,048
Balances at December 31, 2009	9,799	79,333	119	3,153	21,612	698	114,714
Movements due to stockholders' decisions –							
Transfer of 2009 net income	–	–	85	21,527	(21,612)	–	–
Cash dividends paid	–	–	–	(16,209)	–	–	(16,209)
Dividends paid by Administradora de Fondos para el Retiro Bancomer, S. A. de C. V.	–	–	–	–	–	(183)	(183)
Total	–	–	85	5,318	(21,612)	(183)	(16,392)
Comprehensive income movements –							
Net income for the year	–	–	–	–	26,695	316	27,011
Adjustment for the valuation of equity in subsidiaries	–	–	–	928	–	–	928
Total	–	–	–	928	26,695	316	27,939
Balances at December 31, 2010	**$ 9,799**	**$ 79,333**	**$ 204**	**$ 9,399**	**$ 26,695**	**$ 831**	**$ 126,261**

These statements of changes in stockholders' equity, consolidated with those of the financial entities and other companies forming part of the Financial Group and which can be consolidated, were prepared according to the Accounting Criteria applicable to Financial Group Holding Companies issued by the Mexican National Banking and Securities Commission according to Article 30 of the Mexican Financial Group Law, of general and compulsory observance, consistently applied, reflecting of the movements in equity accounts derived from the operations conduded by the holding company and the financial entities and other companies that form part of the Financial Group and which can be consolidated as of the dates stated above, which were carried out and measured according to sound banking practices and applicable legal and administrative dispositions.

These consolidated statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the signatories.

Ignacio Deschamps González	Eduardo Ávila Zaragoza	Gustavo César Garmendia Reyes	Leobardo Ramírez Hernández
Chief Executive Officer	General Director, Finance	General Director, Auditing	Director, Corporate Accounting

The accompanying notes are an integral part of these consolidated financial statements.

Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2010 and 2009
(In millions of Mexican pesos)

	2010	2009
Net income	$ 26,695	$ 21,612
Adjustments derived from items not involving cash flows:		
Profit or loss derived from the valuation of investment and financing activities	(41)	(51)
Allowance for loan losses	19,621	27,251
Allowance for bad debts or doubtful accounts	(57)	191
Depreciation and amortization	2,587	2,426
Provisions	3,708	(1,614)
Current and deferred income taxes	7,984	6,244
Share in net income of unconsolidated subsidiaries and affiliate companies	(3,468)	(3,236)
Non-controlling interest	316	232
	57,345	53,055
Operating activities:		
Change in margin call accounts	(1,713)	4,947
Change in securities investments	36,814	(31,010)
Change in debtors from repurchase agreement	653	(609)
Change in derivatives (assets)	(654)	54,175
Change in loan portfolio	(79,589)	(35,058)
Change in receivable benefits from securitized transactions	(32)	92
Change in repossessed assets	(681)	(603)
Change in other operating assets	(4,099)	7,450
Change in deposits	32,030	36,348
Change in interbank loans and other loans from other entities	46,678	(24,412)
Change in creditors from repurchase agreements	(98,387)	(20,939)
Change in collateral sold or delivered in guarantee	2,305	8,024
Change in derivatives (liabilities)	393	(54,372)
Change in subordinated debt	5,475	3,004
Change in other operating liabilities	6,052	13,672
Change in income taxes	(6,588)	(9,223)
Other	230	12
Net cash used in operating activities	(3,768)	4,553
Investment activities:		
Proceeds from the disposal of real property, furniture and fixtures	1,091	216
Payments for the acquisition of real property, furniture and fixtures	(3,070)	(4,396)
Proceeds from the disposal of subsidiaries and associated companies	285	63
Payments for the acquisition of subsidiaries and associated companies	(194)	(132)
Collection of cash dividends	55	–
Payments for the acquisition of intangible assets	(80)	(159)
Net cash used in investment activities	(1,913)	(4,408)
Financing activities:		
Capital increase	–	63,308
Capital reduction	–	(63,308)
Cash dividend payments	(16,209)	(16,231)
Dividends paid by Administradora de Fondos para el Retiro Bancomer, S. A. de C. V.	(183)	(145)
Net cash used in financing activities	(16,392)	(16,376)
Net decrease in cash and cash equivalents	(22,073)	(16,230)
Cash flow adjustments from exchange rate fluctuations	(1,249)	(3,574)
Cash and cash equivalents at the beginning of year	141,683	161,487
Cash and cash equivalents at the end of the year	$ 118,361	$ 141,683

These statements of cash flows, consolidated with those of the financial entities and other companies forming part of the Financial Group and which can be consolidated, were prepared according to the Accounting Criteria applicable to Financial Group Holding Companies issued by the Mexican National Banking and Securities Commission, according to Article 30 of the Mexican Financial Group Law, of general and compulsory observance, consistently applied, reflecting the receipts and disbursments of cash derived from the transactions performed by the holding company and the financial entities and other companies which form part of the Financial Group and which can be consolidated, during the aforementionated periods, which were carried out and valued in accordance with sound practices and applicable legal and administrative provisions.

These consolidated income statements were approved by the Board of Directors under the responsibility of the signatories.

Ignacio Deschamps González	Eduardo Ávila Zaragoza	Gustavo César Garmendia Reyes	Leobardo Ramírez Hernández
Chief Executive Officer	General Director, Finance	General Director, Auditing	Director, Corporate Accounting

The accompanying notes are an integral part of these consolidated financial statements.

Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2010 and 2009
(In millions of Mexican pesos)

1. Explanation added for translation into English

The accompanying consolidated financial statements have been translated from the original statements prepared in Spanish into English for use outside of Mexico. The financial reporting requirements of Grupo Financiero BBVA Bancomer, S. A. de C. V. and Subsidiaries (the "Financial Group") conform with the accounting criteria established by the Mexican National Banking and Securities Commission (the "Commission") but do not conform with Mexican Financial Reporting Standards ("MFRS") and may differ in certain significant respects from the financial reporting standards accepted in the country of use.

2. Incorporation and corporate purpose

The Financial Group has been authorized by the Mexican Treasury Department ("SHCP") to be incorporated and operate as a financial group under the terms established by the Mexican Financial Group Law, subject to monitoring by the Commission. Its operations consist of rendering full service banking, acting as intermediary in the stock market, and acquiring and managing shares issued by insurance, pension and bonding entities, leasing and financial factoring companies, investment funds and by any other types of financial associations or entities, or by entities determined by SHCP, based on the Mexican Financial Group Law. The transactions of the Financial Group are regulated by the Commission, the Mexican Credit Institutions Law, the Mexican Securities Exchange Law, and general rules issued by Banco de México. The unconsolidated subsidiaries are regulated, depending on their activity, by the Commission, the Mexican National Insurance and Bonding Commission, and other applicable laws.

By law, the Financial Group has unlimited liability for the obligations and losses of each of its subsidiaries.

The Commission, as regulator of financial groups, is empowered to review the financial information of the Financial Group and can request changes thereto.

The main regulatory provisions require credit institutions to maintain a minimum capital ratio in relation to the credit and market risks of their operations, comply with certain limits with respect to deposit acceptance, debentures and other kinds of funding, which may be denominated in foreign currency, and establish minimum limits for paid–in capital and capital reserves, with which the Financial Group complies satisfactorily.

In the Stockholders' Extraordinary General Meeting held on April 8, 2009, the stockholders' agreed to merge BBVA Bancomer, S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Bancomer), in its capacity as the original company, with BBVA Bancomer Servicios, S.A. (Bancomer Servicios) as the absorbed entity. The merger between the parties became effective on August 1, 2009, based on the authorization document issued by the Commission, the legalized minutes of the aforementioned meeting and their registration with the Public Property and Commerce Registry.

When the merger took effect, the Financial Group unconditionally absorbed all the assets, liabilities, capital, obligations and rights of Bancomer Servicios, while also acquiring its entire net worth under general title. As a result of the merger, all trust contracts executed by Bancomer Servicios prior to the merger date were transferred to BBVA Bancomer.

3. Basis of preparation of the financial statements

Consolidation of financial statements - The accompanying consolidated financial statements include the financial statements of the Financial Group and its subsidiaries in which control is exercised. Equity investments in mutual funds, insurance and bonding companies and pension funds are valued according to the equity method, in conformity with the accounting criteria prescribed by the Commission. All significant intercompany balances and transactions have been eliminated in consolidation.

As of December 31, 2010 and 2009, the consolidated subsidiaries of the Financial Group are the following:

- BBVA Bancomer, S. A., Institución de Banca Múltiple and Subsidiaries
- Casa de Bolsa BBVA Bancomer, S. A. de C. V.
- BBVA Bancomer Operadora, S. A. de C. V. and Subsidiaries
- BBVA Bancomer Gestión, S. A. de C. V.
- Hipotecaria Nacional, S. A. de C. V., Limited Purpose Financial Company and Subsidiaries.

The Financial Group holds 99.99% of the equity of these subsidiaries.

Condensed financial information of the Financial Group's principal unconsolidated subsidiaries is as follows:

Company	%	Assets	Liabilities	Stockholders' Equity	Net Income
Seguros BBVA Bancomer, S. A. de C. V.	75.01	$ 40,301	$ 34,533	$ 5,768	$ 2,629
Pensiones BBVA Bancomer, S. A. de C. V.	99.99	$ 41,867	$ 39,276	$ 2,591	$ 1,130

Comprehensive income - This item is composed by the net result for the year plus any transactions that represent a gain or loss in the same period, which according to the accounting practices followed by the Financial Group, are recorded directly in stockholders' equity.

4. Significant accounting policies

The accounting policies of the Financial Group, which are in conformity with the accounting criteria of the Commission established in general provisions, require that management make certain estimates and use certain assumptions to determine the valuation of some of the items included in the financial statements and make the required disclosures to be included therein. While the estimates and assumptions used may differ from their final effect, management believes they were adequate under the circumstances.

In accordance with accounting criterion A-1 issued by the Commission, the accounting of the Financial Group will be adjusted to MFRS, as established by the Mexican Board for the Research and Development of Financial Reporting Standards ("CINIF"), except when, in the judgment of the Commission, a specific accounting provision or standard must be applied on the basis that financial institutions carry out specialized operations.

Changes in accounting policies and estimates -

During 2010, the following MFRS went into effect, after their issuance by CINIF during 2009:

- *NIF C-1, Cash and Cash Equivalents*, requires restricted cash and cash equivalents to be included within the cash and cash equivalents caption, as opposed to Bulletin C-1, which required presentation under separate captions; NIF C-1 replaces the caption on-demand temporary investments with the caption on-demand available investments clarifying that this type of investment has a maturity of up to three months from its acquisition date.

The main improvements generating accounting changes that must be recognized retroactively are:

NIF B-1, Accounting Changes and Correction of Errors - It requires further disclosures when the Financial Group applies a particular Standard for the first time.

NIF B-2, Statement of Cash Flows - A separate line item, "Effects from changes in cash value" is required, to show the impact on cash and cash equivalent balances of changes in value resulting from exchange fluctuations and changes in fair value, plus effects from conversion to the reporting currency of cash flows and balances from foreign operations as well as the effects of inflation associated with the cash flows and balances of any of the entities making up the group, that is in an inflationary economic environment.

NIF B-7, Business Acquisitions - It requires recognition of intangible assets or provisions because the acquired business has a contract whose terms and conditions are favorable or unfavorable with respect to market, only when the acquired business is the lessee in an operating lease. This accounting change should be recognized retroactively and shall not be applied after January 1, 2009.

NIF C-7, Investments in Associated Companies and Other Permanent Investments - It modifies how the effects derived from increases in equity percentages in an associated company are determined. It also establishes that the effects due to an increase or decrease in equity percentages in associated companies should be recognized under equity in income (loss) of associated companies, rather than in the non-ordinary line item within the statement of income.

NIF C-13, Related Parties - It requires that, if the direct or ultimate controlling entity of the reporting entity does not issue financial statements available for public use, the reporting entity should disclose the name of the closest, direct / indirect, controlling entity that issues financial statements available for public use.

The principal accounting practices followed by the Financial Group are as follows:

Recognition of the effects of the inflation in the financial statements - Beginning January 1, 2008, the Financial Group discontinued recognition of the effects of inflation. Through December 31, 2007, such recognition resulted mainly in inflationary gains or losses on non-monetary and monetary items, which are presented in the financial statements as an increase or decrease in stockholders' equity headings.

The accumulated inflation of the three years prior to 2010 and 2009 was 14.55% and 15.03%, respectively, for which reason the economic environment for both years qualifies as noninflationary. As discussed previously, the cumulative effects of inflation up to December 31, 2007 are maintained in the accounting records of the balance sheet as of December 31, 2010 and 2009.

Inflation rates for the years ended December 31, 2010 and 2009 were 4.40% and 3.57%, respectively.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2010 and 2009
(In millions of Mexican pesos)

Cash and due from banks - Cash and due from banks are recorded at nominal value, except for silver and gold coins, which are stated at their fair value at each period-end. Available foreign funds are valued at the exchange rate published at year end by Banco de México.

The foreign currencies acquired whose settlement is agreed at a date after the completion of the purchase and sale transaction will be recognized at such transaction date as restricted funds available (foreign currencies to be received), whereas the foreign currencies sold will be recorded as a disbursement of funds available (foreign currencies to be delivered). The counterparty must be a settlement account, either credit or debit, as the case may be.

Margin call accounts - They are guarantee deposits for financial derivatives transactions in recognized markets and are recorded at face value.

Guarantee deposits are used to ensure the performance of obligations related to derivatives executed in recognized markets and refer to the initial margin and to subsequent contributions or withdrawals made during the effective term of the respective contracts.

Securities-

– *Trading securities:*
  Trading securities are those securities in which the Financial Group invests to take advantage of short-term market fluctuations. The transaction costs for the acquisition of the securities are recognized in results of the year on the acquisition date. These securities are stated at fair value (which includes the discount or markup, as the case may be) in conformity with the following guidelines:

  Debt instruments -
  – Debt instruments are valued at fair value, which must include both the principal and accrued interest. Interest earned is determined based on the effective interest method.

  Equity instruments -
  – Equity instruments are valued at their fair value. In the case of securities registered with the National Securities Registry (RNV) or authorized, registered or regulated in markets recognized by the Commission, the fair value is the price received from the price supplier.

  Gains or losses resulting from valuation are recognized in the statement of income.

– *Securities available-for-sale:*
  Securities available-for-sale are debt instruments and equity securities acquired with an intention other than obtaining gains from trading them on the market or holding them to maturity. The transaction costs for the acquisition of the securities are recognized as part of the investment. These securities are valued in the same way as trading securities and except for the debt instruments, the adjustments derived from their valuation are recognized in stockholders' equity, net of any related monetary gain or loss.

– *Securities held-to-maturity*
  Securities held-to-maturity are debt instruments with fixed or determinable payments or an established maturity acquired with both the intent and the capacity of holding them to maturity. These instruments are initially recorded at fair value, which presumably reflects the agreed price, plus the transaction costs for the acquisition of securities. They are subsequently accounted for using amortized cost, thus affecting the results of the year based on accrued interest and the discount or markup received or paid for their acquisition according to the effective interest method.

  The accounting criteria issued by the Commission permit the transfer of securities classified as "held-to-maturity" to the category of "securities available-for-sale", provided the Financial Group does not have the intention or capacity to hold them to maturity.

  Furthermore, on November 9, 2009, the Commission issued the Ruling to amend the Regulations, which allows securities to be reclassified to the category of securities held-to-maturity, or from the category of trading securities to that of securities available-for-sale, contingent on the prior authorization of the Commission.

Security value impairment – Credit institutions must evaluate whether there is objective evidence regarding the impairment of a security at the balance sheet date.

A security is only considered to be impaired and, accordingly, an impairment loss is only incurred when there is objective evidence of this impairment as a result of one or more events which occurred after its initial recognition, which affected estimated future cash flows and can be reliably determined. It is unusual that a single event is determined as the cause of impairment, and it is more common that impairment results from the combined effect of different events. The losses expected as the result of future events are not recognized, regardless of their probability.

Repurchase transactions - Repurchase agreements are recorded as follows:

At the contracting date of the repurchase transaction, when the Financial Group is the reselling party, the entry of cash or a debit settlement account, and an account payable at fair value, initially at the agreed-upon price, are recorded and represent the obligation to restitute cash to the repurchasing party. Subsequently, during the term of the repurchase transaction, the account payable is valued at fair value by recognizing the interest on the repurchase agreement using the effective interest method in results of the year.

In relation to the collateral granted, the Financial Group will reclassify the financial asset in its balance sheet as restricted, which will be valued on the criteria described above in this note until the maturity of the repurchase transaction.

When the Financial Group acts as repurchasing party, the withdrawal of funds available is recognized on the contracting date of the repurchase transaction or a credit settlement account, with an account receivable recorded at fair value, initially at the price agreed, which represents the right to recover the cash paid. The account receivable will be valued subsequently during the term of the repurchase agreement at fair value through the recognition of interest on the repurchase agreement based on the effective interest method in the results of the year.

The Financial Group will recognize the collateral received in memorandum accounts, following the guidelines for valuation established in accounting criterion B-9 "Custody and administration of goods", until the maturity of the transaction.

Collateral granted and received other than cash in repurchase agreements - In relation to the collateral in repurchase transactions granted by the seller to the buyer (other than cash), the buyer recognizes the collateral received in memorandum accounts, by following the guidelines on custody transactions established in criterion B-9 "Custody and administration of goods" for their valuation. The selling party reclassifies the financial asset on its balance sheet, and it is presented as restricted, for which purpose the standards for valuation, presentation and disclosure are followed in accordance with the respective accounting treatment.

When the buyer sells the collateral or provides it as a guarantee, the resources from the transaction are recognized, as well as an account payable for the obligation to repay the collateral to the selling party (measured initially at the price agreed), which is valued at fair value for its sale or, if it is given as guarantee in another repurchase transaction, at its amortized cost, (any spread between the price received and the value of the account payable is recognized in results of the year).

Furthermore, if the buyer then becomes a seller for another repurchase transaction using the same collateral received as guarantee for the initial transaction, the repurchase interest agreed in the second transaction must be recognized in results of the year as it is accrued, in accordance with the effective interest method, adjusting the account payable valued at amortized cost as mentioned above.

The memorandum accounts recorded for collateral received by the buyer are canceled when the repurchase transaction reaches maturity or there is a default on the part of the seller.

For transactions in which the buyer sells or in turn provides the collateral received as guarantee (for example, when another repurchase or securities loan transaction is agreed), the control of such sold or pledged collateral is performed in memorandum accounts, by applying for valuation purposes the standards for custody transactions established in accounting criterion B-9.

The memorandum accounts recorded for collateral received which were in turn sold or pledged by the buyer, are canceled when the collateral sold is acquired to repay it to the seller, or when the second transaction in which the collateral was granted reaches maturity or there is a default on the part of the counterparty.

Securities loans - Securities loans are transactions in which the transfer of securities is agreed from the lender to the borrower, with the obligation to return such securities or other substantially similar ones on a given date or as requested, in exchange for a premium as consideration. In these transactions, a collateral or guarantee is requested by the lender from the borrower.

At the contracting date of the securities loan, when the Financial Group acts as lender, it records the security subject matter of the loan transferred to the borrower as restricted, for which purpose the standards for valuation, presentation and disclosure, based on the respective accounting treatment, are followed.

The amount of the premium earned is recognized in results of the year through the effective interest method during the term of the transaction.

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When it acts as the borrower, at the contracting date of the securities loan, the Financial Group records the security subject matter of the loan received in memorandum accounts, following the valuation guidelines for the securities recognized, in the account "Assets in custody or under administration".

The security subject matter of the transaction received and the collateral received are presented in memorandum accounts under the heading of "Collateral received by the Financial Group". The collateral received from other transactions is presented under the heading of "Collateral received and sold or pledged as collateral by the Financial Group".

Derivatives - The Financial Group carries out two different types of transactions:

– Hedging of an open risk position. Consists of the purchase or sale of derivative financial instruments to reduce the risk of a transaction or group of transactions.

– Trading. Consists of the position assumed by the Financial Group as market participant for purposes other than hedging risk positions.

The Financial Group's policies and standards require that for purposes of entering into derivative transactions, both trading parties must belong to the Financial System and have Banco de México authorization to carry out this type of transaction, classifying and, if applicable, determining risk exposure lines. Prior to carrying out these transactions, corporate customers must be granted a credit line authorized by the Credit Risk Committee or provide readily realizable guarantees through the pertinent bond contracts. Transactions involving mid-sized and small businesses, as well as individuals, are carried out through readily realizable guarantees established in bond contracts.

The assets and/or liabilities arising from transactions with derivative financial instruments are recognized or cancelled in the financial statements on the date the transaction is carried out, regardless of the date of settlement or delivery of the asset.

The Financial Group initially recognizes all agreed derivatives (including those forming part of hedges) as assets or liabilities (depending on the rights and/or obligations they embody) in the balance sheet at fair value, which presumably reflects the price at which the transaction was agreed. Any transaction costs that are directly attributable to the acquisition of the derivative are directly recognized in results.

All derivatives are subsequently valued at fair value without deducting the transaction costs incurred for their sale or other types of disposal; this valuation effect is then recognized in the results of the period under the heading of "Trading income".

Derivatives must be presented under a specific asset or liability heading depending on whether their fair value (as a consequence of the rights and/or obligations they embody) results in a debit or credit balance, respectively. These debit or credit balances can be offset as long as they comply with the offsetting rules established by the applicable accounting criterion.

In the balance sheet, the "Derivatives" heading must be divided between those held for trading and hedging purposes.

Hedging transactions

Hedge derivatives are valued at market, and the effect is recognized depending on the type of accounting hedge, as follows:

a. If they are fair value hedges, the primary position covered is valued at market and the net effect of the derivative hedge instrument is recorded in results of the period.

b. If they are cash flow hedges, the hedge derivative instrument is valued at market and the valuation for the effective portion of the hedge is recorded within other comprehensive income account in stockholders' equity. Any ineffective portion is recorded in results.

Trading transactions

– *Forward and futures contracts:*
The balance represents the difference between the fair value of the contract and the contracted forward price. If the difference is positive, it is considered as surplus value and presented under assets; however, if negative, it is considered as a shortfall and presented under liabilities.

– *Options:*
The balance represents the fair value of future cash flows to be received, and recognizes the valuation effects in results of the year.

– *Swaps:*
The balance represents the difference between the fair value of the swap asset and liability.

Embedded derivatives - The Financial Group separates the embedded derivatives of structured notes, whereby the reference underlying is based on the exchange rate, price indexes, interest rate options with extendable periods and United Mexican States UMS bond price options.

In the case of debt and bond contracts in which the reference underlying is an interest rate with implied cap, floor and collar. They are considered as closely related to the host contract, and consequently these items are not segregated. Accordingly, the main contract issued for debt and bonds is recorded based on the applicable criteria to each contract, at the amortized cost in both cases.

Loan portfolio - The balances in the loan portfolio represent the amounts disbursed to borrowers, less repayments made to date, plus accrued but unpaid interest. The allowance for loan losses is presented as a deduction from the total loan balance.

The outstanding balance of past-due loans is recorded as non-performing as follows:

– When there is evidence that the customer has been declared bankrupt.

– When payments have not been fully settled according to contractual terms, considering that:

  – Loans with a single payment of principal and interest at maturity are considered past due 30 calendar days after the date of maturity.

  – Loans with a single payment of principal at maturity and with scheduled interest payments are considered past due 30 calendar days after principal becomes past due and 90 calendar days after interest becomes past due.

  – The loans whose payment of principal and interest had been agreed to in scheduled payments are considered past due 90 days after the first installment is past due.

  – In the case of revolving credit granted, loans are considered past due when payment has not been received for two normal billing periods or, when the billing period is not monthly, 60 calendar days following maturity.

  – Customer bank accounts showing overdrafts are reported as non-performing loans at the time the overdraft occurs.

Interest is recognized in income when it is accrued. The accrual of interest is suspended when loans become non-performing.

Interest accrued during the period in which the loan was considered non-performing is not recognized as income until collected.

The commissions collected for the initial granting of credits are recognized as a deferred credit under the heading of "Deferred credits and advanced collections", which is amortized as interest income using the straight-line method over the term of the credit. Any other type of commission is recognized on the date that it is generated, under the heading of "Commissions and fees income".

Incremental costs and expenses incurred for the initial granting of credits are recognized as a deferred charge, which must be applied to the results of the year as an interest expense during the same accounting period in which revenues are recognized for collected commissions. As the Financial Group considers that the incremental costs and expenses incurred for the initially granting of credit are immaterial, they were recognized in results as they were incurred.

Commissions collected for annual credit card fees, whether for the first year or for subsequent renewals, are recognized as a deferred credit under the "Deferred credits and advance collection" heading and amortized over a 12-month period to the results of the year under the "Collected commissions and tariffs" heading.

The costs and expenses incurred to grant credit cards are recognized as a deferred charge, which is amortized over a 12-month period to the results of the year under the respective heading, depending on the nature of the cost or expense.

Restructured non-performing loans are not considered as performing until the collection of three consecutive monthly payments without delay, or the collection of one installment when the amortization covers periods in excess of 60 days.

Renewed loans for which the debtor does not pay accrued interest on time, or does not pay at least 25% of the original loan amount, are considered non-performing until proof of timely payment.

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Acquisitions of credit portfolio - On the acquisition date of the portfolio, the contractual value of the portfolio acquired must be recognized based on the type of portfolio which the originator would have classified; any difference generated in relation to the acquisition price is recorded as follows:

a) When the acquisition price is lower than its contractual value, in results of the year under the heading of "Other income", up to the amount of the allowance for loan losses that was created as established in the following paragraph, and the surplus as a deferred credit, which will be amortized when the respective collections are made, based on the percentage which the latter represent of the contractual value of the credit;

b) When the acquisition price of the portfolio is higher than its contractual value, as a deferred charge, which will be amortized as the respective collections are made, based on the percentage which the latter represent of the contractual value of the credit;

c) When it comes from the acquisition of revolving credits, such difference will be carried directly to results of the year on the acquisition date.

Allowance for loan losses

- *Commercial loan portfolio:*

In accordance with the regulations regarding the methodology for classification of the loan portfolio, credit institutions will individually classify the commercial loan portfolio for the credits or group of credits owed by the same debtor, whose balance equals or exceeds an amount equivalent to 4,000,000 UDIs at the classification date for 2010 and 2009. The remainder is classified parametrically based on the number of months elapsed as of the first default. The portfolio owed by the Federal Government or with an express federal guarantee is exempted.

For loans granted to states, municipalities and decentralized organizations, the financial Group applies the regulatory methodologies established in the regulations, which require application of the base classifications assigned by the rating agencies (Fitch, MOODY's and S&P) authorized by the Commission (this classification must not be more than 24 months old) to evaluate the loan risk. Municipalities with a personal express guarantee from the government of their states may be classified with the degree of risk applicable to the state providing such guarantee. Finally, it is established that security interest on property must be evaluated with the same regulatory mechanism applied to any secured loans, and that when there is no federal participation, the risk classification must be increased by two levels.

In 2001 the Financial Group certified the internal classification scheme for debtor risk, Bancomer Risk Classification ("CRB"), before the Commission to comply with the requirements for classification of risk and the creation of allowances for loan losses.

On October 29, 2010, the Financial Group requested from the Commission the renewal of the application of the CRB internal methodology, which was authorized in official notice 111-2/23001/2011, effective up to November 30, 2012.

CRB is used to determine a client's creditworthiness through the weighted result of the grades based on five risk criteria, which include: performance, historical payment capacity, indebtedness capacity, projected payment capacity and macroeconomic conditions. These criteria represent the valuation of the client's profile, the financial position of the company and the economic status of the industry, which are measured through the grading of various quantitative and qualitative credit risk factors, weighted through the application of a single algorithm and fixed weighting parameters. The design of this algorithm and its associated weighting factors are the result of statistical and econometric analyses applied to historical data for several years.

The internal classification system presents different levels of risk, which identify credits on a level of acceptable risk, credits under observation and credits of unacceptable risk or in default. The risks included in the CRB model are summarized in the following list:

Level
1. Exceptional
2. High
3. Good
4. Adequate
5. Potential weakness
6. Actual weakness
7. Critical weakness
8. Loss

The comparability of the CRB with Regulatory Risk Classification is based upon an analysis of equivalency of default probabilities between the CRB and the Debtor's Risk Classification according to the Commission, and is as follows:

CRB	Commission's Classification Equivalent	Payment Experience
1	A1	
2	A1	
3	A2	
4	B1	Non-payment for less than 30 days
4	B2	Non-payment for 30 days or more
5	B3	Non-payment for less than 30 days
5	C1	Non-payment for 30 days or more
6	C1	Non-payment for less than 30 days
6	C2	Non-payment for 30 days or more
7	D	
8	E	

Once the borrower's rating is determined according to this procedure, each loan is initially classified based on the borrower's rating and subsequently, based on the value of the respective collateral, the Financial Group determines the portion of the loan balance covered by the discounted value of collateral and the portion of the exposed balance. The rating assigned to the covered portion can be modified based on collateral quality. Also, the exposed portion will maintain the initial loan rating provided that it is between A1 and C1 or it must be set at risk level E, if the initial loan rating is C2, D or E. Furthermore, the Regulations establish various criteria to determine the value of collateral based on the case in which it can be converted to cash.

The allowances for the losses from the commercial loan portfolio created by the Financial Group as a result of the individual classification of each loan will be classified in accordance with the following percentages:

Probability of Default			Risk Level
0%	to	0.50%	A1
0.51%	to	0.99%	A2
1.00%	to	4.99%	B1
5.00%	to	9.99%	B2
10.00%	to	19.99%	B3
20.00%	to	39.99%	C1
40.00%	to	59.99%	C2
60.00%	to	89.99%	D
90.00%	to	100.00%	E

The Financial Group records the respective allowance for loan losses on a monthly basis, applying the results of the classification performed quarterly to the balance of the loans as of the last day of each month.

- *Mortgage portfolio:*

The allowance for loan losses on the mortgage portfolio is determined by applying specific percentages to the unpaid balance of the debtor, net of supports (the amount of final aid support or ADE owed by the Financial Group was 100% provisioned as a result of the initial application of the Regulations), stratifying the total amount of the portfolio based on the number of monthly installments that report default of payments that are due and payable at the classification date (expected loss model).

For each stratum, the allowances for loan losses will be determined by applying specific percentages based on the following items:

- Probability of default: the allowance percentages for this item range from between 1% to 90% up to four months in default, depending on the type of mortgage portfolio, and from between 95% to 100% for five months or more in default.

- Severity of loss: the allowance percentages for this item are 35% for credits up to six months in default, 70% for between seven and 47 months in default and 100% for 48 months or more in default.

The allowances for loan losses on the mortgage portfolios established by the Financial Group as the result of classifying the loans will be based on the following percentages:

Risk Level	Percentage of Allowance for Loan Losses		
A	0	to	0.99%
B	1	to	19.99%
C	20	to	59.99%
D	60	to	89.99%
E	90	to	100.00%

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At December 31, 2010 and 2009, the rating and creation of the allowance for mortgage loan losses are prepared based on figures at the last day of each month and presented to the Commission within 30 days following the rated month, according to the percentages and reserves applicable to each portfolio type, as discussed above.

- *Consumer portfolio that does not include credit card operations:*

  In relation to the consumer credit portfolio that does not include credit card operations, with balance at the end of each month, the applicable procedure at such date is as follows:

  I. The total amount of the portfolio will be stratified based on the number of billing periods that as of the classification date report noncompliance with their due payment date established by the Financial Group, using the data on the history of payments of each credit in the Financial Group, of at least 9, 13 or 18 periods prior to such date, as indicated in the table below. When the credit was granted within the aforementioned term, the data available at that date are used.

  II. The allowances for loan losses are determined from applying the allowance for loan loss percentages indicated below, to the total amount of the unpaid balance of the credits located in each stratum, depending on whether the billing periods in default are weekly, semimonthly, or monthly. The Financial Group does not include the uncollected interest earned recorded in the balance sheet of payments which are in past-due portfolio. The uncollected interest earned on past-due portfolio is fully reserved at the time of its transfer.

If this portfolio contains guarantees or payments owed to the Financial Group, the hedged balance is considered as zero noncompliance periods for provisioning effects.

Table applicable for credits with weekly, semimonthly and monthly billing:

Billings periods	Weekly Reserve Percentages	Semimonthly Reserve Percentages	Monthly Reserve Percentages
0	0.50%	0.50%	0.50%
1	1.50%	3%	10%
2	3%	10%	45%
3	5%	25%	65%
4	10%	45%	75%
5	20%	55%	80%
6	30%	65%	85%
7	40%	70%	90%
8	50%	75%	95%
9	55%	80%	100%
10	60%	85%	100%
11	65%	90%	100%
12	70%	95%	100%
13	75%	100%	100%
14	80%	100%	100%
15	85%	100%	100%
16	90%	100%	100%
17	95%	100%	100%
18 or more	100%	100%	100%

The following table is used to locate the degree of risk of nonrevolving and revolving consumer portfolio, based on the percentage in the above table, for the applicable percentage ranges of the allowances:

Level of risk	Percentage ranges of allowances for loan losses		
A	0	to	0.99%
B	1	to	19.99%
C	20	to	59.99%
D	60	to	89.99%
E	90	to	100.00%

- *Consumer credit card loan portfolio:*
  On August 12, 2009, the Commission issued a Ruling to amend the Regulations, which modifies the methodology used to rate the consumer portfolio and to allow it to reflect the expected transaction loss derived from the current environment. This new methodology divides the consumer portfolio into two groups depending on whether they involve credit card transactions or not.

The credit card consumer portfolio must be provisioned and rated on a credit-by-credit basis, while considering the probability of noncompliance, loss severity and noncompliance exposure. If there are less than 10 consecutive outstanding payments at the calculation date, the loss severity is considered to be 75%, but as 100% whenever there are 10 or more outstanding payments. Compliance exposure is determined by applying a formula which considers the borrower's total outstanding balance and credit limit. A provision equal to 2.68% of the credit limit must be created for inactive accounts.

The initial accrued effect derived from the application of the credit card consumer portfolio rating methodology can be recognized based on two alternatives:

- In stockholders' equity, within the result of prior years, or

- By recognizing the total amount of reserves within a 24-month period, in which 50% must be recognized immediately following the month in which this ruling took effect, and the other 50% over the remaining 23-month period.

The Financial Group opted to provision the initial effect derived from its application of the credit card consumer portfolio rating methodology by recording this effect under stockholders' equity, net of the respective deferred tax effect, under the heading of "Result of prior years". This effect was $953.

The Commission approved the Financial Group's request to apply an internal credit card rating model on June 22, 2009, in the understanding that it will be used as of the month in which the Financial Group notifies the Commission of its intention to do so. Similarly, on August 31, 2009, the Financial Group notified the Commission of its decision to apply this internal model and that the initial accrued effect derived from its application would be recorded in stockholders' equity in conformity with the modification issued by the Commission.

During the year 2010, the Financial Group´s requested authorization from the Commission to apply new parameters for classification of revolving consumer credit portfolio used in its "Internal methodology for expected loss"; such authorization was granted in official notice 111-2/23006/2011 dated January 25, 2011.

The internally developed rating methodology involves calculating the expected 12-month loss based on the following items:

- Noncompliance probability - Based on variables including portfolio type, account aging, admission tool or the behavior of loans with at least three outstanding payments, together with a 100% rating for loans with three or more outstanding payments.

- Loss severity - Is calculated based on variables like portfolio type, balance aging and noncompliance period.

- Exposure - Is determined according to the credit limit and current balance.

The allowance for credit card losses created by the Financial Group following this credit rating process is classified according to the following percentages:

Level of risk	Reserve percentages		
A	0	to	0.99%
B-1	1	to	2.50%
B-2	2.51	to	19.99%
C	20	to	59.99%
D	60	to	89.99%
E	90	to	100.00%

As of December 31, 2010 and 2009, the classification and creation of the allowance for loan losses of the consumer credit portfolio is performed with figures as of the last day of each month and is presented to the Commission at the latest as of the 30 days following the month classified, in accordance with the reserve percentages applicable to each type of portfolio, as indicated above.

Additionally, a reserve is recognized for the total amount of the uncollected interest earned applicable to credits that are considered as past-due portfolio.

Additional reserves
The additional reserves reflect internal classification models for mortgage loans, net of support, and consumption (credit card and personal consumption), which consists of applying specific percentages (expected loss) to the unpaid balance of the debtor.

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Securitization with transfer of ownership - By securitizing the mortgage portfolio with transfer of ownership, the Financial Group (the "Transferor") transfers the financial assets through a securitization vehicle (the "Trust"), to enable the latter to issue securities through an intermediary (the "Casa de Bolsa"), for placement among small investors, which represent the right to the returns or the proceeds generated from the securitized financial asset, and as consideration the Transferor receives cash and a certification granting it the right to the remaining flows from the Trust after payment of the certificates to their holders.

The Transferor provides administrative services for the transfer of the financial assets and recognizes in results of the year the revenues derived from such services at the time they are earned. Such revenues are presented under the heading of "Commissions and fees income". Any expenses incurred from managing the Trust will be reimbursed by the Trust itself with the prior authorization of the Common Representative, provided that the Trust has sufficient cash flows to make such reimbursement. The Transferor will hold any payments made on account of the Trust in debtor accounts until the latter reimburses such expenses.

On December 17, 2007, the Commission authorized the Financial Group, through Official Letter number 153/1850110/2007, of the registration in the National Securities Register of the Share Certificate Issuance Program up to the amount of $20,000 or its equivalent in UDIs with an effective term of five years computed as of the authorization date; such program is revolving.

On August 4, 2009, the Financial Group released its fifth issuance of mortgage portfolio securitization certificates for the amount of $6,545, derived from the Securitization Certificates Issuance Program authorized by the Commission.

On December 30, 2009, the Financial Group made a private placement of securities supported by Fiduciary Certificates obtained from the five securitizations of the mortgage portfolio of Trusts 711, 752, 781, 847 and 881.

The Financial Group recognized the securitized transactions performed during 2009 according the new accounting criteria issued by the Commission in April 2009 regarding "Asset recognition and derecognition", "Securitized transactions" and "Consolidation of special-purpose entities". After applying these criteria, the BBVA Bancomer derecognized the securitized assets held by the trusts, which were subsequently consolidated on its balance sheet. Accordingly, these assets are recorded under assets in the balance sheet. The securitizations performed prior to 2009 are not consolidated, based on the treatment established by the Commission.

At December 31, 2010, the heading of "Receivable benefits from securitized transactions", with a balance of $1,256, represents the amount of Fiduciary Certificates derived from unconsolidated securitizations.

The benefit valuation methodology applied to the securitized transaction remnant is detailed below:

> The Financial Group has tools to measure and quantify the impact of securitized transactions on the balance sheet and statement of income based on the cost of funding, release of capital, reserves and liquidity levels when structuring issuances and during the life of each.
>
> The valuation system measures the follow-up of certificate performance and the subordinated portions recorded by the Financial Group and, if applicable, it also values the bond position to consider its possible sale on a secondary market.
>
> The valuation model is used to calculate The Financial Group's constant historical prepayment rate computation, the mortality rate, current credit percentage, interest rate, issuance amount and appraisal percentage guarantee, among other items.
>
> Notwithstanding the above, the Financial Group, maintaining a conservative position, has decided not to recognize the valuation of the benefits on the remnant of securitization transactions of the trusts 711, 752, 781 and 847, which resulted from the application of the methodology explained above, and recognized only the amortization of the value of the confirmed cash flows received from such trusts, which are held at nominal cost.

The characteristics of securitization contracts executed during 2009 are detailed in Note 14.

Other receivables - Balances of sundry debtors that are not settled within the 60 or 90 days following their initial recognition (the number of days depend on whether balances are identified or not) are reserved with a charge to results of the year, regardless of the possibilities of recovery.

The debit and credit balances of the transaction settling accounts represent currency and security purchases and sales recorded on the date of transaction.

Repossessed assets or assets received as payment-in-kind - Repossessed assets or assets received as payment-in-kind are recorded at the lower of net realizable value or cost. The cost is understood as the value set for purposes of asset foreclosure as a result of lawsuits claiming rights in favor of the Financial Group, when the price agreed between the parties involves payments-in-kind.

On the recording date of the repossessed asset or asset received through payment in kind, the value of the asset which originated the foreclosure, as well as its respective reserve, must be canceled from the balance sheet, or the portion involving accrued or overdue payments settled through the partial payments in kind referred to by criterion B-6, "Loan portfolio".

If the value of the asset which originated the foreclosure, net of reserves, exceeds the value of the repossessed asset, the difference will be recognized in results of the year under the heading of "Other operating income (expenses)".

When the value of the asset that originated the foreclosure, net of reserves, is less than the value of the repossessed asset, the value of the latter must be adjusted to the net value of the asset.

Repossessed assets are valued according to the type of asset in question, and such valuation must be recorded against results of the year as "Other income (expenses)", as the case may be.

In accordance with the Regulations, the mechanism to follow in determining the allowance for holding repossessed assets or assets received as payment in kind is as follows:

Allowance for personal property

Time elapsed as of the repossession or payment-in-kind (months)	Allowance percentage
Up to 6	0%
More than 6 and up to 12	10%
More than 12 and up to 18	20%
More than 18 and up to 24	45%
More than 24 and up to 30	60%
More than 30	100%

Allowance for real estate property

Time elapsed as of the repossession or payment-in-kind (months)	Allowance percentage
Up to 12	0%
More than 12 and up to 24	10%
More than 24 and up to 30	15%
More than 30 and up to 36	25%
More than 36 and up to 42	30%
More than 42 and up to 48	35%
More than 48 and up to 54	40%
More than 54 and up to 60	50%
More than 60	100%

Property, furniture and equipment - They are recorded at acquisition cost. The assets that come from acquisitions up to December 31, 2007 were restated by applying factors derived from the UDIs up to that date. The related depreciation and amortization is recorded by applying a given percentage based on the estimated useful life of such assets to the cost restated to that date.

Depreciation is determined based on the cost (or the cost restated until 2007) using the straight-line method as of the month following the acquisition date. The annual depreciation rates are as follows:

	Rate
Real estate	2.5%
Computer equipment	25%
ATM	12.5%
Furniture and equipment	10%
Vehicles	25%
Machinery and equipment	10%

The Financial Group capitalizes the interest earned from financing as part of construction in progress.

Impairment of long-lived assets in use - The Financial Group reviews and, as necessary, adjusts the book value of long-lived assets in use in the presence of any indicator of the existence of impairment whereby such value might not be recoverable in the event of its eventual disposal.

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Equity investments - This item represents investments in unconsolidated subsidiaries and affiliates. Investments in unconsolidated subsidiaries and affiliates in which it has significant control and influence are valued using the equity method based on the book value of their latest available financial statements.

Income taxes - The Income Tax (ISR) and the Business Flat Tax (IETU) are recorded in results of the year in which they are incurred. To recognize deferred income taxes, based on its financial projections, the Financial Group must determine whether it will incur ISR or IETU and recognize deferred taxes for the tax that it will essentially pay. Deferred taxes are recognized by applying the respective rate to the temporary differences resulting from comparing the book and tax values of assets and liabilities, including the benefit of tax loss carryforwards. A deferred tax asset is only recorded when its recovery is highly likely.

The effect of all the items above is presented net in the balance sheet within the caption "Deferred taxes".

Asset tax paid that is expected to be recovered is recorded as a tax credit and is presented in the balance sheet under the heading of "Deferred charges, prepaid expenses and intangibles".

Goodwill - The goodwill generated by the excess of cost over fair value of subsidiaries on the acquisition date was recognized in accordance with the provision of Bulletin C-15, Impairment in the Value of Long-Lived Assets and Their Disposal, and is subject to annual impairment tests.

Labor liabilities - Under Mexican Labor Law, the Financial Group is liable for the payment of severance indemnities and seniority premiums to employees terminated under certain circumstances.

The Financial Group records the liability for severance payments, seniority, pensions, comprehensive medical services and life insurance as it is accrued, in accordance with actuarial calculations based on the projected unit credit method, using nominal rates in 2010 and real rates in 2009. The Financial Group recognizes the actuarial gains and losses against the result of the year, in accordance with NIF D-3 "Employee benefits".

Therefore, the liability is being recognized which, at present value, will cover the benefits obligation projected to the estimated date of retirement of the employees working at the Financial Group, as well as the obligation derived from the retired personnel.

Foreign currency transactions - Foreign currency transactions are recorded at the exchange rate effective at the transaction date except for those generated by foreign branches, which are translated by using the fixed exchange rate at the close of each period. Assets and liabilities denominated in foreign currency are adjusted at the period end exchange rate published by Banco de México. Exchange fluctuations related to these assets and liabilities are charged to the income statement.

Financial margin - The Financial Group's financial margin is composed by the difference between total interest income less interest expense.

Interest income is composed by the general returns generated by the loan portfolio based on the periods established in loans executed with borrowers and agreed interest rates, the application of interest collected in advance, the premiums or interest accrued by deposits made with financial entities, bank loans, margin call accounts, securities investments, repurchase agreements and securities loans, together with debt placement premiums, commissions collected for initially granting credit and the dividends of equity instruments are included in interest income.

Interest expense is composed by the Financial Group's fund attraction premiums, discounts and interest, bank loans, repurchase agreements, securities loans, debentures, debt placement issuance expenses and discounts. The application of costs and expenses incurred to originate loans is included.

Memorandum accounts -

- *Contingent assets and liabilities:*
  Contingent assets and liabilities represent the amount of the economic penalties levied by the Commission and any other administrative or legal authority, until due compliance with the obligation to pay such penalties for having filed a motion for reconsideration.

- *Credit commitments:*
  Credit commitments represents the amount of credit granted by the Financial Group which are considered as irrevocable commercial credits not utilized by the borrowers, and unused authorized credit lines. The items recorded in this account are subject to classification.

- *Assets in trust or under mandate:*
  Assets in trust include the value of the goods received in trust, and the data related to the administration of each one is kept in separate records. Assets under mandate record the declared value of the goods subject to mandate contracts executed by the Financial Group.

- *Asset in custody or under administration:*
  This balance represents the total amount of collateral received in repurchase transactions and securities loans, with the Financial Group acting as the repurchasing party and borrower.

- *Collateral received by the Financial Group:*
  This balance represents the total amount of collateral received in repurchase transactions and securities loans, with the Financial Group acting as the repurchasing party and borrower.

- *Collateral received and sold or given in guarantee by the Financial Group:*
  This balance represents the total collateral received and sold or given in guarantee when the Financial Group acts as a repurchasing party and borrower.

- *Assets in custody, guarantee and under administration:*
  Customer cash and securities in custody, guarantee or under administration at Casa de Bolsa BBVA Bancomer, S. A. de C. V. (the Brokerage House) are shown under the respective memoranda accounts and were valued based on the price provided by the price supplier:

  a. Cash is deposited in credit institutions in checking accounts differing from those of the Brokerage House.

  b. Securities in custody and under administration are deposited in S. D. Indeval, Institución para el Depósito de Valores, S. A. de C. V.

5. Principal differences compared to MFRS

The consolidated financial statements have been prepared in accordance with the accounting rules established by the Commission which, in the following instances, differ from MFRS commonly applied in the preparation of financial statements for other types of unregulated entities:

- The accounting criteria issued by the Commission allow the transfer of securities classified as held-to-maturity to available-for-sale provided it does not have the intention or capacity to hold them to maturity. Likewise, securities can be reclassified from the category of securities held-to-maturity or negotiable securities to that of securities available for sale, albeit with the authorization of the Commission. According to Financial Information Standards Interpretation No. 16, *Transfers of Categories of Financial Instruments Held for Trading Purposes* (INIF 16), financial instruments held for trading purposes can be transferred to the categories of securities available-for-sale or securities held-to-maturity in those cases in which a primary financial instrument trades on an illiquid market and provided it fulfills certain requirements.

- The amount of collateral given in cash, securities or other highly liquid assets in transactions involving derivatives on recognized markets or stock exchanges is presented under a specific balance sheet heading denominated "Memoranda Accounts" instead of being presented under the heading of "Derivatives", as established by MFRS.

- The initial recognition derived from the new credit card portfolio rating methodology authorized by the Commission described in Note 4 was recorded with a charge to stockholders' equity in the "Result of prior years" account, but was not applied to the result of the year as required by MFRS.

- Under the rules of the Commission, accrued interest income on past-due loans is recorded in memorandum accounts. When such interest is collected, it is recognized directly in the results of the year. MFRS require the recording of the interest earned in results and recognition of the respective allowance.

- The consolidated financial statements do not include the insurance and pension subsidiaries. MFRS require that all controlled subsidiaries be consolidated, regardless of the sector to which they belong.

- Sundry debts not collected in 90 or 60 days, depending on their nature, are reserved with a charge to results of the year, regardless of their possible recovery.

- The new accounting criteria related to the consolidation of special-purpose entities, securitized transactions (which came into effect on January 1, 2009) and the recognition and elimination of financial assets (which came into effect as of October 14, 2008) are applied prospectively and do not modify the effects of transactions performed prior to the application date and which are still current.

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6. Cash and cash equivalents

At December 31, 2010 and 2009, cash and due from banks consisted of the following:

	2010	2009
Cash	$ 35,794	$ 40,098
Banks	(14,017)	10,506
Restricted funds	96,498	90,993
Other quick funds	86	86
	$ 118,361	$ 141,683

Banks include deposits in domestic and foreign banks in Mexican pesos and U.S. dollars, translated at the exchange rate published by Banco de México of $12.3496 and $13.0659 per U.S. dollar as of December 31, 2010 and 2009, respectively, and are as follows:

	Mexican pesos		U.S. dollars (in Mexican pesos)		Total	
	2010	2009	2010	2009	2010	2009
Deposits with foreign credit institutions	$ –	$ –	$ 7,530	$ 20,365	$ 7,530	$ 20,365
Delivery currency	–	–	(22,741)	(12,249)	(22,741)	(12,249)
Banco de México	(1)	–	330	46	329	46
Domestic Banks	831	2,303	34	41	865	2,344
	$ 830	$ 2,303	$ (14,847)	$ 8,203	$ (14,017)	$ 10,506

Circular Telefax 30/2002 of Banco de México included instructions for the creation of a new monetary regulation deposit for all credit institutions, whose duration is indefinite with interest payable every 28 days, which began to accrue as of September 26, 2002, the date of the first deposit. Such Circular was repealed as of August 21, 2008 and Circular Telefax 30/2008 went into effect, retaining the same conditions as the previous one. As of December 31, 2010 and 2009, the monetary regulation deposits and interest of the Financial Group are $65,103 and $65,096, respectively, and are included in the balance of "Restricted funds".

As of December 31, 2010 and 2009, restricted funds are composed as follows:

	2010	2009
Monetary regulation deposits	$ 65,103	$ 65,096
Foreign exchange receivables	27,183	18,300
Call money interbank loans	4,212	7,597
	$ 96,498	$ 90,993

7. Margin call accounts

At December 31, 2010 and 2009, margin call accounts are composed as follows:

	2010	2009
Collateral granted for OTC derivatives	$ 3,362	$ 3,531
Derivatives margin in authorized markets	3,047	1,826
Other restricted deposits	298	355
Margin of ADR´s	431	159
Granted loan guarantees	208	1
	$ 7,346	$ 5,872

8. Securities

At December 31, 2010 and 2009, financial instruments were as follows:

a. Trading -

	2010				2009
Instrument	Acquisition Cost	Accrued Interest	Increase (Decrease) due to Valuation	Book Value	Book Value
Equity securities	$ 8,055	$ –	$ 125	$ 8,180	$ 12,130
BPAS (saving protection bonds)	30,905	220	1	31,126	6,067
Sovereign debt Eurobonds	3,352	47	97	3,496	3,502
Investment funds	368	–	–	368	1,397
Bonds	11,812	11	–	11,823	981
T BILLS	–	–	–	–	131
Corporate Eurobonds	34	1	–	35	41
Note with interest payable at maturity	2,010	–	–	2,010	4
CETES	3,842	–	–	3,842	4
Stock market certificates	768	5	(11)	762	2
Interchangeable stock market certificates	1	–	–	1	1
Certificates of deposit	1,778	1	–	1,779	–
Fixed-rate bonds	5,560	27	31	5,618	–
Udibonds	31	2	1	34	–
ADR'S	136	–	19	155	–
Commercial paper	6,175	–	–	6,175	–
Total	$ 74,827	$ 314	$ 263	$ 75,404	$ 24,260

During 2010 and 2009, valuation income and losses for net amounts of $(892) and $1,814, respectively.

At December 31, 2010, the remaining periods of these investments were as follows:

Instrument	Within 1 Month	Over 3 Months	No Fixed Term	Acquisition Cost
Equity securities	$ –	$ –	$ 8,055	$ 8,055
BPAS (saving protection bonds)	2,538	28,367	–	30,905
Sovereign debt Eurobonds	–	3,352	–	3,352
Investment funds	368	–	–	368
Bonds	103	11,709	–	11,812
Fixed-rate bonds	–	5,560	–	5,560
Corporate Eurobonds	–	34	–	34
CETES	594	3,248	–	3,842
Udibonds	–	31	–	31
Notes with interest payable at maturity	2,010	–	–	2,010
Stock market certificates	–	768	–	768
Interchangeable stock market certificates	–	1	–	1
Certificates of deposit	402	1,376	–	1,778
ADR'S	–	–	136	136
Commercial paper	6,175	–	–	6,175
Total	$ 12,190	$ 54,446	$ 8,191	$ 74,827

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The collaterals granted as of December 31, 2010 and 2009 was composed as follows:

	2010				2009
	Acquisition Cost	Accrued Interest	Increase (Decrease) due to Valuation	Book Value	Book Value
Bonds	$ 541	$ (1)	$ -	$ 540	$ 7,057
Fixed-rate bonds	3,337	-	2	3,339	1,626
CETES	-	-	-	-	2
T BILLS	7,212	1	-	7,213	-
Bonds guarantee to be received for security loans	11,090	-	2	11,092	8,685
Bonds	27,679	(2)	(6)	27,671	72,262
BPAS (saving protection bonds)	20,031	(12)	-	20,019	59,413
Fixed-rate bonds	6,783	(24)	37	6,796	15,801
CETES	3,174	-	-	3,174	14,765
Udibonds	3,315	-	-	3,315	1,461
Stock market certificates	1,198	-	-	1,198	744
Bank bonds	583	-	-	583	-
Interchangeable stock market certificates (CBIC'S)	1,125	-	15	1,140	-
Commercial paper	354	-	-	354	184
Bonds guarantee to be received for repurchase agreements	64,242	(38)	46	64,250	164,630
Guarantee T-Bills receivable from derivatives	7,039	3	3	7,045	7,660
Total	$ 82,371	$ (35)	$ 51	$ 82,387	$ 180,975

Value date purchases at December 31, 2010 and 2009, were composed as follows:

	2010				2009
	Acquisition Cost	Interest Earned	Increase (Decrease) from Valuation	Book Value	Book Value
Fixed-rate bonds	$ 810	$ 2	$ 2	$ 814	$ 907
CETES	115	-	-	115	98
Equity securities	498	-	2	500	81
ADR'S	4	-	-	4	-
Interchangeable stock market certificates (CBIC'S)	49	1	1	51	-
Stock market certificates	10	-	-	10	-
Saving protection bonds	105	-	-	105	-
Udibonos	120	-	-	120	-
Total	$ 1,711	$ 3	$ 5	$ 1,719	$ 1,086

Value date sales at December 31, 2010 and 2009, were composed as follows:

	2010				2009
	Acquisition Cost	Accrued Earned	Increase (Decrease) from Valuation	Book Value	Book Value
BPAS (saving protection bonds)	$ (50)	$ -	$ -	$ (50)	$ (2,440)
Fixed-rate bonds	(1,696)	(4)	(1)	(1,701)	(687)
Equity securities	(298)	-	(32)	(330)	(368)
CETES	(209)	-	-	(209)	(101)
Corporate Eurobonds	(4)	-	-	(4)	-
Interchangeable stock market certificates (CBIC´S)	(10)	-	-	(10)	-
Stock market certificates	(25)	-	-	(25)	-
ADR'S	(4)	-	-	(4)	-
Udibonds	(844)	(2)	(1)	(847)	-
Total	$ (3,140)	$ (6)	$ (34)	$ (3,180)	$ (3,596)
Total trading securities	$ 155,769	$ 276	$ 285	$ 156,330	$ 202,725

b. Available-for-sale –

	2010				2009
Instrument	Acquisition Cost	Accrued Earned	Increase (Decrease) from Valuation	Book Value	Book Value
Fixed-rate bonds	$ 43,673	$ 78	$ 936	$ 44,687	$ 31,760
Sovereign debt Eurobonds	-	-	-	-	7,917
Stock market certificates	955	5	239	1,199	4,046
Visa Shares	551	-	331	882	3,307
ADR'S	560	-	385	945	-
Equity securities Invex securitization	705	-	(6)	699	416
Certificates of deposit	3,238	19	58	3,315	-
Total	$ 49,682	$ 102	$ 1,943	$ 51,727	$ 47,446

At December 31, 2010, the remaining schedule maturities of the above instruments were as follows:

Instrument	Over 1 Months	Over 3 Months	No fixed Term	Acquisition Cost
Fixed-rate bonds	$ -	$ 43,673	$ -	$ 43,673
ADR'S	560	-	-	560
Stock market certificates	-	955	-	955
Certificates of deposit	-	3,238	-	3,238
Visa Shares	-	-	551	551
Equity securities	-	-	705	705
Total	$ 560	$ 47,866	$ 1,256	$ 49,682

Collateral granted as of December 31, 2010 and 2009 was as follows:

	2010				2009
Instrument	Acquisition Cost	Accrued Interest	Increase (Decrease) due to Valuation	Book Value	Book Value
Fixed-rate bonds	$ 65,604	$ (340)	$ 1,750	$ 67,014	$ 52,172
Certificates of deposit	-	-	-	-	10,003
Cedes	618	-	2	620	3,949
Stock market certificates	3,873	-	215	4,088	3,102
BPAS (saving protection bonds)	2,004	-	-	2,004	1,000
Bonds	999	-	-	999	-
Bonds Ibrd	213	-	1	214	218
Total guarantees to be received for repurchase agreements	$ 73,311	$ (340)	$ 1,968	$ 74,939	$ 70,444
Total securities available for sale	$ 122,993	$ (238)	$ 3,911	$ 126,666	$ 117,890

c. Held-to-maturity –

The following securities have medium and long-term maturities:

	2010			2009
Instrument	Acquisition Cost	Accrued Interest	Book Value	Book Value
Government bonds- Mortgage debtor support program	$ 12,561	$ -	$ 12,561	$ 12,019
Government bonds- State and Municipality debtor support program	1,482	-	1,482	1,417
U.S. Treasury securities	264	3	267	180
Sovereign debt Eurobonds	37	-	37	40
Certificates of deposit	1	-	1	-
Fiduciary certification	7	-	7	7
Total	$ 14,352	$ 3	$ 14,355	$ 13,663

For the years ended December 31, 2010 and 2009, the yields related to the overall held to maturity portfolio amounted to $606 and $753, respectively.

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9. Repurchase transactions

As of December 31, 2010 and 2009, repurchase transactions are composed as follows:

a. Repurchase agreement debtors –

As repurchasing party:

Instrument	2010 Asset Side Receivable Under Repurchase Agreements	2010 Liability Side Collateral Sold or Delivered in Guarantee	2010 Debit Balance	2009 Asset Side Receivable Under Repurchase Agreements	2009 Liability Side Collateral Sold or Delivered in Guarantee	2009 Debit Balance
Government securities-						
BPAS (saving protection bonds)	$ 26,985	$ 26,992	$ (7)	$ 23,487	$ 22,947	$ 540
Bonds	24,757	24,764	(7)	3,324	3,212	112
Fixed-rate bonds	16,332	16,337	(5)	1,625	1,624	1
CETES	872	872	-	-	-	-
Udibonds	-	-	-	81	81	-
Total	$ 68,946	$ 68,965	$ (19)	$ 28,517	$ 27,864	$ 653

b. Repurchase agreement creditors –

As reselling party:

Instrument	2010 Liability Side Payables Under Resale Agreements	2009 Liability Side Payables Under Resale Agreements
Government securities-		
Bonds	$ 27,946	$ 71,318
Fixed-rate bonds	71,971	67,589
BPAS (saving protection bonds)	20,773	56,586
CETES	3,174	24,769
Stock market certificates	6,720	8,529
CEDES	621	3,950
Udibonds	3,315	1,461
CBIC'S	1,125	-
Commercial paper	355	184
Total	$ 136,000	$ 234,386

c. Securities loan debtors and creditors:

Borrower:

Instrument	2010 Memoranda accounts: Collateral Received for Securities Loans	2010 Memoranda accounts: Collateral Received for Loans and Sold or Given in Guarantee	2010 Liability portion: Creditors from Collateral Sold or Given in Guarantee	2009 Memoranda accounts: Collateral Received for Securities Loans	2009 Memoranda accounts: Collateral Received for Loans and Sold or Given in Guarantee	2009 Liability portion: Creditors from Collateral Sold or Given in Guarantee
Government securities–						
Equity securities	$ 203	$ 203	$ 203	$ -	$ -	$ -
Bonds	-	-	-	1	1	1
Fixed-rate bonds	9,404	9,404	9,404	7,054	7,054	7,054
Udibonds	152	152	152	-	-	-
CETES	1,009	1,009	1,009	1,427	1,427	1,427
Total	$ 10,768	$ 10,768	$ 10,768	$ 8,482	$ 8,482	$ 8,482

Premiums were recognized in the results of 2010 and 2009 for the amount of $30 and $9, respectively.

10. Derivatives

At December 31, 2010 and 2009, securities and derivative transactions were as follows:

a. Derivatives - The chart below shows the open derivative instrument transactions of the Financial Group as of December 31, 2010 and 2009. The currency positions generated by these derivative instruments must be added to the position on the balance sheet in order to obtain the year-end position amount analyzed in Note 28.

Trading:

Transaction	2010 Nominal Amount Asset	2010 Nominal Amount Liability	2010 Balance Debtor	2010 Balance Creditor
Futures long position	$ 152,499	$ 152,499	$ -	$ -
Futures short position	48,873	48,873	-	-
Forward long position	162,410	165,628	814	4,026
Forward short position	161,595	158,215	4,319	945
Options purchased	3,955	-	3,454	-
Options sold	-	5,562	-	5,061
Swaps	523,605	530,494	46,011	52,900
	$ 1,052,937	$ 1,061,271	$ 54,598	$ 62,932

Transaction	2009 Nominal Amount Asset	2009 Nominal Amount Liability	2009 Balance Debtor	2009 Balance Creditor
Futures long position	$ 135,300	$ 135,300	$ -	$ -
Futures short position	93,653	93,653	-	-
Forward long position	139,512	138,282	4,004	2,775
Forward short position	109,439	110,594	2,081	3,235
Options purchased	5,826	-	1,811	-
Options sold	-	6,324	-	2,309
Swaps	611,048	619,377	46,048	54,377
	$ 1,094,778	$ 1,103,530	$ 53,944	$ 62,696

Hedging:

Transaction	2010 Nominal Amount Asset	2010 Nominal Amount Liability	2010 Balance, net Debtor	2010 Balance, net Creditor
Forward short position	$ 3,039	$ 2,981	$ 61	$ 3
Swaps	32,183	29,005	4,594	1,416
	$ 35,222	$ 31,986	$ 4,655	$ 1,419

Transaction	2009 Nominal Amount Asset	2009 Nominal Amount Liability	2009 Balance, net Debtor	2009 Balance, net Creditor
Forward long position	$ 676	$ 670	$ 6	$ -
Forward short position	862	847	15	-
Swaps	31,074	26,975	5,429	1,330
	$ 32,612	$ 28,492	$ 5,450	$ 1,330

a1. Futures and forward contracts - For the year ended December 31, 2010, the Financial Group carried out transactions in market recognized (Mexican Derivatives Market (Mex-Der) Chicago and ITAU), generating a US dollar futures loss of $2,651, in IPC futures of $232, in CETES and TIIE futures of $1,797 in fixed-rate bonds futures of $587 and options for $35.

It also entered into futures and forward contracts with the principal foreign currencies. At the close of the year the following contracts are open:

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Trading:

Type of Transaction	Underlying	Sales Receivable	Sales Contract Value	Purchases Contract Value	Purchases Deliverable	Book Balance
Futures	TIIE	$ 28,167	$ 28,167	$ 112,060	$ 112,060	$ -
	Euro Dollar	7,634	7,634	9,742	9,742	-
	M10 bond	1,739	1,739	4,095	4,095	-
	Index	9,170	9,170	9,282	9,282	-
	U.S. dollars	2,052	2,052	13,220	13,220	-
	CETES	100	100	4,100	4,100	-
	Equity securities	11	11	-	-	-
		$ 48,873	$ 48,873	$ 152,499	$ 152,499	$ -
Forwards	U.S. dollars	$ 152,255	$ 148,674	$ 145,928	$ 148,876	$ 633
	Index	9,256	9,457	-	-	(201)
	Equity securities	84	84	16,482	16,752	(270)
		$ 161,595	$ 158,215	$ 162,410	$ 165,628	$ 162

Hedging:

Type of Transaction	Underlying	Sales Receivable	Sales Contract Value	Purchases Contract Value	Purchases Deliverable	Book Balance
Forwards	Bond M	$ 2,130	$ 2,133	$ -	$ -	$ (3)
	U.S. dollars	909	848	-	-	61
		$ 3,039	$ 2,981	$ -	$ -	$ 58

a2. Options - At December 31, 2010, the Financial Group executed option transactions as follow:

Trading:

	Type of Transaction	Underlying	Reference Amount	Fair Value
Purchase	OTC Options	Interest rates	$ 39,167	$ 757
		Index	55,073	2,981
		U.S. dollars	10,246	188
	Authorized market options	Equity securities and index	393	29
				$ 3,955

	Type of Transaction	Underlying	Reference Amount	Fair Value
Sales	OTC Options	Interest rates	$ 82,100	$ 516
		Index	64,510	4,893
		U.S. dollar	9,476	104
	Authorized market options	Equity securities and index	362	49
				$ 5,562

a3. Swaps - At December 31, 2010, swap transactions were as follows:

Trading:

Underlying	Currency	Contract Value Receivable	Contract Value Deliverable	Receivable	Deliverable	Net Position
Currency	U.S. dollars	$ 108,505	$ 131,752	$ 115,099	$ 140,403	$ (25,304)
	Mexican pesos	121,889	94,482	147,527	135,707	11,820
	UDI	50,595	59,021	34,917	27,895	7,022
	Euro	10,117	10,405	10,982	11,291	(309)
	Yen	9,424	9,424	9,667	9,669	(2)
	Colombian peso	5,539	4,324	5,447	5,666	(219)
	CHF	663	663	741	741	-
	Peruvian nuevo sol	771	744	850	830	20
				325,230	332,202	(6,972)
Interest rates	Mexican pesos		$ 670,997	$ 169,607	$ 170,795	$ (1,188)
	U.S. dollars		197,016	16,421	16,645	(224)
	Euro		1,462	1,459	15	1,444
				187,487	187,455	32
Equity securities	U.S. dollars		$ 367	$ -	$ 423	$ (423)
	Euro		13,912	10,891	10,241	650
	Mexican pesos		3,275	-	173	(173)
				10,891	10,837	54
CDS	U.S. dollars		$ 62	$ -	$ -	$ -
CRA	Mexican pesos			$ (3)	$ -	$ (3)
				$ 523,605	$ 530,494	$ (6,889)

The Financial Group entered into nominal interest rate swaps in Mexican pesos with various institutions, agreed to at annual rates ranging from 2.53% and 14.91%. At December 31, 2010, the reference amount of trading swaps was $670,997.

Hedging:

Underlying	Currency	Contract Value Receivable	Contract Value Deliverable	Receivable	Deliverable	Net Position
Currency	Euro	$ 9,938	$ -	$ 11,090	$ -	$ 11,090
	Mexican pesos		8,743	-	8,936	(8,936)
				11,090	8,936	2,154
			Contract Value			
Interest rates	Mexican pesos					
	U.S. dollars		$ 52,081	$ 13,132	$ 12,161	$ 971
			15,377	7,961	7,908	53
				21,093	20,069	1,024
				$ 32,183	$ 29,005	$ 3,178

The Financial Group entered into nominal interest rate swaps in Mexican pesos with various institutions, agreed to at annual rates ranging from 4.87% y 11.90%. At December 31, 2010, the reference amount of hedging swaps was $52,081.

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The collateral received in OTC derivatives as of December 31, 2010 and 2009 is shown below:

Cash received as Guarantee Derivatives	2010 Acquisition Cost	2010 Accrued Interests	2010 Book Value	2009 Book Value
Banco Bilbao Vizcaya Argentaria, S.A.	$ –	$ –	$ –	$ 4,898
Credit Suisse First Boston Europe	–	–	–	4,535
Merrill Lynch Capital Services Inc	216	–	216	377
Calyon Corporate and Investment Bank	–	–	–	335
Royal Bank of Scotland PLC	–	–	–	39
Societe Generale	199	–	199	7
Credit Suisse Security	4,484	1	4,485	–
Standard Chartered	22	–	22	–
Docuformas S.A.P.I. C.V.	4	–	4	–
BNP Paribas NY Branch	52	–	52	–
BBVA Servex	2,237	1	2,238	–
Credit Agricole CIB	388	–	388	–
Total cash guarantees received	$ 7,602	$ 2	$ 7,604	$ 10,191

a4. Transactions with embedded derivatives -

Trading:

Transaction Type	2010 Book Value Asset	2010 Book Value Liability	2010 Balance Debtor	2010 Balance Creditor
Options acquired	$ 7	$ –	$ 7	$ –
Options sold	–	36	–	36
Swaps	6,211	6,295	153	237
	$ 6,218	$ 6,331	$ 160	$ 273

Transaction Type	2009 Book Value Asset	2009 Book Value Liability	2009 Balance Debtor	2009 Balance Creditor
Options acquired	$ 33	$ –	$ 33	$ –
Options sold	–	90	–	90
Swaps	229	559	229	559
	$ 262	$ 649	$ 262	$ 649

a5. Embedded (underlying) options:

Trading:

	Type of Transaction	Underlying	2010 Nominal Amount	2010 Fair Value
Purchases	OTC Options	Index	$ 2,706	$ 7
Sales	OTC Options	Interest rate	$ 168	$ –
		Index	372	35
		U.S. dollars	1	1
			$ 541	$ 36

	Type of Transaction	Underlying	2009 Nominal Amount	2009 Fair Value
Purchases	OTC Options	Interest rate	$ 507	$ 29
		U.S. dollars	6,179	4
			$ 6,686	$ 33
Sales	OTC Options	Interest rate	$ 6,179	$ 443
		Index	406	123
		U.S. dollars	–	1
			$ 6,585	$ 567

a6. Embedded (underlying) swaps

Underlying	Currency	2010 Face Value To Be Received	2010 To Be Market Value To Be Received	2010 Market Value To Be Delivered	2010 Fair Value
Currency	Mexican peso	$ 2,908	$ 2,911	$ 3,124	$ (213)
	U.S. dollars	2,826	3,222	3,040	182
		$ 5,734	$ 6,133	$ 6,164	$ (31)
Interest rate	Mexican peso	$ 10,696	$ 78	$ 131	$ (53)

Underlying	Currency	2009 Face Value To Be Received	2009 To Be Market Value To Be Received	2009 Market Value To Be Delivered	2009 Fair Value
Interest rate	Mexican peso	$ 6,266	$ 229	$ 559	$ (330)

11. Loan portfolio

Loans granted classified by type of loan at December 31, 2010 and 2009, were as follows:

Type of loan	Performing portfolio 2010	Performing portfolio 2009	Non-performing portfolio 2010	Non-performing portfolio 2009	Total 2010	Total 2009
Commercial loans -						
Denominated in Mexican pesos -						
Commercial	$ 148,246	$ 157,354	$ 3,133	$ 2,823	$ 151,379	$ 160,177
Rediscounted portfolio	6,236	6,132	69	63	6,305	6,195
Lease portfolio	1,368	2,261	27	63	1,395	2,324
Denominated in U.S. dollars -						
Commercial	55,246	38,715	770	1,372	56,016	40,087
Rediscounted portfolio	711	939	30	57	741	996
Lease portfolio	134	136	–	–	134	136
Total commercial loans	211,941	205,537	4,029	4,378	215,970	209,915
Financial entities	8,540	8,731	5	–	8,545	8,731
Government entities	80,675	51,462	–	–	80,675	51,462
Total trade loans	301,156	265,730	4,034	4,378	305,190	270,108
Consumer-						
Credit card	70,420	64,430	3,888	7,253	74,308	71,683
Other consumer loans	48,254	39,275	1,279	1,545	49,533	40,820
Total consumer loans	118,674	103,705	5,167	8,798	123,841	112,503
Residential Mortgage	145,472	135,129	5,222	6,668	150,694	141,797
Total loan portfolio	$ 565,302	$ 504,564	$ 14,423	$ 19,844	$ 579,725	$ 524,408

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Commercial loans are detailed below; the distressed and non-distressed current and overdue portfolios at December 31, 2010, are also identified. This portfolio does not include guarantees and interests collected ahead of time, which are shown as part of the commercial portfolio on the balance sheet:

Portfolio	Distressed Current	Distressed Past due	Non-distressed Current	Non-distressed Past due	Total
Business or commercial activity	$ 253	$ 1,974	$ 200,791	$ 2,164	$ 205,182
Loans to financial entities	103	5	8,438	–	8,546
Loans to government entities	12	–	80,674	–	80,686
	$ 368	$ 1,979	$ 289,903	$ 2,164	$ 294,414

The restructured and renewed portfolio at December 31, 2010, was as follows:

Restructured portfolio	Current	Past due	Total
Business or commercial activity	$ 13,272	$ 1,946	$ 15,218
Consumer loans	2,227	397	2,624
Residential mortgage loans	32,149	3,135	35,284
	$ 47,648	$ 5,478	$ 53,126

At December 31, 2010, the Financial Group has guarantees consisting of real property and securities for restructured commercial loans of $23,299 and $18,901, respectively.

As of December 31, 2010, aging of past due portfolio is as follows (in days):

Portfolio	Period 1 to 180	181 to 365	365 to 2 years	Total
Business or commercial activity	$ 1,631	$ 802	$ 1,601	$ 4,034
Consumer loans	5,026	141	–	5,167
Residential mortgage	1,954	404	2,864	5,222
	$ 8,611	$ 1,347	$ 4,465	$ 14,423

As of December 31, 2010, unaccrued commissions for initially granting credit, by type and average payment period, are as follows:

	By repayment period 1 to 5 years	15 years	More than 15 years	Total
Business or commercial activity	$ 559	$ 171	$ 15	$ 745
Residential mortgage loans	3	56	569	628
	$ 562	$ 227	$ 584	$ 1,373

As of December 31, 2010 and 2009, the balances of the fully reserved overdue credit portfolio eliminated from the balance sheet are composed as follows:

Item	2010	2009
Credit card	$ 3,217	$ 5,237
Commercial	2,426	1,315
Consumer	718	1,010
Residential mortgage	929	199
Total	$ 7,290	$ 7,761

As of December 31, 2010 and 2009, the amounts of portfolio sold were as follows:

Description	2010	2009
Credit card and consumer	$ 4,716	$ 10,605
Residential mortgage	746	424
Total	$ 5,462	$ 11,029

As of December 31, 2010 and 2009, the amounts of the lines of credit recorded in memorandum accounts were $182,726 y $186,629, respectively.

Interest income and commissions classified by type of loan were as follows:

Type of loan	2010 Interest	2010 Commissions	2010 Total	2009 Total
Commercial loans-				
Denominated in Mexican pesos-				
Commercial	$ 13,237	$ 682	$ 13,919	$ 14,833
Rediscounted portfolio	426	–	426	482
Lease portfolio	112	–	112	129
Denominated in U.S. dollars-				
Commercial	1,651	–	1,651	1,711
Rediscounted portfolio	53	–	53	62
Lease portfolio	7	–	7	9
Total commercial loans	15,486	682	16,168	17,226
Financial entities	477	–	477	740
Government entities	4,568	–	4,568	3,876
Total commercial loans	20,531	682	21,213	21,842
Consumer-				
Credit card	17,216	–	17,216	21,610
Other consumer loans	9,356	169	9,525	9,148
Total consumer loans	26,572	169	26,741	30,758
Residential mortgage	15,230	178	15,408	14,420
	$ 62,333	$ 1,029	$ 63,362	$ 67,020

As of December 31, 2010 and 2009, the amount of the recoveries of credit portfolio written off or eliminated were $488 and $355, respectively, presented under the heading of "Other operating income (expense)".

At December 31, 2010 and 2009, loans classified by economic sectors were as follows:

	2010 Amount	2010 Concentration Percentage	2009 Amount	2009 Concentration Percentage
Foreign (non-Mexican entities)	$ 859	0.15%	$ 1,466	0.28%
Private (companies and individuals)	215,964	37.25%	209,909	40.03%
Financial	7,686	1.33%	7,265	1.39%
Credit card and consumer	123,841	21.36%	112,503	21.45%
Residential mortgage	150,694	25.99%	141,797	27.04%
Government entities	80,675	13.92%	51,462	9.81%
Other past-due loans	6	0.00%	6	0.00%
	$ 579,725	100.00%	$ 524,408	100.00%

Related-party loans - At December 31, 2010 and 2009, loans granted to related parties amounted to $28,369 and $30,090, respectively. The amount of related-party loans at December 31, 2010 and 2009 includes $7,918 and $7,574, respectively, of letters of credit, which are recorded in memorandum accounts.

Credit support program - The Financial Group has participated in the following credit support programs established by the Federal Government and the Mexican Banking Association, A. C.:

- Debtor Credit Support Mortgage Program and Debtor Credit Benefits Agreement for Mortgage.
- Financial Support Program for the Agriculture and Fishing Sector (FINAPE).

Furthermore, during December 1998, the Federal Government and the banks disseminated a new and definitive debtor support plan called "Final Aid", which in 1999 replaces the calculation of the benefits granted in support program for Housing Loan Debtors. For FINAPE such support plan was substituted in 1999 and 2000, and in 2001 they continued applying the benefits established in the original support programs.

The "Final Aid" Program for mortgage borrowers defines the discounts on the outstanding balance of loans recorded at November 30, 1998, without considering interest in arrears. Regarding FINAPE credit programs, the discounts are applied on the payments and the discount percentage is determined according to the balance of the loan recorded at July 31, 1996.

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The amount of discounts is recognized by the Federal Government and the Financial Group at different percentages, the part recognized by the Federal Government is recorded as an account receivable, which generates interest at the CETES 91-day rate carried to a 28-day curve, capitalized monthly, the percentage absorbed by the Financial Group is applied to the allowance for loan losses. At December 31, 2010, the balance of the discounts payable by the Federal Government is $983, which will be settled together with its respective capitalization of interest at the beginning of June 2011.

Due to the results from the audits of the support programs, during 2007 the Federal Government confirmed compliance by the Financial Group with the regulations applicable for the recovery of the conditioned support relative to various programs. For this reason, in June 2009 Financial Group received from the Federal Government payments related to the benefits due from the latter, the "Housing", "FOVI", and "FINAPE" in the amount of $1,120.

Early termination of debtor support programs:

On July 15, 2010, an agreement was signed between the Federal Government, through the Treasury Department (SHPC), and certain Banks, with the participation of the Mexican Bankers' Association, to early terminate the debtor support programs (the Agreement).

The support programs in which the Financial Group participated, and which are the subject matter of this Agreement, are:

- Housing Loan Debtor Support Program
- Housing Loan Debtor Benefits Agreement

Regarding the discount to be absorbed by the Federal Government to be included for the credits originated due to application of the benefit:

a) The amount of the payment obligations of the Federal Government is composed as follows:

Portion of Conditioned Discount Payable by Federal Government:

Discount on credits denominated in Mexican pesos and in UDIS recognized on the Financial Group balance sheet:		
Current Portfolio: Portion of conditioned discount payable by Federal Government	$	4,130
Overdue Portfolio: Portion of conditioned discount payable by Federal Government		58
Total	$	4,188
Credits denominated in UDIS to which discounts were applied on the unpaid balance before entering the Discount Program	$	571

b) General conditions of payment obligations of the Federal Government.

The payment obligations of the Federal Government will be settled through annual payments for a five-year period as illustrated below:

Annual payment	Payment date
First	December 1, 2011
Second	June 1, 2012
Third	June 3, 2013
Fourth	June 2, 2014
Fifth	June 1, 2015

c) The interest earned will be at the rate resulting from the arithmetical average of the annual rates of return on the discount basis of 91-day CETES (Mexican Treasury Bills), carried to a 28-day yield curve.

Housing loans:
The effects of this transaction will be recognized by the Financial Group during the first quarter of 2011, considering the portfolio balances as of December 31, 2010. This effect is shown as follows:

Opening balance of the sublevel "Unrestricted housing loans"	$	14,150
Credits not eligible for the benefit		(470)
Credits eligible for the benefit (performing loans)	$	13,680
Credit payable by Federal Government		(4,188)
Application against "Allowance for loan losses" already provided by the Financial Group		(3,048)
Closing balance of sublevel "Unrestricted housing loans"	$	6,444

Movements in the heading of "Allowance for loan losses":

Opening balance of the sublevel "Unrestricted housing loans"	$	3,143
Amount of reductions, discounts and/or rebates granted on current or overdue loans		(3,048)
Closing balance of sublevel "Unrestricted housing loans"	$	95

The maximum amount that the Financial Group must absorb for the debtors of the loans not included in the Early Termination Scheme under the terms of the Agreement is $203.

The effects to be recognized by the Financial Group for the first quarter of 2011 will be subject to the Commission's review, and could be subsequently adjusted.

Credit granting policies and procedures - The Financial Group's credit manual regulates the granting, control and recovery of loans. This manual was authorized by the Board of Directors and outlines the parameters to be followed by officers involved in the credit process, which are based on the Credit Institutions Law, the conservative credit rules established by the Commission and sound banking practices.

Credit authorization under the Board of Directors' responsibility is centralized in empowered committees and officers.

In the credit management function the general process from promotion to recovery is defined, specifying, by business unit, the policies, procedures and responsibilities of the officers involved, as well as the tools to be used in each step of the process.

The credit process is based on a thorough analysis of credit applications, in order to determine the comprehensive risk of each debtor. For most loans, debtors must at least have an alternate repayment source.

The principal policies and procedures to determine concentrations of credit risk and which form part of the credit manuals are:

Common risk
- Establish the criteria for determining the individuals or corporations that represent common risk for the Financial Group.
- Establish the criteria for determining whether individuals and/or corporations act in unison and are integrated into the same business group or consortium, in order to identify potential accumulated risk and the maximum limit of financing to be granted.

Maximum financing limit
- Make known the maximum legal credit rules issued by the authorities.
- Communicate the updated maximum credit limit for the Financial Group, as well as the handling of exceptions.

Risk diversification
At December 31, 2010, the Financial Group disclosed that it maintains the following credit risk operations in compliance with the general risk diversification rules established in the Provisions and applicable to asset and liability transactions, as follows:

- At December 31, 2010, the Financial Group has no loans with debtors or groups of entities or individuals representing a joint risk in which the individual amount exceeds 10% of its basic capital.

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- The amount of loans granted to the Financial Group's three major debtors or groups of individuals or entities constituting a joint risk is $23,257, thus representing 21% of its basic capital.

Potential risk

- Credit applications must be sanctioned in terms of the amount of the risk.
- Avoid risk exposure above the legal limit and other institutional limits established.

Consumer loans, mortgage loans and loans to small and micro-sized companies are subject to automated evaluation and follow-up mechanisms that have been implemented, based on certain standard factors which, under the Financial Group's criteria, are used to make decisions, and allow greater efficiency in the handling of high volume of loan applications.

12. UDI-denominated restructured loans

At the November 2009 close, trusts denominated in UDIS were liquidated and their balances included in the Financial Group's accounting records for the amount of $15,635.

13. Allowance for loan losses

The following table presents the results of basic loan ratings made for the purpose of recording the loan loss allowance, based on the requirements discussed in Note 4:

Risk category	2010		2009	
	Total loans	Allowance	Total loans	Allowance
A	$ 429,571	$ 2,526	$ 380,184	$ 2,485
B	128,703	6,308	115,187	5,412
C	12,925	4,458	15,983	5,857
D	8,079	6,007	10,974	8,227
E	1,488	1,500	2,118	2,110
Subtotal	580,766	20,799	524,446	24,091
Loans exempt from classification	16,513	-	16,814	-
Additional	-	4,329	-	2,904
Allowance as of December 31	$ 597,279	$ 25,128	$ 541,260	$ 26,995

The total loan portfolio balance used for classification purposes includes amounts related to the irrevocable lines of credit granted, letters of credit and guarantees given, which are recorded in memorandum accounts.

The allowance for loan losses at December 31, 2010 and 2009 is determined based on the portfolio balance at those dates and includes 100% of past-due interest.

The amount for the allowance for loan losses includes the classification of the credits granted in foreign currency, valued at the exchange rate of December 31, 2010.

Based on agreements between the Commission and credit institutions, the distressed commercial portfolio has been defined as that which has a D and E risk classification. Based on such definition, the distressed commercial portfolio is $1,025 and $839 as of December 31, 2010 and 2009, respectively.

As discussed in Note 4, the Financial Group received authorization from the Commission to apply an internal credit card rating model. Accordingly, it recognized an allowance for loan losses with a charge to the results of prior years for the amount of $1,323. Furthermore, during December 2010, the Financial Group requested authorization from the Commission to use new classification parameters for revolving consumer credit portfolio, in order to apply them in the calculation of expected loss and of the capital requirement due to its exposure to credit risk.

At December 31, 2010 and 2009, the allowance for loan losses represented 174.22% y 136.04%, respectively, of the non-performing loan portfolio.

Changes in the allowance for loan losses - Below is an analysis of the allowance for loan losses:

	2010	2009
Balance at beginning of year	$ 26,995	$ 25,569
Provision charged to income statement	19,621	27,251
Allowances charged to the result of prior years	-	1,323
Application of reserve for FOVI-type mortgage portfolio	(645)	(379)
Applications and write-offs for the period	-	(176)
Sale of portfolio	(20,961)	(27,105)
Exchange effect	118	512
Balance at end of year	$ 25,128	$ 26,995

14. Securitization operations

Mortgage portfolio securitizations -

The Financial Group has issued securitization certificates (CB), which have generally been formalized through the following contracts:

- *Assignment Contract -*

  This contract is entered into by and between BBVA Bancomer, S.A. ("Transferor"), Banco Invex, S.A. ("Transferee") and Monex Casa de Bolsa, S.A. de C.V. ("Common Representative") for the purpose of assigning, on the part of the Transferor, current portfolio, to the Irrevocable Fiduciary Certificate Issuance Trust ("the Stock Market Certificates"), free of all encumbrance and without reservation or limitation of title, together with all related benefits, proceeds and accessories applicable. The Transferor is liable only for the declarations included in such contract, for which reason non-compliance with any of the declarations will only mean that the "Transferor" replacing one or more of the ineligible credits or reimbursing in cash the proportional part of the consideration; consequently, the Transferor does not assume any obligation regarding the mortgage loans. Furthermore, the consideration was fixed as the right to receive the total amount obtained in the placement of the SMCs, less the respective issuance costs.

- *Irrevocable Fiduciary Stock Market Certificate Issuance Trust Contract*

  This contract is entered into by and between BBVA Bancomer, S.A. (Trustor and last beneficiary), Banco Invex, S.A. ("Trustee"), and Monex Casa de Bolsa, S.A. de C.V. ("Common Representative"), which stipulates that the objective of the Trust is the acquisition of mortgage loans, free of all encumbrance and without any reservation or limitation of title, in terms of the Assignment Contract, the issuance of SMCs, which will have such mortgage loans as a source of payment and the placement of the SMCs among small investors; while the Trustee will have all those powers and obligations considered necessary to achieve such purpose.

  The same contract established the initial appraisal that the certificate would have in relation to the total amount of the portfolio assigned, which amount is recorded for accounting purposes under "Benefits receivable from securitized transactions".

- *Portfolio Management and Collection Contract*

  This contract is entered into by and between BBVA Bancomer, S.A. ("Administrator"), Banco Invex, S.A. ("Trustee") and Monex Casa de Bolsa, S.A. de C.V. ("Common Representative"). Under this contract, the Trustee contracted the Administrator to carry out the management and collection solely and exclusively in relation to the mortgage loan and any "repossessed assets" that were transferred in the assignment contract. Accordingly, to enable the Administrator to fulfill its obligations, the Trustee will pay a management commission to the Administrator equivalent to the amount resulting from multiplying the unpaid balance of the principal of the mortgage loans by the percentage stipulated and divided by 12.

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The specific characteristics of each issue are detailed below:

Item	Trust 711	752	781	847	881
Execution date of trust contract	19-Dec-07	13-Mar-08	05-Aug-08	08-Dec-08	03-Aug-09
Number of credits assigned	2,943	1,587	9,071	18,766	15,101
Amount of portfolio	$ 2,644	$ 1,155	$ 5,696	$ 5,823	$ 6,545
SMC issued	25,404,498	11,143,185	11,955,854	55,090,141	59,101,116
Face value per SMC	$ 100.00	$ 100.00	$ 100 UDIS	$ 100.00	$ 100.00
Amount of issue of SMC	$ 2,540	$ 1,114	$ 4,830	$ 5,509	$ 5,910
Series A1			$ 2,415		$ 562
Series A2			$ 2,415		$ 1,732
Series A3					$ 3,616
Gross annual interest rate	9.05%	8.85%		9.91%	
Series A1			4.61%		6.14%
Series A2			5.53%		8.04%
Series A3					10.48%
Effective duration of the SMC (years)	20.5	20.42	24.84	22	20.08
Value of certification	$ 103	$ 40	$ 866	$ 314	$ 635
Initial appraisal %	3.9%	3.5%	15.2%	5.4%	9.7%
Total cash flow received for the assignment	$ 2,507	$ 1,091	$ 4,751	$ 5,475	$ 5,733

The third issue, which refers to Trust 781, was made in UDIs, and the exchange rate of the UDI used at the issue date is $4.039765.

Private certificate securitization -

The Financial Group issued fiduciary certificates during 2009, which were generally formalized through the following contracts:

- *Assignment Contract*

  This contract was executed between BBVA Bancomer, S.A. (Assignor), Bank of America, S.A. (Assignee) and Monex Casa de Bolsa, S.A. de C. V. (Joint Representative) to enable the Assignor to assign the Rights to the Irrevocable Issuance Trust (Fiduciary Certificates), free from all liens and encumbrances and any reserves or limitations of ownership, together with the respective benefits, proceeds and accessories. As the Assignor is only liable for the terms included in this contract, any noncompliance thereof will only mean that the Assignor must reimburse the applicable proportion of the payment amount in cash. The Assignor does not assume any liability whatsoever for the Rights. Likewise, the total amount obtained from the placement of the Fiduciary Certificates, less the respective issuance costs in the amount of $4 to create an expense reserve and $786 to create an interest reserve, was agreed as payment.

- *Irrevocable Issuance Trust Contract*

  This contract was executed between BBVA Bancomer S.A. (Trustor and final Beneficiary), Bank of America, S.A. (Trustee) and Monex Casa de Bolsa, S.A. de C. V. (Joint Representative). It establishes that the Trust was created to acquire the Rights, free from all liens and encumbrances and any reserves or limitations of ownership under the terms of the Assignment Contract executed for the Securities Issuance, whereby these Rights constitute the source of payment following the placement of the securities among investors. Accordingly, the Trustee will have all the powers and obligations needed to attain this objective.

The specific characteristics of the securitization certificates are as follows:

Description	Trust 419
Trust contract execution date	30-Dic-09
Number of certificates assigned	5
Proportion of certificates assigned	
Certificate F-711	73.20%
Certificate F-752	74.23%
Certificate F-781	88.28%
Certificate F-847	64.27%
Certificate F-881	87.47%
Amount of certificates assigned	$ 1,612
Share certificates	2
Par value by security	
Security in Mexican pesos	$ 791
Security in UDIS	$ 821
Annual gross interest rate	
Security in Mexican pesos	11.67%
Security in UDIS	7.92%
Duration of securities (years)	23.84
Total flow received through assignment	$ 812

Regarding the private placement of the Fiduciary Certificates, under the contract, the latter were assigned for the amount of $1,612. The Financial Group received a cash payment of $812 and recognized $786 of this amount in the sundry debtors account, $9 in the account receivable benefits from securitization transactions, and $5 under the heading of "Other accounts receivable", which is therefore related to the annual expense provision.

On December 17, 2010, a contract of termination and payment of Trust number 419 was signed with Bank of América Mexico, S.A. (fiduciary institution) and Monex Casa de Bolsa, S.A. de C.V. Monex Grupo Financiero (common representative), regarding the assignment of rights of the records acquired by the Financial Group through Trusts 711, 752, 781, 847 and 881. In accordance with their own best interests, the interested parties wish to terminate the Trust Contract and Assignment Contract and other related documents, and make reciprocal concessions in order to avoid any future controversy.

Consequently, the portion of the records originally assigned will return to the Financial Group's balance sheet under the heading of "Receivable benefits from securitization transactions".

15. Receivables, sundry debtors and prepayments, net

The balance of other accounts receivable at December 31, 2010 and 2009 consists of the following:

Item	2010	2009
Debtors from transaction settlement	$ 14,218	$ 9,609
Loans to officers and employees	7,357	6,931
Sundry debtors	3,615	2,604
Other	1,036	1,155
	26,226	20,299
Less – Allowance for uncollectible accounts	(409)	(466)
	$ 25,817	$ 19,833

The debtors for settlement of transactions as of December 31, 2010 and 2009 are composed as follows:

Item	2010	2009
Foreign currencies	$ 10,713	$ 5,611
Investments in securities	3,333	3,876
Derivatives	172	122
	$ 14,218	$ 9,609

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16. Repossessed assets, net

Repossessed assets at December 31, 2010 and 2009 were as follows:

Item	2010	2009
Buildings	$ 2,881	$ 2,514
Land	687	332
Securities	14	14
Other	3	10
	3,585	2,870
Less - Allowance for impairment of repossessed assets	(634)	(600)
	$ 2,951	$ 2,270

17. Property, furniture and equipment, net

Property, furniture and equipment at December 31, 2010 and 2009 were as follows:

Item	2010	2009
Furniture and equipment	$ 9,562	$ 10,189
Office space	10,109	9,979
Installation costs	5,147	4,581
	24,818	24,749
Less- Accumulated depreciation and amortization	(9,988)	(9,120)
	14,830	15,629
Land	1,935	1,935
Construction in progress	954	275
	$ 17,719	$ 17,839

As part of the strategic real estate plan, the Financial Group is currently building its corporate headquarter at an estimated cost of US $903 million, with an estimated termination date of 2013.

18. Equity investments

Investments in unconsolidated subsidiaries and affiliates that were valued using the equity method were as follows:

Item	Ownership Percentage	2010	2009
Seguros BBVA Bancomer, S. A. de C. V.	75.01%	$ 4,327	$ 3,255
Pensiones BBVA Bancomer, S. A. de C. V.	99.99%	2,591	1,961
Siefores	Varios	1,695	1,444
I+D México, S. A. de C.V.	50.00%	427	346
Servicio Panamericano de Protección, S. A. de C. V.	12.31%	–	166
Investment funds	Varios	141	122
Servicios Electrónicos Globales, S. A. de C. V.	46.14%	83	79
Compañía Mexicana de Procesamiento S. A. de C. V.	50.00%	78	69
Other	Varios	360	289
Total		$ 9,702	$ 7,731

The investment in shares of associated companies at December 31, 2010 and 2009 was determined in some cases based on unaudited financial information, which is adjusted, if any differences arise, once the audited information becomes available.

On November 17, 2010, the Financial Group entered into a contract of purchase and sale, in which it sold the total amount of its shareholding in Servicios Panamericano de Protección, S.A. de C.V., and recognized a loss of $61 under the heading of "Other expenses".

19. Deferred taxes

The Financial Group has recognized a net deferred income tax asset resulting from temporary differences between the book and tax bases of assets and liabilities and tax loss carryforwards at December 31, 2010 and 2009, of $8,542 and $6,759 respectively, as follows:

Item	2010 Temporary Difference	2010 Deferred Income Taxes	2009 Temporary Difference	2009 Deferred Income Taxes
Temporary differences - assets:				
Allowance for loan losses (undeducted)	$ 23,483	$ 7,045	$ 21,152	$ 6,346
Pension allowance	1,203	361	2,546	764
Repossessed assets	814	243	1,121	336
Other assets	10,859	3,211	7,441	2,208
Allowance for debtors and creditors	151	45	88	26
Fair value adjustment of investments	170	51	–	–
Advance premium on swap	1,297	389	1,297	389
Total assets	37,977	11,345	33,645	10,069
Temporary differences - liabilities:				
Fixed assets	–	–	290	87
Fair value valuation of investments	8,117	2,435	8,160	2,441
Advance premium on swap	984	295	2,309	693
Other liabilities	265	73	323	89
Total liabilities	9,366	2,803	11,082	3,310
Net deferred asset	$ 28,611	$ 8,542	$ 22,563	$ 6,759

Based on management's projections, the deferred tax balance derived from the allowance for loan losses will be recovered in the medium-term.

20. Other assets

Other assets at December 31, 2010 and 2009, were as follows:

Item	2010	2009
Deferred charges, prepaid expenses and intangibles	$ 1,640	$ 3,722
Goodwill	7,972	7,972
	9,612	11,694
Other short-term and log-term assets	–	108
	$ 9,612	$ 11,802

At December 31, 2010 and 2009, goodwill was as follows:

Item	2010	2009
Banca Promex, S. A.	$ 2,728	$ 2,728
Hipotecaria Nacional, S. A. de C. V. (SOFOMER)	2,703	2,703
Administradora de Fondos para el Retiro Bancomer, S. A. de C. V.	1,765	1,765
Seguros BBVA Bancomer, S. A. de C. V.	633	633
Pensiones BBVA Bancomer, S. A. de C. V.	143	143
	$ 7,972	$ 7,972

21. Deposits

Liquidity coefficient - The provisions of the Treatment for Admission of Liabilities and Investment for Foreign Currency Transactions issued by Banco de México for credit institutions establishes the mechanism for determining the liquidity coefficient of liabilities denominated in foreign currency.

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Based on the above procedure, in 2010 and 2009 the Financial Group was subject to liquidity requirements of U.S $102 million and U.S.$868 million, respectively, and maintained investments in liquid assets of U.S.$758 million and U.S.$1,390 million, reflecting liquidity excesses of U.S.$656 million and U.S.$522, million, respectively.

Traditional deposits - The liabilities derived from traditional deposits are composed as follows:

	2010	2009
Demand deposits:		
Demand deposits	$ 402,492	$ 354,993
Saving deposits	73	73
Time deposits:		
Notes with interest payable at maturity	131,166	168,564
Time deposits	38,850	19,686
Bank bonds	44,619	45,024
Total	$ 617,200	$ 588,340

22. Interbank loans and loans from other entities

At December 31, 2010 and 2009, interbank loans and loans from other entities were as follows:

Item	Mexican pesos 2010	Mexican pesos 2009	U.S. dollars in Mexican pesos 2010	U.S. dollars in Mexican pesos 2009	Total 2010	Total 2009
Bank loans	$ 47,136	$ 1,642	$ 4,635	$ 3,570	$ 51,771	$ 5,212
Loans from other entities	7,496	7,572	1,158	1,226	8,654	8,798
Total	$ 54,632	$ 9,214	$ 5,793	$ 4,796	$ 60,425	$ 14,010

Interbank loans and loans from other entities in foreign currency were contracted by the Financial Group with terms ranging from 3 days to 10 years and annual rates ranging between 3.00% and 6.00%. Such loans are contracted with nine foreign financial institutions.

The Financial Group has available liquidity with the Bank of Mexico for up to the amount of the monetary regulatory deposit, which has a balance of $64,911 (with out interest) in 2010 and 2009. The amount of this credit line used in 2010 and 2009 is $202 and $3,333, respectively; the available amount at this date is $64,709 and $61,578, respectively.

23. Labor liabilities

The Financial Group has labor obligations that, in the case of BBVA Bancomer, BBVA Bancomer Operadora, S.A. de C.V. and BBVA Bancomer Servicios Administrativos, S.A. de C.V., derive from the retirement plan which will cover a pension and seniority premium as of the retirement date, and employee retirement obligations related to comprehensive medical services paid to the retiree and his economic dependents, payment of life insurance and severance payments at the end of the labor relationship.

In the case of BBVA Bancomer Gestión, Sociedad Operadora de Sociedades de Inversión, the liability is derived from the retirement benefit plans that will pay a pension at the retirement date and the seniority premium when the employee leaves the company. In the case of Servicios Corporativos Bancomer, S. A. de C. V. and Adquira México, S. A. de C. V., the liability is derived from the seniority premium when leaving the company and severance payments. In the case of Casa de Bolsa BBVA Bancomer, S. A. de C. V. and Servicios Externos de Apoyo Empresarial, S. A. de C. V., the liability is derived from the seniority premium when leaving the company and postretirement obligations for the payment of comprehensive medical services to retired persons and their economic dependents. In the case of Contratación de Personal, S. A. de C. V. and Unidad de Avalúos México, S. A. de C. V., the obligations are for seniority premiums.

The amount of such labor liabilities is determined based on the calculations performed by independent actuaries using the projected unit credit method and in conformity with the methodology established in NIF D-3.

With the exception of Contratación de Personal, S.A. de C.V., Servicios Corporativos Bancomer, S. A. de C. V., Unidad de Avalúos México, S.A. de C.V. and Adquira México, S.A. de C.V., the aforementioned entities manage plan assets through irrevocable trusts.

During 2008, 5,877 employees who were members of the defined benefit plan decided to enroll in the defined contribution plan as a result of the improved conditions of the latter. This represented a transfer between funds and the respective labor liability of $194 and $230 to 2010 and 2009, respectively. The defined benefit plan will remain effective until its natural termination and is closed to new participants.

As a result of workforce adjustments and the transfer of members to the defined contribution plan, a reduction and advanced liability discharge effect was determined, resulting in a credit of $96 to 2009 results.

As a result of recognizing actuarial results, in 2010 and 2009 the Financial Group recorded a net charge of $874 y $2,394, respectively, and recognized the effect under "Other expenses".

Pension plan and seniority premiums

At December 31, 2010 and 2009, the obligations for defined benefits were as composed follows:

Item	2010	2009
Opening balance	$ 7,161	$ 6,619
Service cost	105	95
Financial cost	595	640
Actuarial losses and gains generated during the period	676	629
Benefits paid	(591)	(571)
Reductions	(1)	(21)
Opening balance amortization	(194)	(230)
Obligations for defined benefits	$ 7,751	$ 7,161
Amount of obligations for benefit acquired	$ 4,841	$ 4,625

At December 31, 2010 and 2009, plan assets were as follows:

Item	2010	2009
Opening balance	$ 6,747	$ 6,818
Expected returns on plan assets	582	606
Actuarial losses and gains generated in the period	1,100	63
Contributions made by the entity	623	61
Benefits paid	(590)	(571)
Transfer between plans	(328)	-
Early settlements	(194)	(230)
Plan assets	$ 7,940	$ 6,747

At December 31, 2010 and 2009, the net projected (asset) liability related to the personnel of the Financial Group is as follows:

Item	2010	2009
Defined benefit obligations	$ 7,751	$ 7,161
Plan assets	(7,940)	(6,747)
Net projected (asset) liability related to personnel pensions	(189)	414
Unrecognized actuarial and gains	(1)	(1)
	$ (190)	$ 413

The amortization period for unamortized items is 5 years.

For the years ended December 31, 2010 and 2009, the net (benefit) cost of the period was as follows:

Item	2010	2009
Labor cost of services for the year	$ 105	$ 95
Financial cost	595	640
Return on the fund assets	(582)	(606)
Immediate recognition of actuarial (income) losses of the year	(424)	565
Reduction	(1)	(21)
Net (benefit) cost of the period	$ (307)	$ 673

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The nominal interest rates utilized in the actuarial calculations were:

Item	2010	2009
Actual return on plan assets	8.25%	9.00%
Interest rate	8.75%	9.25%
Salary increase rate	4.75%	4.75%
Rate of increase in medical services	6.75%	6.75%

Integral medical services –

As of December 31, 2010 and 2009, the obligations for defined benefits were composed as follows:

Item	2010	2009
Opening balance	$ 9,673	$ 6,921
Service cost	315	218
Financial cost	902	694
Actuarial gains and losses generated during the period	2,139	2,262
Reductions	–	(75)
Benefits paid	(334)	(347)
Obligations for defined benefits	$ 12,695	$ 9,673
Amount of the benefit obligation acquired	$ 5,534	$ 4,448

As of December 31, 2010 and 2009, plan assets were composed as follows:

Item	2010	2009
Opening balance	$ 6,485	$ 5,801
Expected returns on plan assets	760	530
Actuarial gains and losses generated during the period	852	323
Contributions made by the entity	1,135	178
Benefits paid	(334)	(347)
Transfer between plans	1,378	–
Plan assets	$ 10,276	$ 6,485

As of December 31, 2010 and 2009, the net projected liability is as follows:

	2010	2009
Defined benefit obligation	$ 12,695	$ 9,673
Plan assets	(10,276)	(6,485)
Unfunded liability	2,419	3,188
Unrecognized actuarial losses and (gains)	(1)	(1)
Transition liability	(2)	(3)
	$ 2,416	$ 3,184

At December 31, 2010 and 2009, the net cost of the period was composed as follows:

	2010	2009
Labor cost of service	$ 315	$ 218
Financial cost	902	694
Return on the fund assets	(760)	(530)
Immediate recognition of actuarial losses of the year	1,287	1,939
Application of transition liability	1	1
Effects of reduction and discharge	–	(75)
Net cost of the period	$ 1,745	$ 2,247

Below we present the effect of the 1% rate increase or decrease in the variation trend assumed for medical costs.

Item	2010	
	+1%	-1%
Increase (decrease) in net cost of the period	345	(265)
Increase (decrease) in defined benefit obligations	2,565	(2,003)

Life insurance -

At December 31, 2010 and 2009, the obligations for defined benefits were composed as follows:

Item	2010	2009
Opening balance	$ 872	$ 820
Labor cost of service	6	7
Financial cost	79	82
Actuarial gains and losses generated during the period	99	(27)
Benefits paid	(6)	(8)
Reductions	–	(2)
Obligations for defined benefits	$ 1,050	$ 872
Amount of the benefit obligation acquired	$ 861	$ 747

As of December 31, 2010 and 2009, plan assets are composed as follows

Item	2010	2009
Opening balance	$ 1,786	$ 1,564
Expected returns on plan assets	124	145
Actuarial gains and losses generated during the period	88	82
Entity contributions	127	3
Transfer between plans	(1,050)	–
Benefits paid	(6)	(8)
Plan assets	$ 1,069	$ 1,786

As of December 31, 2010 and 2009, the obligations for defined benefits are composed as follows:

	2010	2009
Defined benefit obligations	$ 1,050	$ 872
Plan assets	(1,069)	(1,786)
Advance payment	$ (19)	$ (914)

As of December 31, 2010 and 2009, net benefit of the period was composed as follows:

Item	2010	2009
Labor cost of service	$ 6	$ 7
Financial cost	79	82
Return on the fund assets	(124)	(145)
Immediate recognition of actuarial losses (gains) of the year	11	(108)
Effects of reduction and extinction	–	(2)
Net benefit of the period	$ (28)	$ (166)

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Severance Indemnities -

As of December 31, 2010 and 2009, the obligations for defined benefits were composed as follows:

Item	2010	2009
Opening balance	$ –	$ –
Labor cost of the service	1	–
Financial cost	3	–
Benefits paid	(2)	–
Amortization of past services and changes to the plan	35	–
Obligations for defined benefits	$ 37	$ –
Amount of the benefit obligation acquired	$ 16	$ –

As of December 31, 2010 and 2009, the obligations for defined benefits were composed as follows:

Item	2010	2009
Projected net liability for the plan entitled Sports for retirees	$ 37	$ –

As of December 31, 2010 and 2009, net cost of the period is composed as follows:

Item	2010	2009
Labor cost of the service	$ 1	$ –
Financial cost	3	–
Amortization of past services and changes to the plan	35	–
Net cost of the period	$ 39	$ –

Severance payments

As of December 31, 2010 and 2009, the obligations for defined benefit were composed as follows:

Item	2010	2009
Opening balance	$ 364	$ 289
Labor cost of service	24	24
Financial cost	30	33
Actuarial gains and losses generated in the period	44	86
Benefits paid	(77)	(76)
Amortization of past services and changes to the plan	–	20
Reductions	(1)	(12)
Obligations for defined benefits	$ 384	$ 364
Amount of the benefit obligation acquired	$ 368	$ 316

As of December 31, 2010 and 2009, the net projected liability was composed as follows:

Item	2010	2009
Net projected liability related to personnel severance payments	$ 384	$ 364
Unamortized items:		
Transition liability	(1)	(2)
	$ 383	$ 362

The amortization period for unamortized items is five years.

As of December 31, 2010 and 2009, net cost of the period is composed as follows:

Item	2010	2009
Labor cost of service	$ 24	$ 24
Financial cost	30	33
Immediate recognition of actuarial losses of the year	44	86
Amortization of transition liability	1	2
Effects of reduction and elimination	–	(1)
Net cost of the period	$ 99	$ 144

As of the year 2010, the plan entitled sports for retirees is established, due to the right of employees to continue receiving the sports service once they retire. Under this scheme the Financial Group pays part of the dues and the employee the other part.

As of December 31, 2010, the severance indemnity plan did not have assets to fund the obligations for defined benefits.

As of December 31, 2010, the assets from the different plans were invested in government securities. Also, the expected return on plan assets as of December 31, 2010 was estimated at a profit of $1,467 but the actual return at the same date was a profit of $2,676.

24. Subordinated debt

Item	2010	2009
Subordinated debentures –		
Bancomer 06 debentures at the TIIE rate (Balanced Interbank Interest Rate) + 0.30, interest payable every 28 days with maturity on September 18, 2014.	$ 2,500	$ 2,500
Subordinated debentures Bancomer 08 at TIIE + 0.60, interest payable every 28 days with maturity on July 16, 2018.	1,200	1,200
Subordinated debentures Bancomer 08-2 at TIIE + 0.65, interest payable every 28 days with maturity on September 24, 2018.	3,000	3,000
Subordinated debentures Bancomer 08-3 at TIIE + 1.00, interest payable every 28 days with maturity on November 26, 2020.	2,859	2,859
Bancomer 09 debentures at the TIIE rate + 1.30, interest payable every 28 days with maturity on June 7, 2019.	2,729	2,729
Capitalization notes for US$500 million, issued in July 2005, at an annual interest rate of 5.3795% up to July 22, 2010, payable semiannually, and at LIBOR + 1.95 as of July 23, 2010, payable quarterly, maturing on July 22, 2015.	–	6,533
Non-preferred capitalization notes for US $500 million, issued in May 2007 at an interest rate of 6.0080 issued May 17, 2017, payable semiannually and LIBOR + 1.81 as of May 18, 2007, payable quarterly, and maturing on May 17, 2022.	6,175	6,533
Preferential subordinated notes for €600 million, issued in May 2007, at an interest rate of 4.7990 up to May 17, 2012, payable annually and EURIBOR + 1.45 as of May 18, 2012, payable quarterly, and maturing on May 17, 2017 con fecha de vencimiento el 17 de mayo de 2017.	9,938	11,247
Non-preferred capitalization notes for USD 1,000 million, issued in April 2010, at an interest rate of 7.25 payable semiannually, beginning as of October 22, 2010, and maturing on April 22, 2020.	12,350	–
Unpaid accrued interest	536	574
Total	$ 41,287	$ 37,175

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The debt issuance costs related to these issues are amortized using the straight-line method over the term of the debt.

On July 22, 2010, the Financial Group exercised the option for early redemption of the non-preferred capitalization notes, which were issued in July 2005 with a 10-year maturity, for the amount of US $500 million.

25. Related parties

Balances and transactions with non-consolidated subsidiaries and affiliated companies were not significant and were the result of normal activities

26. Income taxes

The Financial Group was subject to ISR and IETU.

ISR - The ISR rate is 30% for 2010 through 2012 and was 28% in 2009; it will be 29% for 2013 and 28% for 2014.

IETU - Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. The Business Flat Tax Law (LIETU) establishes that the tax will be incurred at the rate of 17.5% for 2010 and 17% for 2009. Also, with the enactment of this Law the Asset Tax Law was eliminated, but taxpayers may request the refund or crediting of asset tax paid in the last 10 years, with a limit of up to 10% a year of the balance at the close of the year 2007, subject to certain rules.

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections and according to INIF 8, *Effects of the Business Flat Tax*, the Financial Group determined that it will basically pay ISR. Therefore, it only recognizes deferred ISR.

Taxable income - The principal items that contributed to the determination of the Financial Group's tax result were deduction of allowances for loan losses without exceeding 2.5% of the annual average of the loan portfolio, and the valuation of financial instruments.

The reconciliation of the statutory ISR rate and the effective rate, expressed as a percentage of income before income taxes, which is the tax incurred by the Financial Group, is as follows:

	2010	2009
Statutory rate	30%	28%
Add (deduct) -		
Effect of allowance for loan losses	–	(7.42%)
Effect of nondeductible items	0.89%	3.04%
Annual adjustment of inflation	(3.07%)	–
Other effects	(2.49%)	1.50%
Effective rate	25.33%	25.12%

Recoverable IMPAC – As of December 31, 2010, the Financial Group has recoverable IMPAC of $1,483.

Employee statutory profit-sharing – The Financial Group determines the employee profit-sharing based on the guidelines established in Mexico's Constitution.

27. Stockholders' equity

Capital stock - The capital stock of the Financial Group at December 31, 2010 and 2009, was as follows:

	Number of shares at Par Value of $0.11 per share					
	2010			2009		
	Authorized	Unsubscribed	Paid-in	Authorized	Unsubscribed	Paid-in
Series "B"	4,605,999,999	(60,462,657)	4,545,537,342	4,605,999,999	(60,462,657)	4,545,537,342
Series "F"	4,794,000,001	(62,930,521)	4,731,069,480	4,794,000,001	(62,930,521)	4,731,069,480
Total	9,400,000,000	(123,393,178)	9,276,606,822	9,400,000,000	(123,393,178)	9,276,606,822

	Capital Stock					
	2010			2009		
	Authorized	Unsubscribed	Paid-in	Authorized	Unsubscribed	Paid-in
Series "B"	$ 507	$ (7)	$ 500	$ 507	$ (7)	$ 500
Series "F"	527	(7)	520	527	(7)	520
Subtotal	$ 1,034	$ (14)	1,020	$ 1,034	$ (14)	1,020
Restatement to Mexican pesos of December 31, 2007			15,191			15,191
Capitalization of restatement			2,725			2,725
Capital reduction and increase 2009, net			(9,137)			(9,137)
Total			$ 9,799			$ 9,799

At the Stockholders' Ordinary General Meeting of July 2, 2010, among other matters, the Financial Group declared dividends of $16,209 (nominal value) payable from the prior year results account at a rate of $1.7472983722 Mexican pesos per share, which were paid in cash to the stockholders on July 6, 2010.

A Stockholders' Special Meeting held on May 7, 2009 approved a reduction in Series F common stock shares for $520, represented by 4,731,069,480 ordinary, nominative shares at par value of $0.11 each share, of which 4,171,045,737 shares are Class I and 560,023,743 shares are Class II, through the cash reimbursement to shareholder "BBVA International Investment Corporation", the holder of all the shares of that Series.

Also, such meeting approved the increase in the Financial Group's common stock for $520 (considering a share issuance premium of $62,788), of which $459 is represented by 4,171,045,737 ordinary, nominative Series F, Class I shares at par value of $0.11 each share which refer to minimum fixed capital without right of withdrawal and $61 represented by 560,023,743 ordinary, nominative Series F, Class II shares at par value of $0.11 each share, which refer to variable capital and that the holder of such shares will be Banco Bilbao Vizcaya Argentaria, S.A.

The authorization obtained to perform such restructuring is documented in Official Notice UBVA/088A-2009, dated July 22, 2009, issued by the Commission.

Restrictions on income - Stockholders' equity, except for restated amounts of paid-in capital and tax retained earnings, will incur ISR on dividends payable by the Financial Group at the current rate, at the time of distribution. The tax paid on such distribution can be credited against ISR of the year and the respective provisional payments during the year in which tax is paid on dividends and the next two years.

The annual net income of the Financial Group is subject to the legal requirement that 5% thereof be transferred to a legal reserve each year until the reserve equals 20% of outstanding capital stock. This reserve may not be distributed to stockholders during the existence of the Financial Group, except in the form of a stock dividend.

Capitalization index - Current regulations establish requirements for specific net capital levels, as a percentage of risk assets, for both market and credit purposes. However, in order to determine net capital, deferred taxes represent a maximum of 10% of Basic capital.

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Based on the standard method, the transactions are classified in eight different groups depending on the counterparty, and must be weighted based on the degree of risk applicable to the respective credit classification assigned by one of the Ratings Agencies.

Furthermore, under this method a higher weighting factor is assigned to the overdue portfolio (125%) and the mortgage credits will now have a factor of between 50% and 100%, depending on the level of down payment and the related guarantees provided.

Through a notice dated August 31, 2009, the Financial Group notified the application of the advanced internal credit card classification method to determine the credit risk capital requirement, as determined by applying a capital requirement weighting factor to the exposure to default, which is based on the Default Probability associated with each of its debtor classification levels expressed as a percentage; the Severity of the Loss in the event of default, expressed as a percentage of the exposure to default and the Effective Duration or Maturity, expressed in years.

Capitalization for operating risk

To calculate the capital requirement for exposure to operating risk, the Financial Group must use:

- Basic indicator method, which must cover minimum capital equivalent to 15% of the average of the last 36 months of the financial or intermediation margin.

- Standard, alternative standard or other methods determined by the Commission

The basic method capital requirement should be built up within three years and must be within the ranges of between 5 and 15% of the average sum of credit and market risk requirements over the last 36 months.

On April 9, 2010, the Mexican Treasury Department (SHCP) published modifications to the "Rules for capitalization requirements of full-service banks, national credit institutions, development banks". The main changes are as follows:

Capitalization due to market risk

The Bank may make the calculation of Caps and Floors options, defined as a series of purchase or sale options based on the same underlying interest rate, with the same notional amount, with consecutive maturities and equivalent terms between one and the next, in the same purchase or sale direction, and with the same counterparty, as a cash flow exchange transaction ("swap"), in which a variable interest rate is received and a fixed interest rate is delivered, or vice versa, according to the Caps or Floors options packages in question, in accordance with section VI of this article, as well as subsections a) and b) of section I of article 2 Bis 102 of these provisions, by considering the respective maturity of the options based on the maturity date of each swap flow.

The capitalization index of the credit institution as of December 31, 2010 was 15.10% of the total risk (market, credit and operational) and 25.47% of credit risk, which are 7.10 and 17.47 points above the required minimums.

The net capital, divided into basic capital and complementary capital, is detailed as follows (the amounts shown in this note may differ in presentation from the basic financial statements):

- *Basic capital:*

Item	Amount
Stockholders' equity	$ 108,582
Capital notes	14,816
Related subordinated debt instruments	(928)
Deductions of investments in shares of financial entities	(6,124)
Deductions of investments in shares of non-financial entities	(2,091)
Organization expenses, other intangible assets	(666)
Total	$ 113,589

The main characteristics of debt and capital notes were as follows:

Item	Appraised Amount	Maturity Date	Calculation	Weighted Average Amount
Non-convertible-				
Considered in basic capital:				
Eligible capital notes	$ 6,175	22/07/2015	100%	$ 6,175
Eligible capital notes	12,350	17/05/2022	100%	12,350
	$ 18,525			$ 18,525

- *Complementary capital:*

Item	Amount
Subordinated debt and capital notes	$ 25,435
Allowance for loan losses	3,145
Related subordinated debt instruments, related to securitizations	(928)
Total	$ 27,652
Net capital	$ 141,241

The main characteristics of debt and capital notes were as follows:

Item	Appraised Amount	Maturity Date	Calculation	Weighted Average Amount
Non-convertible debt considered as complementary capital:				
BANCOMER-06	$ 2,500	18/09/2014	80%	$ 2,000
BANCOMER-08	1,200	16/07/2018	100%	1,200
BANCOMER-08-2	3,000	24/09/2018	100%	3,000
BANCOMER-08-3	2,859	26/11/2020	100%	2,859
BANCOMER-09	2,729	07/06/2019	100%	2,729
Eligible capital notes	9,938	17/05/2017	100%	9,938
	$ 22,226			$ 21,726

Assets at risk are as follows:

- *Assets subject to market risk:*

Item	Risk-Weighted Positions	Capital Requirements
Transactions in Mexican pesos with a nominal rate	$ 181,367	$ 14,509
Transactions in Mexican pesos with real rate or rate denominated in UDIs	8,639	691
Rate of return based on the General Minimum Wage	13,033	1,043
Interest rate transactions in foreign currency with a nominal rate	7,828	626
Positions in UDIs and Mexican pesos with yield linked to NCPI	39,379	3,150
Positions in currencies with yield indexed to exchange rates	8,282	663
Positions in shares or with yield indexed to the price of a share, group of shares	275	22
Transactions based on the General Minimum Wage	73	6
Surtax	14,012	1,121
Total market risk	$ 272,888	$ 21,831

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- *Assets subject to credit risk:*

Item	Risk-Weighted Assets	Capital Requirements
Weighted at 10%	$ 898	$ 72
Weighted at 11.5%	881	70
Weighted at 20%	28,436	2,275
Weighted at 23%	5,142	411
Weighted at 50%	1,108	89
Weighted at 100%	416,295	33,304
Weighted at 115%	9,615	769
Weighted at 125%	10,844	868
Internal methodology TDC	81,337	6,507
Total credit risk	$ 554,556	$ 44,365
Total operational risk	$ 107,908	$ 8,633

28. Position in foreign currency

At December 31, 2010 and 2009, the exchange rate determined by Banco de México and used by the Financial Group to value its assets and liabilities in foreign currency (translated into U.S. dollars) was $12.3496 and $13.0659 per U.S. dollar, respectively. The position in foreign currency was as follows:

	Millions of U.S. Dollars	
	2010	2009
Assets	41,959	39,308
Liabilities	(42,066)	(39,383)
Net liability position in U.S. dollars	(107)	(75)
Net liability position in Mexican pesos (nominal value)	$ (1,327)	$ (980)

At February 21, 2011, the unaudited net asset position was similar to that at yearend, and the exchange rate at such date was $12.04 per U.S. dollar.

The Financial Group performs transactions in foreign currency, primarily in US dollars, Euros and Japanese yen. The Financial Group does not disclose its position in currencies other than the US dollar, as it is largely immaterial. The parity of other currencies with the Mexican peso is referenced to the US dollar and is in compliance with bank of Mexico regulations. Consequently, the Financial Group's position in all foreign currencies is consolidated in US dollars at each monthly close.

The foreign currency position of the other subsidiaries is immaterial.

29. UDI position

At December 31, 2010 and 2009, the Financial Group had UDI-denominated assets and liabilities translated into Mexican pesos, considering the prevailing conversion rate of $4.526308 and $4.340166 per UDI, respectively, as follows:

	Millions of UDIs	
	2010	2009
Assets	15,143	19,184
Liabilities	(10,654)	(17,085)
Net asset position in UDIs	4,489	2,099
Net asset position in Mexican pesos (nominal value)	$ 20,321	$ 9,112

At February 21, 2011, the unaudited UDI position was similar to that at yearend, and the conversion rate was equivalent to $4.566798 per UDI.

30. Preventive and saving protection mechanism

During 2010 and 2009, contributions made by Financial Group to the IPAB were $2,513 and $2,527, respectively.

31. Financial margin

At December 31, 2010 and 2009, the main items composing the financial margin were as follows:

	2010		
	Mexican Pesos	US Dollars (equivalent in Mexican pesos)	Total
Interest income:			
Loan portfolio interest and returns	$ 60,528	$ 1,805	$ 62,333
Securities interest and returns	3,477	451	3,928
Quick asset interest	3,321	101	3,422
Repurchase agreement and security loan interest and premiums	14,984	–	14,984
Margin call account interest	101	3	104
Commissions collected to initially grant credit	1,027	2	1,029
Others	2,947	–	2,947
Total interest income	86,385	2,362	88,747
Interest expenses:			
Deposit interest	12,221	46	12,267
Interest on loans with banks and other entities	913	25	938
Debenture interest	669	1,650	2,319
Repurchase agreement and security loan interest and premiums	12,290	–	12,290
Others	538	–	538
Total interest expenses	26,631	1,721	28,352
Financial margin	$ 59,754	$ 641	$ 60,395

	2009		
	Mexican Pesos	US Dollars (equivalent in Mexican pesos)	Total
Interest income:			
Loan portfolio interest and returns	$ 64,127	$ 1,935	$ 66,062
Securities interest and returns	1,520	556	2,076
Quick asset interest	3,973	226	4,199
Repurchase agreement and security loan interest and premiums	22,315	–	22,315
Margin call account interest	107	12	119
Commissions collected to initially grant credit	942	16	958
Others	2,786	(806)	1,980
Total interest income	95,770	1,939	97,709
Interest expenses:			
Deposit interest	14,569	84	14,653
Interest on loans with banks and other entities	1,592	103	1,695
Debenture interest	758	1,327	2,085
Repurchase agreement and security loan interest and premiums	19,042	–	19,042
Others	353	–	353
Total interest expenses	36,314	1,514	37,828
Financial margin	$ 59,456	$ 425	$ 59,881

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32. Commissions and fee income

At December 31, 2010 and 2009, the main items for which the Financial Group recorded commissions and fee income in the statement of income are as follows:

Item	2010	2009
Bank commissions	$ 7,344	$ 8,127
Credit and debit cards	9,959	8,469
Afore, Pension Funds and SAR	2,795	2,332
Investment funds	3,229	2,814
Insurance	1,118	1,027
Others	3,795	3,669
Total commissions and fee income	$ 28,240	$ 26,438

33. Trading income

At December 31, 2010 and 2009, the main items composing the trading income were as follows:

Item	2010	2009
Valuation result		
Derivatives	$ 612	$ 3,944
Foreign currency	822	(4,970)
Securities investments	(2,123)	3,390
	(689)	2,364
Purchase-sale result		
Derivatives	(3,762)	2,023
Foreign currency	1,653	1,584
Securities investments	7,722	320
	5,613	3,927
Total	$ 4,924	$ 6,291

34. Segment information

The Financial Group and its subsidiaries participate in different activities of the financial system, including full service banking, stock market intermediation, foreign remittance transfers, financial services, management of mutual funds, management of pension funds, etc. Performance evaluation and risk measurement in the different activities are based on the information produced by the business units of the Financial Group, rather than on the legal entities which the results generated are recorded.

The table below shows information regarding revenues obtained by segment during 2010 and 2009:

Item	2010 Total	Commercial Bank	Corporate and Government Banking	Market Operations	Securities Firm and Investment Fund	Retirement Saving Funds	Other Segments
Interest income and expense, net	$ 60,395	$ 40,582	$ 7,545	$ 2,595	$ 48	$ 77	$ 9,548
Financial margin	60,395	40,582	7,545	2,595	48	77	9,548
Provision for loan losses	(19,621)	(17,039)	(1,365)	–	–	–	(1,217)
Net interest income after provision for loan losses	40,774	23,543	6,180	2,595	48	77	8,331
Commissions and fees, net	21,799	14,726	3,113	360	3,712	2,788	(2,900)
Trading income, net	4,924	880	526	856	(18)	–	2,680
Other operating income (expenses)	485	441	10	–	–	–	34
Net operating revenues	$ 67,982	$ 39,590	$ 9,829	$ 3,811	$ 3,742	$ 2,865	$ 8,145
Non-interest expense	(35,635)						
Operating income	32,347						
Other income	2,750						
Other expense	(3,570)						
Income before income taxes	31,527						
Income tax	(10,245)						
Deferred income tax	2,261						
Income before share in net income of unconsolidated subsidiaries and affiliates	23,543						
Share in net income of unconsolidated subsidiaries and affiliates	3,468						
Income before minority interest	27,011						
Non-controlling equity	(316)						
Net income	$ 26,695						

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Item	2009 Total	Commercial Bank	Corporate and Government Banking	Market Operations	Securities Firm and Investment Fund	Retirement Saving Funds	Other Segments
Interest income and expense, net	$ 59,881	$ 42,782	$ 7,234	$ 1,330	$ 44	$ 81	$ 8,410
Financial margin	59,881	42,782	7,234	1,330	44	81	8,410
Provision for loan losses	(27,251)	(26,066)	(1,534)	70	–	–	279
Net interest income after provision for loan losses	32,630	16,716	5,700	1,400	44	81	8,689
Commissions and fees, net	20,920	14,747	3,646	269	3,178	2,315	(3,235)
Trading income, net	6,291	1,060	688	2,905	12	–	1,626
Other operating income (expenses)	234	427	(2)	–	–	–	(191)
Net operating revenues	$ 60,075	$ 32,950	$ 10,032	$ 4,574	$ 3,234	$ 2,396	$ 6,889
Non-interest expense	(33,028)						
Operating income	27,047						
Other income	2,847						
Other expense	(5,042)						
Income before income taxes	24,852						
Income tax	(7,891)						
Deferred income tax	1,647						
Income before share in net income of unconsolidated subsidiaries and affiliates	18,608						
Share in net income of unconsolidated subsidiaries and affiliates	3,236						
Income before minority interest	21,844						
Non-controlling equity	(232)						
Net income	$ 21,612						

Other segments include the results related to management of the loan portfolio assigned to recovery.

34. Risk management and derivatives

Considering the Commission's regulatory requirements relative to the disclosure of the policies and procedures established by credit institutions for comprehensive risk management, below are the measures implemented by management for this purpose, as well as the respective quantitative information:

The "General regulations applicable to credit institutions" issued by the Commission were implemented through the recognition of basic rules for efficient risk management, evaluating risks as quantifiable (credit, market and liquidity) and non-quantifiable (operational and legal), so the basic identification, measurement, monitoring, limitation, control and disclosure processes are satisfied. To summarize, the following is performed:

- *Participation of the governing bodies:*
  The Board of Directors is responsible for establishing the objectives of risk exposure and fixing capital related limits, as well as authorizing the policies and procedures manuals related to risks.

  The Risk Committee is responsible for monitoring the position and compliance with the risk limits to which the Financial Group is exposed, and for ensuring adherence to Board of Directors' resolutions.

- *Policies and procedures:*
  Risk manuals with standard contents, including strategy, organization and operating, technological and methodological frameworks, and regulatory processes. Specific manual for legal risks, including related methodologies.

  Defined and limited third-party responsibilities, risk training programs and communication of policies and procedures.

- *Tactic decision making:*
  Independence of the Comprehensive Risk Management Unit.

  Interaction of this unit with operating committees.

  Establishment of monitoring processes and daily and monthly reports.

  Limits structure in terms of economic capital for each business unit and type of risk.

  Establishment, by the Risk Committee, of the authorization and ratification of process for new products and/or services involving risk for the Financial Group.

- *Tools and analyses:*
  Continuous measurement of credit, market and liquidity risks under consistent methodologies and parameters.

  Indicators of diversification levels (correlations).

  Establishment of periodic analyses of sensitivity, testing under extreme conditions and review and improvement of models.

  Install monitoring and operational and legal risk control methodologies in conformity with international standards.

  Risk integration by defining capital requirements to absorb them.

- *Information:*
  Periodic reports to the Risk Committee, Board of Directors, risk taking units, finance and senior management.

- *Technological platform:*
  Comprehensive review of all source and calculation systems for risk quantification, projects for the improvement, quality and sufficiency of data and automation.

- *Audit and comptrollership:*
  Participation of internal audit regarding compliance with "Regulations on Comprehensive Risk Management" and implementation of compliance plans by type and area of risk.

  Performance of audits in compliance with "Regulations on Comprehensive Risk Management" by a firm of independent experts, concluding that risk measurement models, systems, methodologies, assumptions, parameters and procedures comply with their functionality based on the characteristics of the risk operations, instruments, portfolios and exposures of the Financial Group.

  The Financial Group believes that at this date it fully complies with the provisions of Regulations on Comprehensive Risk Management, while projects continue to improve measurements and limitations, automation of processes and methodological refinements.

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Methodological framework - Techniques for valuation, measurement and description of risks

For risk purposes, the Financial Group's balance sheet is envisioned as follows:

- *Market risk:*
  Operations and investment portfolios- Investments in trading securities and securities available for sale, securities, ledger of repurchase transactions and related derivative transactions.

  Structural balance sheet- Other assets, including securities held to maturity and derivatives for the management of interest rate risk.

- *Credit risk:*
  Domestic and foreign financial institutions, companies and corporate- Traditional loan portfolio, including small and medium companies, and exposures from investments in issues, and counterparts in derivative financial instruments.

  Retail/consumer loans- Credit cards, financing plans and mortgage portfolio.

With respect to the risk market measurement process and the operations and investment portfolios, the daily measurement of market risk is done through statistical techniques of the Value at Risk (VaR), the core measurement. As an example, VaR consists of the following:

a. To define the sensitivity level in the valuation of positions facing changes in prices, rates or indexes.

b. To estimate the "reasonably" expected change for a determined timeframe in such prices, rates or indexes, considering the level under which such factors can move as a whole.

c. To revalue the portfolio under such expected changes as a whole and determine the potential "maximum" loss in terms of value.

The VaR has been set based on the consideration that, in a day's transactions, 99% of the time losses will not exceed the calculated amount.

Also, different types of VaR calculations are performed based on groups defined by risk factor: interest rate VaR, variable income VaR, volatility VaR (Vega VaR) and exchange rate VaR.

With regard to the structural interest risk, categories are defined for each balance sheet heading based on their financial characteristics and the Economic Value and Financial Margin sensitivities are calculated using the methodology authorized by the Risk Committee. A red flag and limits system is in place for these sensitivities, whereby follow-up is provided each month in the Risk Committee and is presented quarterly to the Board of Directors.

With regard to liquidity risk, follow-up and information mechanisms have been established and approved by the Risk Committee, both for the management of short-term liquidity and of liquidity risk in the balance sheet. There is also a liquidity risk contingency plan, as well as a red flag system for quantitative and qualitative risk with different levels of risk. The short-term liquidity red flag system monitors the dynamic of the principal financing sources of the Treasury, and its distribution based on maturity deadlines. By the same token, the medium-term liquidity system monitors the optimal management of the Structural Balance Sheet resources based on the growth projections of the banking business.

The Assets and Liabilities Committee is the executive body responsible for managing the structural interest risk and liquidity risk.

In relation to the measurement of credit risks, the Risk Exposure (Exposure) is determined using two methodologies: the risk from batch positions is determined based on the Monte Carlo simulation, which means that the valuation formulas and risk factors used are consistent with those used for the market risk calculations, and incorporate the effect of the credit risk mitigation techniques (netting and collateral), and the term effect correctly, because the future value of each position is calculated in each tranche, resulting in a lower consumption of credit risk and therefore a better utilization of the limits. Also, for online determination, Potential Risk Factors (FRP's) are used, which estimate the maximum expected increase for the positive market value of the transaction with a given level of confidence. Such FRP's will be applied based on the type of product, duration, currency and the amount involved.

Quantitative information (unaudited) in thousands of Mexican Pesos –

- Operation and investment portfolio:

Portfolio	VaR 1 day December 31, 2009	VaR 1 day Average Fourth Quarter 2009
Interest rate	$ 93	$ 100
Variable income	$ 41	$ 55
Foreign Exchange	$ 20	$ 12
Volatility	$ 26	$ 44
Weighted	$ 99	$ 115

- Total Credit Risk exposure in derivatives as of December 2010:

Portfolio	December 31, 2010
Counterparty Risk Exposure	$ 942

During 2010 and 2009, the Financial Group recognized losses due to operating risks (fraud, casualties, fines and penalties) for the amount of $621 and $571 (face value), respectively.

Derivative transactions

Trading derivative instruments that are issued or acquired by the Treasury of the Financial Group are mainly intended to offer hedging solutions and investment alternatives to meet client needs. Furthermore the treasury of the Financial Group also acquires derivatives for the purpose of managing the risk from transactions with clients.

Valuation methods

To determine the portfolio value, two procedures are used depending whether they are instruments listed in recognized markets or traded in "over-the-counter" markets. In the first case, the price information from the official price supplier is used, and in the second, internal methodologies have been developed with the support of independent experts and the Mexican Central Bank itself, using variables provided in turn by the price supplier.

Internal control procedures to manage market risks

To control the market risk incurred by the Treasury of the Financial Group, the Risk Management Department establishes a structure of VaR limits depending on the level of risk by the Financial Group, in accordance with current regulations and international standards; such control is applied daily and is reported directly to the Financial Group's senior management. Following is a summary of the principal market risk limits:

	Limit
VaR (one-day horizon)	$ 327
Annual loss	$ 568
Monthly loss	$ 227

Control of measures additional to VaR

Apart from follow-up on the implicit VaR level in the trading positions of the operating and investment portfolios, the Risk Department establishes a series of limits related to the sensitivity of the positions to minimum movements of the risk factors (sensitivities). A control is applied daily to the use of the interest rate sensitivity limit (Delta).

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Coherence between VaR limits and sensitivity limits

To ensure that the VaR limits maintain a coherent relationship compared to the sensitivity limits, the Global Risk Management Unit in Market Areas (UAGRAM) prepares an annual coherence study based on random sensitivity scenarios and maximum restrictions, depending on the risk factor and its duration. The VaR calculation derived from these scenarios is used to determine a global VaR level both for the entire Treasury and for its different constituent desks.

Embedded derivatives

Under the Structured Bank Bonds issuance programs of the Financial Group, there are foreign currency, index and interest rate options recorded, equivalent to $3,247; also, there are interest rate and foreign currency swaps recorded for an amount of $16,430.

Sensitivity of interest to derivatives

Below is a table showing the detail of the sensitivity of interest derivatives, grouped by type of instrument:

Sensitivity	Delta Interest Rate 1bp	Delta Variable Income 1%
Peso swaps	$ 10	$ 135
Interest-rate options	(2)	17
	$ 8	$ 152

Hedge derivatives

Fair value

The Financial Group has fair value hedge derivatives intended to reduce the volatility of its results due to changes in the market value. The prospective effectiveness is measured by using the VaR and the retrospective effectiveness by comparing the result from changes in the fair value against changes in the fair value of the primary position.

Cash flows

The Financial Group maintains cash flow hedge derivatives to reduce exposure to variations in flows, by changing such flows to a fixed rate in order to reduce the volatility of the financial margin. The method for evaluating the prospective effectiveness is through a sensitivity analysis; the retrospective effectiveness is measured by comparing the change in the present value of the flows from the hedge instrument against the changes in the present value of the flows of the hedged position.

The profit from cash flow hedge derivatives recognized in equity as of December 31, 2010 is $1,924; on which basis, taking the present value of the coupons that will be settled in 2011, it is estimated that revenue of $100 will be recognized in results.

Documentation of hedges

Each hedge is supported by a file that includes:

- A general hedge document, describing the type of hedge, the risk to be covered, the strategy and purpose of performing the transaction, the primary position, the hedging derivative and the method to evaluate the prospective and retrospective effectiveness.
- The primary position contract.
- The inventory of the derivative.
- The inventory of the primary position.
- The prospective and retrospective effectiveness test of each period.

36. Rating

As of December 31, 2010, the ratings assigned to the Financial Group are as follows:

Ratings Agency	Global Scale ME		National Scale		Perspective
	Long Term	Short Term	Long Term	Short Term	
Standard & Poor´s	BBB	A-3	mxAAA	mxA-1+	Stable/ Stable
Moody´s	Baa1	P-2	Aaa.mx	MX-1	Stable/ Stable
Fitch	A-	F1	AAA (mex)	F1+(mex)	Stable/ Stable

37. Reclassifications of the financial statements

The financial statements as of December 31, 2009 were reclassified in certain accounts to make them comparable with the presentation used for the financial statements as of December 31, 2010. Such reclassifications are made in the following headings: financial margin and results from intermediation.

38. Contingencies

At December 31, 2010, the Financial Group is subject to various legal proceedings and claims. However, in the opinion of its legal counsel, the claims are without basis, and even if the resolutions are unfavorable, they will not have a material adverse effect on its financial position or results of operations. The Financial Group has established reserves totaling $558 in connection with such contingencies.

39. New accounting principles

As part of its efforts to make Mexican standards converge with international standards, in 2009, the Mexican Board for Research and Development of Financial Information Standards ("CINIF") issued the following Mexican Financial Reporting Standards (NIFs), Interpretations to Financial Information Standards (INIFs) and improvements to NIFs applicable to profitable entities, which become effective for fiscal years beginning on January 1, 2011, as follows:

B-5, Financial Segment Information,
B-9, Interim Financial Information
C-5, Advance Payments

NIF B-5, Financial Segment Information.- Establishes management's approach to disclose financial information by segment as opposed to Bulletin B-5, which, while using a management's approach, required that the information be disclosed by economic segments, geographical areas or homogeneous groups of customers. The standard does not require that the business areas be subject to different risks from one another to separate them; it allows classifying as a segment area in the pre-operational stage; and requires the separate disclosure of interest income, interest expense and liabilities, as well as disclosure of information of the entity as a whole, by products, services, geographical areas, and major customers and suppliers. As the previous Bulletin B-5, this standard is only mandatory for public companies or entities in process of becoming public.

NIF B-9, Interim Financial Information.- Unlike Bulletin B-9, this standard requires a condensed presentation of the statement of changes in stockholders' equity and the statement of cash flows as part of the financial information at interim dates and, for comparative purposes, requires that the information presented at the closing of an interim period be presented together with information at the end of the same interim period of the previous year and, in the case of the balance sheet, it requires presenting the closing balance sheet of the immediately preceding year.

NIF C-5, Advance Payments.- This standard sets as a basic feature of advance payments the fact that they do not yet transfer to the Company the risks and benefits of the ownership of goods and services to be acquired or received. Therefore, advances for the purchase of inventories or property, plant and equipment, among others, must be presented in the advance payments line item not in inventory or property, plant and equipment, respectively. It requires that advance payments be recognized as an impairment loss when they lose their ability to generate future economic benefits. This standard requires advance payments related to the acquisition of goods to be presented in the current or noncurrent sections of the balance sheet, based on their respective classification.

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Improvements to Mexican Financial Reporting Standards 2011.- The main improvements generating accounting changes that should be recognized in fiscal years starting on January 1, 2011 are as follows:

> *NIF B-1, Accounting Changes and Error Corrections.-* This standard requires that if the entity has implemented an accounting change or corrected an error, it should present a retroactively adjusted statement of financial position at the beginning of the earliest period for which comparative financial information with that of the current period is presented. It also requires that each line item in the statement of changes in stockholders 'equity shows: a) initial balances previously reported, b) the effects of the retroactive application for each of the affected items in stockholders' equity, segregating the effects of accounting changes and corrections of errors, and c) the beginning balances retroactively adjusted.

> *NIF C-13, Related Parties.-* This standard defines a close family member as a related party and considers all persons who qualify as related parties or, excludes those who, despite the family relationship, are not related parties.

> *Bulletin D-5, Leases.-* Bulletin D-5 removes the obligation to determine the incremental interest rate when the implicit rate is too low; consequently, it establishes that the discount rate to be used by the lessor to determine the present value should be the implicit interest rate of the lease agreement. It eliminates the requirement to use the lower interest rate between the incremental interest rate and the implicit interest rate of the lease agreement to determine the present value of minimum lease payments the lessee may capitalize. It requires using the implicit interest rate of the agreement if it can be easily determined; otherwise, the incremental interest rate should be used. Both the lessor and the lessee should disclose more detailed information on their leasing operations. The Bulletin requires that the result in a sale and leaseback transaction be deferred and amortized over the term of the agreement and not in proportion to the depreciation of the leased asset. The Bulletin also establishes that the gain or loss on the sale and leaseback in an operating lease be recognized in results at the time of sale, provided that the transaction is established at fair value, noting that if the sales price is lower, the result should be recognized immediately in current earnings, unless the loss is offset by future payments that are below the market price, in which case it should be deferred and amortized over the term of the agreement and, if the selling price is higher, the excess should be deferred and amortized over the term of agreement.

At the date of issuance of these combined financial statements, the Financial Group has not fully assessed the effects of adopting these new standards on its combined financial information.

Corporate Responsibility Report

Contents

Company Profile

In keeping with the global trend of integrated reporting, this year BBVA Bancomer is taking a first step in the process of integrating its Financial Report with the Annual Corporate Responsibility Report (ACRR), publishing them jointly in order to cross-reference and share information.

To this end, the company profile and the main economic figures regarding BBVA Bancomer performance as a financial entity, as well as its subsidiaries Afore Bancomer and Seguros Bancomer, beginning this year are included in our Financial Report, which we invite you to view.

Refer to the Financial Report by clicking here.

Scope

The AARC presents the results of the activities conducted by BBVA Bancomer, S.A., Institución de Banca Múltiple, in its capacity as a banking entity, separate from the rest of the subsidiaries that make up the Grupo Financiero BBVA Bancomer S.A. de C.V. In 2010, we expanded the scope of the report to also include the activities of our two subsidiaries: Seguros BBVA Bancomer S.A. de C.V. and Afore Bancomer S.A. de C.V.

The information presented here corresponds to the activities conducted by BBVA Bancomer and its subsidiaries from January 1 to December 31, 2010. Where possible, information is included from the other two annual reports (2009 and 2008) as a comparative reference. The inclusion of Seguros Bancomer and Afore Bancomer is reflected in the modification of some figures. For this reason, and also due to improvements in quantification methods, this report may contain some variations in the criteria employed as compared to previous years. This in turn may represent significant changes in some of the main figures. Wherever no information is available from the two subsidiaries in any indicator, this will be duly indicated.

Another significant change is the integration of the Annual Corporate Responsibility Report with the Financial Report, and as a result, some of the information that was included in the former, beginning this year is reported only in the latter, such as the company profile and key economic data. Wherever information is presented as such, a link will be provided that leads readers directly to the cited document.

Basic References and International Standards

The most recognized international standards have been followed in preparing this report. Firstly, central indicators as well as additional financial sector indicators have been reported according to Global Reporting Initiative directives (GRI-G3).

Likewise, the principles established by the AA1000, a group of innovative standards relating to guaranteeing sustainable performance, launched in 2003 by the nonprofit organization AccountAbility, have been taken as a reference.

AA1000 standards help to build confidence that reports present a complete picture of the understanding and response of an organization with regard to issues of material sustainability.

Lastly, the ten principles from the United Nations Global Compact, to which BBVA Bancomer is a signatory, are used, establishing their correspondence with the GRI indicators.

Principles

For the drafting of this report, we have followed the three principles established in the AccountAbility AA 1000APS Standards (2008), which serve as guidelines in recognition, accountability and transparency with regard to the impact of the policies, decisions, actions, products and performance associated with our company: inclusiveness, relevance and responsiveness.

To find out more about the AA 1000APS principles, click here.

Likewise, we have based our report on the principles established in the GRI-G3 guidelines, in order to define the contents and guarantee the quality of our report, including:

Principles of Content

- Materiality
- Stakeholder Inclusiveness
- Context of Sustainability
- Completeness

Principles of Quality

- Balance
- Clarity
- Accuracy
- Timeliness
- Comparability
- Reliability

To find out more about the GRI principles, click here.

Materiality Analysis and Consulting Stakeholders

In defining the contents of this document, two exercises were carried out based on the methods proposed by AccountAbility and GRI, as well as in the Corporate Guidelines to support in the process of consulting stakeholders: analysis of materiality and relevant matters and the ACRR opinion survey, both conducted during 2010 with the participation of the company's stakeholders.

To find out more about the 2010 analysis of materiality and relevant matters, click here.

To find out more about the ACRR 2009 opinion survey, click here.

Rigorousness and Verification

The Corporate Responsibility and Reputation area is responsible for compiling the information presented in this report. The content included herein is provided by the company areas directly involved in the management of the corresponding information. These areas are reviewed, verified and audited both internally and externally.

As with the 2009 and 2008 reports, the BBVA Bancomer 2010 ACRR has undergone third-party verification, in this case by Deloitte and GRI, and includes an A+ GRI-G3, GRI-checked application level.

Principles and Policies of Corporate Responsibility

The business model of BBVA Bancomer, based on its corporate principles, puts people at the center of the business, making it a company guided not only by profitability, but also by convictions and by the desire to support a more sustainable development, in which economic gains are accompanied by social progress and environmental protection.

Corporate Mission, Vision and Principles

In order to meet our business objectives, at BBVA we are guided by our mission, representing the life blood of our organization and the basis for the business approach that defines our company. Our mission is broken down into four points:

1. Building confidence to better serve our clientele, with transparency and integrity, always offering products and services of the highest quality.
2. Providing our employees with the best conditions for their full development.
3. Remaining solvent and offering attractive returns for our shareholders.
4. Supporting social wellbeing as an outcome of business activities.

In addition, our vision as a company represents an aspiration that drives our ambitions as an organization and is summed up with one fundamental idea: We work for a better future for people.

BBVA Bancomer views its own future as part of the future of all those who are related to its activities. We understand that the development of our business is linked to the prosperity of the people present in the societies in which the company operates, and as such, we aspire to ensure that our work as a company contributes to the building of a better future for all.

The seven corporate principles of BBVA Bancomer are the fundamentals that guide the responsible conduct of our business.

The application of these principles is reflected in our commitment to meet in the best way possible the needs and expectations of our stakeholders.

Corporate Responsibility Policy

The Corporate Responsibility (CR) Policy of BBVA Bancomer defines the overall actions of the company with regard to corporate social responsibility, as well as the specific directives to be followed in the economic, social and environmental spheres.

Based on this policy, we have identified the scope and impact of the CR programs at the company according to their reputation and prestige, their direct business value and their social value.

Scope of the corporate social responsibility policy

			Reputational Value	Business Direct Value	Social Value
Social and environmental generic topics not significantly affecting the competitiveness of the company in the long term.	»	E.g. The "Por los que se quedan" scholarship program.			
Social and environmental topics related with relevant impacts as for the business activity.	»	E.g. The "Get Ahead on your Future" financial education program, Eco-efficiency Plan...			
"Only" business topics.	»	E.g. claims management, transparency in commissions...			

Strategic Plan for Corporate Responsibility and Reputation

At BBVA Bancomer, corporate responsibility is fully linked to and in line with our business. We are increasingly concerned not only with how we spend the money we earn, but above all, how we earn it. For this reason we have developed, together with the Corporate Strategic Plan, a Strategic Plan for Corporate Responsibility and Reputation (CRR). The plan establishes the work streams related to CR, all of which are structured through the relevant issues set forth in this report.

The plan includes two priority action points:

- Financial Inclusion: For millions of people, access to financial services is not easy. The lowest income social segments, for the most part, do not possess the guarantees required by traditional banking for credit lending and other financial services. This situation exposes them to predatory lending and severely limits opportunities for entrepreneurship and for economic stability with regard to basic needs such as education, medical care and improvements in family housing. As such, resolving financial exclusion has become a social priority as well as an economic opportunity.
- Education and Financial Education: BBVA Bancomer values education as a fundamental strategic pillar for the building of a more equal society, believing that broader access to education guarantees progress and prosperity. For these reasons, support for education is one of the areas of social intervention we consider to be most important.

Also, within the area of education, financial education stands out as a topic of special importance for its clear connection with the company's activities, given that its goal is to share and provide a better understanding of the financial sector and its services.

Corporate Responsibility and Reputation Committee

In order to ensure proper management and execution of the strategic plan, in 2008 we founded the CRR Committee, which is coordinated by the Corporate Responsibility and Reputation area, working closely with the CRR Management of the BBVA Group.

To view the organizational chart of the BBVA Group CRR Committee, click here.

2010 Accomplishments

We continue to make progress on the initiatives undertaken last year by the Committee: Eco-efficiency Initiatives; ISO 14001 Certifications; Green Line Credit (IDB); Claims Management: Credit Card Cancellations; Customer Satisfaction and Service: Credit Card Collections; prompt supplier payment and business efficiency through information management. To find out more about these initiatives, click here.

As part of the process of company CRR strategic reflection, which began last year with two training workshops and the defining of the strategic work streams, this year phase 2 was conducted, identifying and developing projects for each business or support area. As a result of this analysis, the most innovative CRR projects were selected for implementation during the 2010-2012 period.

In selecting the projects from this strategy, the primary criterion considered was the outcome of the dialogue sessions held to understand the expectations of our stakeholders. Other criteria considered were sustainability, high impact, inclusion, long term nature, added value and empathy with the business.

As a result, during the three meetings held by the Committee during 2010, the 2010-2012 CRR Strategic Plan was approved.

2010 - 2012 Strategic Plan

Financial Inclusion ↔ **Financial Education**

Banking Access — Get Ahead on your Future

Responsible Banking

Customer Focus	Eco-Branding, Eco-Lending, Client Retention Social Management, Credit Suppliers, Auditing and CRR
Responsible Finances	Green Funds Line, Sustainable Project Funding
Responsible Investment	Training on the Use of Hedging, University Savings Funds, Personal Finance and Small Business Financial Management Tools
HR Responsible Management	Be Green Initiatives, Inclusion of people with different abilities
Responsible Purchasing	Payment Formality
Environment	Bancomer Eco-Efficiency Plan, New LEED Headquarters
Reputation	BBVA Bancomer Reputation Model

Community Involvement

BBVA Bancomer Foundation: "Por los que se quedan," Youth Knowledge Olympics, Cultural Activities, Natural Disaster Relief.

CRR Projects in progress | **New CRR Projects**

Some of these projects began in their pilot stage this year, while the rest are scheduled to be launched in 2011 and 2012.

Through these actions, during the 2010 fiscal year the corporate responsibility management structure was consolidated across BBVA Bancomer, together with internal coordination of the different functions to integrate its response within the defined strategy and the business processes.

Together with Human Resources, we launched the project, "The Bicentennial Challenge: Get Ahead on your Future," through which 118,000 personal finance workshops were given to 20,700 employees of the Group.

We designed a Corporate Responsibility and Reputation course, available to all employees through the e-campus platform. The contents cover risks and opportunities for BBVA as a global company in the 21st century, through examples of best practices within the Group. Also, it details in brief the basics of the CR corporate policy, giving special emphasis to financial education and financial inclusion as the foci of the strategic plan. Other topics from the program include responsible banking and a commitment to society.

We continue supporting union initiatives, such as:

- The 2010 Second Banking Social Responsibility and Sustainability Report from the Association of Mexican Banks (ABM, in Spanish).

- "Sustainability" Group under the UNEP-FI (United Nations Environmental Program – Financial Institutions), in support of the environment and the incorporation of the Equator Principles in Mexican banks.
- Beyond-Banking Program Survey – Mapping FIs Sustainability, together with the IDB to understand trends in financial sustainability in Latin America and the Caribbean.

System of Corporate Governance

One of the key elements in upholding the corporate principle of ethics and integrity in the company's actions is its System of Corporate Governance, whose primary function is to improve the operation of the bank's management structures, such as the Board of Directors and the Shareholders Association.

To this end, internal control systems are employed, as well as clear and secure policies and procedures. These policies and procedures are established in the Bank Board Regulations, which govern the internal structure and operation of the Board and its Commissions, as well as the rights and obligations of the Board Members.

The system is explained in detail in the BBVA 2010 Financial Report (in a chapter dedicated to the topic), as well as in the 2010 Annual BBVA Corporate Governance Report, pursuant to legal requirements, both of which are available on the corporate website (www.bbva.com).

To find out more about the system of corporate governance in the 2010 BBVA Financial Report, click here.

To find out more about the system of corporate governance in the 2010 Annual BBVA Corporate Governance Report, click here.

Board of Directors

BBVA Bancomer has a Board of Directors, whose roles and committees are detailed in the 2008 Annual Corporate Responsibility Report (click here). To see the current makeup of the Management Committee, the Board of Directors and/or the Regional Councils, you may view the 2010 Bancomer Financial Report (click here).

Standards of Conduct, International Commitments and Agreements

Code of Conduct

One of the main sources of added value at BBVA Bancomer is its corporate integrity. In this regard, the company works every day under strict standards of ethical behavior in all of its lines of business, in the performance of its employees and in relations with its customers, shareholders, and society in general.

The Code of Conduct applies to all entities and all employees from the Financial Group. It presents publicly BBVA Bancomer's commitments to the aforementioned stakeholders.

To find out more about the Code of Conduct and its reporting mechanisms, click here.

In addition to the Code of Conduct, the company has developed other specific tools to manage basic commitments in other operational areas. Such is the case with the Stock Market Conduct Policies, created by the Group in 2008, signed by BBVA Bancomer in 2009. This code outlines the principles of conduct in the Stock Market, establishing minimum guidelines that all people who are part of the Group must observe with regard to the treatment of privileged information, prevention of price manipulation, handling of potential conflicts of interests and self-management of people who work within the BBVA Bancomer Financial Group.

Other control strategies for the operational areas include:

- Fraud Prevention Actions
- Mechanisms of Internal Control
- Additional Code of Conduct Standards, such as conflict of interests regulations
- Anticorruption Practices

To find out more about these implemented control strategies, click here..

2010 Accomplishments

Through the institutional channels of our "Responsible Attitude" corporate ethics program, we received 1,170 cases this year.

1,137 cases were managed by the Departments of Special Auditing, Labor Relations, HR Management, Safety and Compliance.

The corresponding disciplinary actions were applied during the year for breach of the Code of Conduct pursuant to the "Zero Tolerance" campaign implemented within the Group years ago.

A course was developed and implemented on the contents of the Code of Conduct through the e-campus study platform, through which all employees will endorse the Code of Conduct in 2011.

This year's campaign to strengthen the values and principles of the Code of Conduct among our employees was implemented under the title "BBVA Bancomer Guardians," with the slogan "The value of doing what's right," which is made up of calls to positive action, recognition of colleagues who have distinguished themselves in practicing ethical behavior and upholding the values of our corporate culture. This campaign was also used to reinforce the prevention of money laundering and financing of terrorist activities, and to remind employees of institutional channels to report ethically questionable activities.

Risk Management

Risk is part of the banking industry, inherent to banking activities, and its management poses an everyday challenge for companies from this sector. BBVA Bancomer applies the Principle of Precaution in all its operations. This principle thus becomes a general criterion, allowing the company to take only prudent risks, consistent with and based on experience.

Given the rapid changes and new economic, social, environmental and reputational risks to which the financial industry is exposed, BBVA Bancomer maintains the following additional objectives: to maintain the entity's solvency, to connect risk management policies with the company's strategic objectives and to ensure that all decisions contribute to creating value through consideration of risks.

The Risk Management System is coordinated on a Group level by the Board of Directors and the Central Risk Unit, and on a national level by the Department of Risk and Credit Recovery. Thus constant management of risk is ensured in all aspects of the business, allowing for quick response and detection, weighted for potential threats in all areas of the company.

Legal Compliance

As of December 31, 2010, BBVA Bancomer has no fines or sanctions on record for failure to comply with the laws and regulations on environmental matters, on performance within society or on the provision and use of products and services that may be of any significance with regard to the company's net worth, financial standing and consolidated results. No legal action is pending with regard to matters of discrimination or violation of human rights, and as such, all provisions from legislation in effect have been met.

International Commitments and Agreements

At BBVA Bancomer we continue to support the following initiatives:

- The United Nations Global Compact
- The Financial Initiative of the United Nations Environmental Program
- The Equator Principles
- The United Nations Principles for Responsible Investment

Strategic Partners

Experience has shown us that when it comes to generating social value, companies, government and society acting collectively can achieve a greater impact than when acting individually. We are proud to continue working closely another year with leading entities from every sector.

Refer to the regulatory bodies and entities with whom BBVA Bancomer works as a banking entity by clicking here.

The entities with which Seguros Bancomer collaborates are:

- The National Insurance and Securities Commission (CNSF, in Spanish)
- The Mexican Association of Insurance Institutions (AMIS, in Spanish)

The entities with which Afore Bancomer collaborates are:

- The National Retirement System Commission (CONSAR, in Spanish)
- The Mexican Association of Afores (AMAFORE, in Spanish)

To find out which civil society organizations we collaborate with through the BBVA Bancomer Foundation, click here.

Stakeholder Inclusiveness

Our commitment to our stakeholders means establishing channels for dialogue with them, understanding their needs and concerns, as well as developing strategies to respond to these matters in a responsible way. We have found this approach to be a great source of innovation and collaboration.

There are two channels through which we communicate with and integrate the expectation of our stakeholders. The first consists of ordinary relations of the business and support areas with each of the stakeholders. The second is managed by the Corporate Responsibility and Reputation area, which counts among its primary objectives to serve as a link between the expectations of stakeholders and the performance of the organization..

Identification and Dialogue with Stakeholders

Main BBVA Bancomer Compass stakeholders and our commitment to each

Shareholders
Create greater value in a sustainable manner over time

Customers
Seek out the finest solutions that make BBVA Bancomer their first option

Community
Contribute to the sustainable development of those societies in which BBVA Bancomer operates

Employees
Practice a management style that generates enthusiasm and facilitates training, motivation and personal and professional development

Regulators
Proceed with integrity and fully comply with all legislation

Suppliers
Conduct business as an ally in pursuit of mutual benefit

In order to further develop collaboration with each stakeholder, in 2010 we drafted a break-down of the subgroups from each category with which BBVA Bancomer has direct relations.

This table is based on the guide titled "From Words to Action: The Commitment to Stakeholders. Manual for Maintaining Relations with Stakeholders," Volume 2, AccountAbility, January 2006.

High-Level Stakeholders (1)

Stakeholder Category	Subgroups
Customers	Individuals
	Legal Entities
Employees	Senior Management
	Middle Management
	Staff
	Union
Suppliers	Socially Responsible Companies (ESR, in Spanish), environmentally friendly companies and approved suppliers
	Companies that have not yet implemented social responsibility criteria and are not approved
Regulators	Bank of Mexico
	Retirement Savings System Commission (CONSAR, in Spanish)
	National Banking and Securities Commission (CNBV, in Spanish)
	National Commission for the Protection and Defense of Financial Services Consumers (CONDUSEF, in Spanish)
	Secretariat of the Treasury and Public Credit (SHCP, in Spanish)
Society	Educational Institutions
	Financial Sector Associations
	Civil Society Organizations (OSC, in Spanish)
	Government Institutions
	Socially Responsible Companies and Specialist Companies
Shareholders	Majority Shareholders
	Minority Shareholders

As part of a process of dialogue, in 2010 we expanded consultations with our stakeholders began the year prior. In addition to customers, employees and suppliers, this year we had the opportunity to meet with other groups from society at large, such as the OSC, educational institutions, socially responsible companies and other specialists.

These contacts allowed us to understand issues that are most important to our stakeholders, as well as their opinions on our 2009 Corporate Responsibility Report. As a result, we have been able to implement important improvements this year.

To find out about the stakeholder opinion survey, click here.

Relevant Issues

The BBVA Bancomer Corporate Responsibility Policy is developed around a series of related issues. These issues arise from the process of communication and dialogue that the company maintains with its stakeholders, integrated into its vision, principles and business strategy.

The issues we consider to be most important have been identified on a Group level through different communications made between 2006 and 2010. While these same issues were maintained during this past year, they were reclassified based on a new corporate strategy, which includes four focal points.

The classification of these topics helped in developing the structure of the contents of this 2010 Corporate Responsibility Report.

For the second consecutive year, we conducted a materiality analysis according to AccountAbility Standard AA1000SES. This analysis allows us to define the most relevant and significant topics for the bank and its stakeholders in order to present them in this report and plan future company strategies in this regard in a balanced way.

To find out about the 2010 analysis of materiality and related matters, click here.

Financial Inclusion	Financial Education
Banking Access Plan Non-Banking Correspondents	Get Ahead on your Future

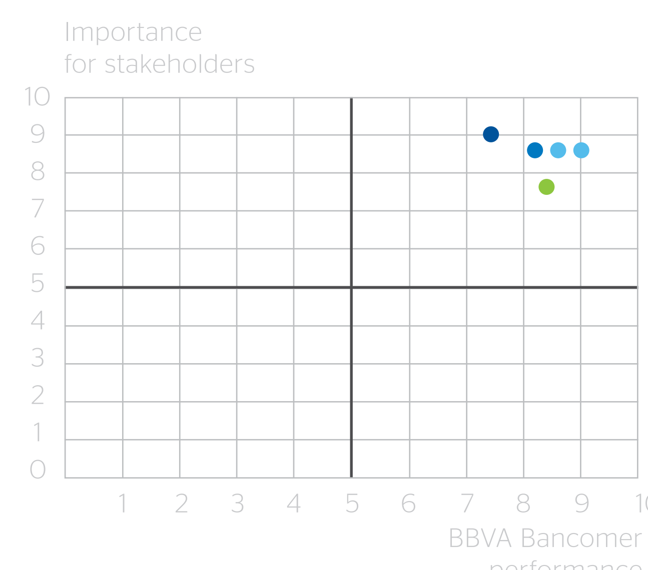
Responsible Banking

Customer Focus Responsible Products and Services Responsible Finances	HR Responsible Management Responsible Purchasing Environmental Management

Community Involvement

BBVA Bancomer Foundation Bancomer in Education Educational and Production Centers	Cultural Promotion Social Development Programs

Materiality and related matters Graph



Reducing interest rates
Preventing fraud and protecting customers
Expanding services to least access to banking sectors
Improving communication of CRR programs
Managing the economic crisis and risk assessment

Integration of Stakeholder Expectations

In addition to coordinating the company's CR activities, the Corporate Responsibility and Reputation area works together with the other business areas to incorporate the expectations from the materiality analysis in their annual planning.

In addition, several of the suggestions received through the opinion survey on our previous report were included in this report, such as:

- Addition of a table with a more detailed breakdown of our stakeholders, by subcategories;
- Launch of the first BBVA Bancomer Foundation Report, to present details as to how social programs are implemented and evaluated, what their impact is, as well as references from the organizations with which the Foundation collaborates, etc.

Integration of 2010 Management Expectations

Relevant Issue	2010 Actions
Reducing interest rates.	The "Pay Well, Pay Less" program was implemented on a permanent basis, which offers a reduction in interest rates for customers who make on-time payments. (See Customer Assistance Chapter)
Preventing fraud and protecting customers from insecurity and delinquency.	To prevent fraud, debit cards with a magnetic strip were replaced with cards with a chip; Information and Security Week was held, and our webpage was constantly updated with security advice. (See Customer Assistance Chapter)
Expanding products and services aimed at the most vulnerable sectors and sectors with least access to banking.	Through non-banking Correspondents, business partnerships were established to develop a network of 4,015 authorized establishments, in addition to the 1,800 Bancomer branches, where the most common banking transactions can be made; the BBVA Microfinance Foundation has already begun negotiating Memorandums of Understanding with different entities to begin activities in Mexico. (See Chapter on Financial Inclusion)
Improving communication of CRR programs.	A CCR course was designed to notify employees of company programs; financial education courses were conducted for 20,700 employees; meetings were held with different stakeholders to present the ACRR to them and hear their opinions; improvements were implemented in the report in both form and substance to make it easier to understand for our stakeholders. (See Strategic Plan for Corporate Responsibility and Reputation Chapter)
Managing the economic crisis and risk assessment.	All BBVA Bancomer operations are subject to the Principle of Precaution, which means taking only prudent risks, consistent with and based on experience; in addition to considering social and environmental risks, and assessment of projects based on the Equator Principles, and the developing of a new analysis model called Ecorating. The foregoing has allowed us to successfully overcome the crisis. (See Chapter on Responsible Finances)

- Increased focus on economic, social and environmental factors, and a shift towards an integrated reporting scheme, through which we reference economic information of the company to the 2010 BBVA Bancomer Financial Report, which is delivered together with this report.

Communication with Stakeholders

During recent years we have worked to make our Annual Corporate Responsibility Report into an effective communication tool. Not only have we adapted its contents according to the topics that most interest each of our stakeholders, we have also sought to present clear, accurate and balanced information.

In addition to the report, we continue to implement internal and external communications tools to keep our stakeholders up to date on the most important goings on at BBVA Bancomer and its subsidiaries.

External Communication Channels:

- Branches
- Bancomer Line
- Internet Portal
- Press (Newspapers, magazines, inserts, direct mailings, television, radio, etc.)

Internal Communication Channels:

- For you from HR
- Employee Service (SAE, in Spanish)
- Internal BBVA Bancomer and Seguros Bancomer Electronic Magazine

To find out more about the internal communication channels, click here.

Financial Education

At BBVA Bancomer, we understand that in order to lend responsibly to people with no prior credit experience, lending must be accompanied by financial education, allowing the user to make the right decisions.

For most Mexicans, purchase of durable consumer goods and building personal equity is possible only through credit or savings. For that reason, proper use of financial services translates to improved wellbeing for families, because it provides access to goods that otherwise they would not have.

Get Ahead on your Future

As part of its strategic corporate responsibility plan, in 2008, BBVA Bancomer launched the financial education program "Get Ahead on your Future" together with the Interactive Economics Museum (MIDE, in Spanish), having the stated mission of empowering the general public with basic financial competency, allowing them to use financial services to their benefit.

This program is part of the Global Financial Education Plan, a BBVA Group initiative that seeks to genuinely assist the general public to make better use of financial services, equipped with 26 million Euros over three years (2009-2011). With this plan, BBVA aims to follow up on increased access to banking services, especially in Latin America.

Through "Get Ahead on your Dream," users are offered personal finance workshops based on six lines of action:

1. Financial education classrooms at the network of branches
2. Mobile classrooms
3. Mobile equipment
4. Financial education site
5. Financial education in partnership with other institutions
6. Awareness campaigns

Our program currently has 5 personal finance workshops: savings, retirement savings, credit cards, credit health and mortgages. This social initiative, delivering workshops to customers and non-customers free of charge, has fixed classrooms, mobile classrooms and mobile equipment to be taken to the facilities of the companies in the 14 largest cities of the country, as well as at the website www.adelantecontufuturo.com.mx, where courses can also be taken online, with the same curriculum.

To learn more about financial education and the "Get Ahead on your Future" program, click here.

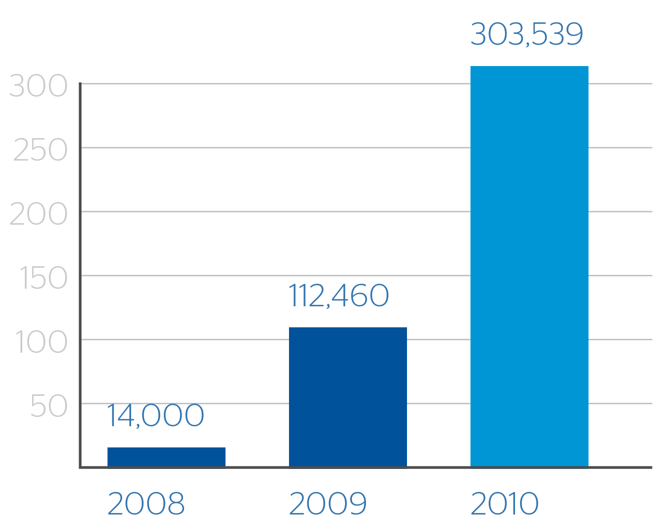
2010 Accomplishments

- For 2010, our objective was to hold personal finance workshops for 240,000 people; at the close of the year, we managed to hold 193,539 workshops with 303,539 participants, meaning we exceeded our goal by 25%.

People Attending Personal Finance Workshops

	2008	2009	2010
Number of Attendees	7,000	111,362	300,591

Accumulated number of participants in our workshops



- In collaboration with the HR area, we completed the project, "The Bicentennial Challenge: Get Ahead on your Future," to provide personal finance workshops to Group employees. As a result, we held 118,000 workshops for more than 20,700 employees.
- We developed and printed workshop notebooks, using ecological materials at a lower cost.
- We strengthened our ties with educational institutions through collaborative partnerships with four universities: UANL, UVM, EBC and the ITESM, thereby reaching 14,000 participants in our workshops.
- We developed new content for the Insurance Workshop as well as the second PYMES (small and medium-sized businesses) module, which was launched during the 2010 National PYMES Week.
- We established six mobile classrooms, which allowed us to extend the scope of our personal finance workshops in organizations that do not have physical or technological infrastructure, and organized six mobile teams to extend our capacity to bring technology, educational resources and instructors to educational spaces available to host personal finance workshops at the companies.
- As in the previous year, we participated in the National Financial Education Week (SNEF, in Spanish), where we offered, together with other strategic partners, more than 11,000 personal finance workshops, and participated in more than 11 informational and awareness events. We also participated in the construction of a financial education classroom and the holding of workshops during CONDUSEF traveling exhibitions in two states.
- In order to continue promoting awareness of the importance of financial health, and also in order to attract new participants to our program, we launched an informational campaign via traditional media. In addition, collaboration with major newspapers promoting financial education was extended, translating to free publication of more than 120 articles in five national and local media outlets.

BBVA Bancomer is Awarded by the IDB in Two Categories at the beyondBanking Awards

The International Development Bank (IDB) recognized the "Get Ahead on your Future" initiative with two beyondBanking awards in the categories of learnBanking, for its innovation, cutting edge approach and impact in promoting financial education, and people's choice, as the project with the most votes from the public, from among 120 contenders in 8 categories.

The Director of Financial Education at BBVA Bancomer, Uriel Galicia Negrete, assured that obtaining such an important distinction from the IDB is an incentive to continue strengthening financial education in Mexico, which must be a constant priority for banking institutions, given that during the next 20 years, some 32 million people will be economically active, and they must be prepared to become consistent savers and responsible debtors.

Financial Inclusion

Combating financial exclusion is an objective which is coherent with our company purpose and our ethical and social commitment. BBVA Bancomer is fiercely committed to innovation on this issue and to finding the means to facilitate global access to financial services.

Banking Access Plan

Many sectors of the Mexican population still do not have access to financial services. For that reason, BBVA Bancomer launched the banking access plan in 2007, as part of a Group plan for all of Latin America. With this strategy, we seek to spread banking products and services among the population with no prior experience in lending, giving special emphasis to their financial education.

In keeping with the objective to promote inclusive development of the Mexican financial system, BBVA Bancomer has brought access to more than 7 million Mexicans to the financial system in the last 10 years. In 2010, the National Banking and Securities Commission (CNBV, in Spanish) issued two financial inclusion reports, with information on the country's current situation regarding access to and use of financial services. The reports' conclusions and indicators have allowed us to understand the needs of the population and to find areas of opportunity to offer better access alternatives throughout the country.

In 2010, BBVA Bancomer's commitment to banking access in Mexico has grown. Under the guiding principle to facilitate access to financial services at the lowest cost, four strategies have been established:

- With regard to contracting, a product that minimizes requirements, a point of service that allows us to remove the process of the branches and bringing this solution to managers of large collectives with which there is no contractual relationship;
- In terms of transactional expenses, the development of infrastructure designed to decrease the costs of providing basic financial services, generating synergy and economies of scale, utilizing the cash deposit establishments and needs of the Banking Correspondents.

BBVA Bancomer offers cards and credit to its entire customer base at preferential prices and conditions. Payroll account holders receive the greatest benefits, including a discount of 28% on the credit card interest rate, which also offers a fixed rate that can be lowered if payments are made on time. Credit offers depend on the customer's ability to pay, and are available at branches, and through another means such as ATMs, so the customer can choose where to take an offer easily and comfortably.

2010 Accomplishments

Banking Access Plan

	2008	2009	2010
Number of Active Customers (in millions)	15,1	15,3	16.3
Number of Branches	1,843	1,779	1,985
Number of ATMs	5,772	6,237	6,760

(1) An active customer is an account holder with balance greater than 0. Includes holders of personal and business accounts.
Scope: BBVA Bancomer

- Placement of nearly 1.2 million bank cards, 14% more than the previous year.
- Consumer credit placement 57% greater than the previous year, in number of credits; close to 10% placed through ATMs.
- We grew 9% in payroll accounts, with more than 500,000 accounts, which makes us leaders in the market, supporting employees that receive their payment through our institution, who gain access to credit that helps them create and develop equity and overcome unforeseen circumstances that could harm their financial standing.
- 15,684,366 electronic transfer service transactions (BTS) for a total of 78,991,000,530 pesos, which represents 39% of the market for electronic remittances sent to Mexico, while BBVA Bancomer paid 57% of electronic remittances paid at banks in Mexico.

Non-Banking Correspondents

In late 2009, the CNBV granted BBVA Bancomer authorization to forge business partnerships under the “Non-Banking Correspondents” scheme, a service which we have named “Caja Bancomer Express,” with Oxxo stores, Wal-Mart Group, Farmacias Benavides, Telecomm, Chedraui stores, Piticó and Suburbia.

Banking transactions that can be made through Caja Bancomer Express are: receipt of payment for third-party services in cash, receipt of cash deposits to accounts and Bancomer prepaid cards, receipt of Bancomer credit payments in cash and receipt of Bancomer credit card payments in cash.

These new services through Non-Banking Correspondents strengthen our banking access strategy, as they will allow us to increase by more than 12,000 our points of sale at commercial establishments by the end of the second quarter of 2011. In addition, our customers have the advantage of receiving service during the weekend, with extended hours and the convenience of making these payments at the same places they make their everyday purchases.

For businesses partnered with Bancomer, this not only represents better service to their customers and a new source of income, but also a significant increase in the flow of customers at their establishments, which is estimated could be as high as 20%, since Bancomer has more than 18 million customers who may see it as convenient to go to these stores to make these transactions.

2010 Accomplishments

- During 2010, we have brought in as Non-Banking Correspondents some of the main retail chains in the country, such as Walmart, through its Bodega Aurrerá, Sam´s Club, Superama, Walmart and Suburbia, as well as Chedraui and Super Che stores, Farmacias Benavides, Piticó and Oxxo, as well as the Telecomm establishments. Payments for Bancomer credit cards can be made at all of these establishments, and there are plans to include, according to the interests of the correspondent partners themselves, payment to debit cards and payments for services/utilities.
- Since 2010, our customers have had access to an additional network of 4,015 authorized correspondents, in addition to the 1,800 Bancomer branch offices, at which they can make the most common banking transactions, online and during the hours and at the places they make their everyday purchases, knowing that transactional processes have been reviewed and proven by the authority.

Microfinance

Within the framework of BBVA's commitment to financial inclusion, the BBVA Microfinance Foundation was created in 2007. Currently this Foundation serves, through its entities, 620,584 customers in Latin America, with an accumulated social impact of nearly 2.5 million people, and has a staff of 3,350 employees and 275 offices managing a total volume of micro-credit at 432 million Euros for an average of 696 Euros per credit.

During 2010, the BBVA Microfinance Foundation has made progress in consolidating and expanding its network of microfinance entities in Latin America to provide its services and products to low-income people in the region. In Mexico, initial agreements are already in negotiations with different entities to begin lending activities.

Responsible Banking

Customer Focus

In 2010 we continued implementation of strategies to maintain our commitment to offering services with the highest quality standards to satisfy the needs of our 16.3 million customers.

Quality, Satisfaction and Customer Service

Bancomer Q

We have a program created exclusively to raise the level of quality in customer service, the "Bancomer Q" Program, which consists of recognizing through distinctions and nominations of our network of branch offices based on their results, and sustained or improved performance in program indicators.

There are four recognitions granted: "Q" Category, "Blue" Category, "Silver" Category and "Gold" Category.

To learn more about the objectives and the categories of the "Bancomer Q" program, click here.

2010 Accomplishments

- 100% of our bank wealth management branch offices and 100% of our Bancomer line cells were certified in "Bancomer Q" according to the different categories.
- We strengthened the certification rules to ensure excellence and consistent results for the retail network and the Bancomer Line.
- We strengthened positive results and obtained the highest rating in the last 6 years: 8.28 customer rating and 8.33 global rating.

Branches Certified from the Retail Network

Year	Q	Blue	Silver	Gold	Certified Branch Offices
2008	423	398	211	53	1,058
2009	420	452	292	125	1,289
2010	468	302	216	77	1,063

Scope: BBVA Bancomer

Certified Wealth Management Branch Offices

Year	Q	Blue	Silver	Gold	Certified Branch Offices
2008	8	23	19	1	52
2009	1	16	18	17	52
2010	0	4	15	36	55

Scope: BBVA Bancomer

Certified Bancomer Line Cells

Year	Q	Blue	Silver	Gold	Certified Branch Offices
2008	8	23	19	1	52
2009	0	5	9	10	24
2010	1	5	7	11	24

Scope: BBVA Bancomer

Bancomer Guarantees

To build greater security for our customers in performing transactions with the bank, we offer the "Bancomer Guarantees" program, which is a public commitment to meet our promise of a specific service. It is a permanent-growth quality plan, focused on providing added value, in addition to being the only guarantee program in the Mexican banking industry, by which compliance is guaranteed, or consequences are paid in the case of any noncompliance.

2010 Accomplishments

- We substantially reduced response time in responding to questions received, reaching 100% compliance in response to requests on time.

Guaranteed Response

	2008	2009
Requests Received	774,147	1,088,929
On-time Response	773,681	1,088,929
Late Response	466	0
Total Paid	$4,876,181	0
% Compliance	99.98%	100%

Scope: BBVA Bancomer

UNE Specialized Unit

At BBVA Bancomer, we have a unit that is dedicated to customer advocacy and maintains a strategic approach towards constant improvement and strengthening of relations with customers and authorities: the Bancomer UNE (Specialized Unit).

The Bancomer UNE seeks to uphold equality and transparency in customer interactions that for any reason or dispute with the institution and for the characteristics of the matter at hand, must be decided on by a Group entity that provides impartial, transparent and clear resolutions to the issue submitted.

The Bancomer UNE has special attributes, such as its independence and its own capacity for resolution, as well as its strong ties to the National Commission for the Protection and Defense of Consumers of Financial Services (CONDUSEF, in Spanish), thereby contributing to constant improvements in identifying the grounds for complaints and collaborating on a resolution, all of which constitutes an added value in our customer relations.

2010 Accomplishments

- We have strengthened the scope and presence of the Bancomer UNE both within the entity and before regulatory bodies, ensuring that the number of customers served through this channel increase significantly. This contributed to improved relations with our customers, thereby improving customer retention.

- We have implemented new service models together with the banking authorities, making BBVA Bancomer a pioneer on these matters, thus continuing as a leader in customer service as compared to our competitors.
- Bancomer obtained 1st place in the evaluation performed by CONDUSEF in the January – September 2010 period in attending appealed claims. This evaluation, conducted each quarter by the aforementioned authority, considers the quality, speed and service model employed in claims and complaints.

Claims Presented to the UNE

	2008	2009	2010
Resolved fully in favor of the customer	4,501	11,258	28,226
Resolved in favor of the bank	1,090	3,269	14,451
Total claims presented (UNE)	5,591	14,527	42,677
Internal claims (SAC)	35,062	31,891	48,980
Average number of days in resolving a claim	9.5	12.3	10.95
Number of claims before the banking authorities	18,940	23,096	37,152

Scope: BBVA Bancomer

Security, Customer Protection and Business Continuity

Given the current challenges on the national and international stage, BBVA Bancomer continues to strengthen our security measures to provide greater peace of mind and trust to our customers.

Our institutional webpage includes a section dedicated to security, where our customers can find information on what to do in the case of an emergency and how to maintain personal security at all times. In addition, we offer an emergency telephone line and an alert management center.

Within the BBVA Group, the fraud prevention model has been strengthened, through the creation of the Fraud Risk Global Management Unit, which establishes and coordinates policies in order to prevent and mitigate fraud in all businesses.

Given the heightened occurrence of technological fraud in the financial sector, BBVA launched an Information Security Master Plan for five years across the entire group. The objective of this project is to design a strategy on information security, taking customer protection as the guiding principle.

In addition, we have implemented a Business Continuity Plan, which allows us to take the necessary measures to ensure that our activities are not affected in emergency situations, such as natural catastrophes, pandemics and social conflicts.

2010 Accomplishments

- We successfully made the switch from magnetic strip debit cards to chip-based cards, in order to reduce to a minimum cloning and fraud through this payment method.
- We established the Information and Security Week, where customers, employees and the general public received consultancy on ways to avoid becoming a victim of fraud.
- We continued making updates to our webpage, where we offer detailed information on security tips when using BBVA Bancomer service channels.

Multi-channel Banking

At BBVA Bancomer we face the challenge of making our services available to people wherever they are, and therefore the concept of multi-channel banking is key in designing our financial and non-financial services.

In addition to the network of branch offices and self services, BBVA has made a significant effort to bring banking services to groups with the least experience in the financial world through the following channels:

- **Internet Channel:** Our Online Banking service is available to our customer, through which they can make financial transactions from our internet portal, such as checking balance and transactions, bank transfers, credit card payments and payment for other services in partnership with other institutions.
- **Mobile Channel:** The new Bancomer Mobile service, or B Mobile, allows our customers to perform the following transactions quickly, easily and securely from their cellular phones: buy phone credit, receive Bancomer alerts, check balance, make transfers between Bancomer accounts and to other banks, pay services and check the ten most recent transactions in your account.
- **Telephone Channel:** We serve our customers through the Bancomer Line 24 hours a day, 365 days a year, which we are working to improve with regard to the number of transactions available by telephone as well as the quality of these services.
- **ATM Channel:** We continue to expand our network of ATMs, strengthening their maintenance and functionality so that a greater number of people can make transactions through this channel.

2010 Accomplishments

Transactions by Channel	2010
Branch Offices	693,042,973
ATMs	664,489,186
Telephone	46,656,750
Internet	560,764,814
Cellular Phone	4,162,965
Correspondents	35,266,645

(1) Figures in thousands **Scope:** BBVA Bancomer

With regard to access to credit, we have made significant progress. In 2010, BBVA Bancomer consolidated recovery or lending activities. Total outstanding credit, without old housing, showed annual growth of 13.9%, reaching 557,260 billion pesos at year-end. This growth was driven primarily by consumer financing and the production sector:

- Credit to Pymes (small and medium-sized businesses), large corporations and government grew 21% over the year.
- Consumer financing and credit cards showed outstanding results, increasing by 13%, while placement of new payroll, personal and car loans increased 58%.

Responsible Publicity and Corporate Image

Transparency and the use of clear language have grown in importance within the current financial climate, and are essential in order to regain and strengthen the confidence of our customers.

The information that we provide to our customers is clear and transparent, as required by the Law for Transparency and Order of Financial Services. To this end, all of our publicity, as well as contracts and account statements, include the most relevant information, so as to be easily read and understood.

In this way, users are able to make decisions with the appropriate knowledge.

In this regard, we continue to work for responsible commercial communications and publicity in collaboration with different entities, such as the ABM and the CONDUSEF.

2010 Accomplishments

- BBVA Bancomer was named as coordinator of the Banking Users Committee at the ABM. This committee brings together all the UNEs from the banks that participate in the ABM. This important recognition was a result of the proven ability to act as a mediator between the CONDUSEF and the representatives from each bank.
- During the annual review of automobile contract documents, as performed by the CONDUSEF, known as “The Qualifier” (El Calificador), Seguros Bancomer was given a rating of ten this year, for the transparency and quality of the information included in its contracts, orders, policies, receipts and publicity and informational documents.

Responsible Finances

Responsible Risk Management

Risk is part of the banking industry, inherent to banking activities, and its management poses an everyday challenge for companies from this sector. BBVA Bancomer applies the Principle of Precaution in all its operations. This principle thus becomes an overall criterion, allowing the company to take only prudent risks, consistent with and based on experience.

Financial activity has been exposed to rapid changed, and as such, to new risks, which must be detected and assessed in an appropriate way. There are risks of a very different nature, which are related not only to financial aspects but also to social, environmental and reputational issues. In response to this permanent transformation of the context in which we operate, and the plurality of potential risks, across the whole of the BBVA Group we maintain various additional objectives.

First among them is to preserve the solvency of the entity. In order to do this, we assure that exposure to risk is kept within certain controlled limits, based on parameters established prior and with a balanced portfolio. Likewise, risk management is handled in such way that the policies derived therefrom are clearly linked to the strategic objectives of the company. Finally, our work is focused on the idea of Risk-Adjusted Returns, that is, all our decisions contribute to creating value through consideration of the inherent risks.

We have developed two environmental risk analysis models applied to investment projects and in general for customers and other prospects:

- The environmental risk assessment sheet, for investment projects.
- Environmental risk rating, called the Ecorating.

Currently the Ecorating model is undergoing analysis by the business partner and the systems areas in order to be made available to account executives as an additional requirement to qualify as a customer in 2011.

In addition, within BBVA Bancomer an individual has been designated to oversee environmental and social risks, as well as the adoption of the Environmental and Social Risk Management Manual on Finance and Securities, in order to integrate the environmental procedures and tools existing at the company within the Credit Risk structure and decision-making circuits.

The Equator Principles

The Equator Principles are a series of directives promoted by the World Bank, through its subsidiary the International Financial Corporation (IFC), which promotes sustainable investment of the private sector in developing countries, thus contributing to a reduction in poverty and an improvement in living conditions.

Financial institutions adhere to these principles in order to ensure that social and environmental topics are given our full attention within the financing of projects supported by the World Bank.

The BBVA Group is a signatory to these principles since 2004, which means it favors granting financing to projects managed in a socially and environmentally responsible way.

In 2009, the BBVA Bancomer Group completed an electronic control system for these processes, in line with the requirements of the Equator Principles on matters of risk prevention and ethical conduct, which was implemented in 2010.

2010 Accomplishments

- In order to strengthen adherence to the Equator Principles, in 2010 an Equator Principles Committee was created at the BBVA Group level, with quarterly meetings held in order to establish the Equator Principles Policy and a social and environmental risk strategy and profile, to propose measures to mitigate identified environmental impacts, to propose improvements and to support the implementation of best practices.

Operations Financed Pursuant to the Equator Principles in Mexico, 2010

Category	Number of Operations	Total amount financed by BBVA (in US Dollars)
A	0	0
B	12	2,377,092,575
C	2	112,000,000
Total	14	2,489,092,575

(1) - Category A: Projects with a significant negative impact that may affect an area greater than that which the project occupies;
- Category B: Projects with a lesser negative impact on human population or in areas of environmental importance;
- Category C: Projects with very little or no environmental impact.

Preventing Money Laundering and Terrorism Financing

For BBVA Bancomer, preventing its products and services from being used for illegal ends also constitutes an essential requirement to preserve its corporate integrity, as well as one of its main assets: the trust of the people and institutions we relate with on a daily basis.

To this end, we have a team of specialists in charge of detecting an illegal activity. Likewise, every year we offer training courses on this topic.

2010 Accomplishments

- As in the previous year, training activities reached more than 90% of staff and employees and work in public service areas or resource administration.

Preventing Money Laundering and Terrorism Financing

	2008	2009	2010
Number of participants in training activities on prevention of money laundering	18,520	23,458	23,095
People specialized in prevention of money laundering and terrorism financing	50	76	48

Scope: BBVA Bancomer

Responsible Products and Services

Pay Well, Pay Less

At BBVA Bancomer, we are offering a new credit card product: "Pay Well, Pay Less," which encourages financial education and the credit health of our customers. This proposal offers reductions in prices to customers who make their credit card payments on time. Customers who during the past year have paid double the minimum amount automatically receive a discount in the interest rate applied. From there, if the customer continues to make payments on time every six months they receive an additional decrease of one percentage point. In keeping with our commitment to support financial education, we also offer a reduction of one additional percentage point to customers who complete the four-hour course, "Credit Health through the Internet."

2010 Accomplishments

- We have included items or "accelerators" for customers that were already in the program, so that now a permanent decrease in the interest rate depends not only on making on-time payments, but also on other variables we have defined in recognizing and awarding preferential use, financing and transaction history.

Pay Well, Pay Less

	2009	2010
Number of customers enrolled in the initiative	714,398	748,063
Percentage of accounts that were given a decrease in the interest rate	10 %	34 %

B+EDUCA Fund

This is the first cause-based fund focused on education, created by BBVA Bancomer in 2009 in order to support the Becas Adelante "Por los que se quedan" scholarship program. It consists of a tool through which investors can donate 25% of net monthly interest to support education for young people with a high level of academic achievement through the Bancomer Foundation.« In this way, customers obtain a double benefit: attractive returns and the opportunity to make an important contribution to the development of education in Mexico.

2010 Accomplishments

- Since its launch last year, this fund has invested 100% in very short-term (same-day) government paper, a very low-risk investment for investors, so that a constant positive return is paid while donations are made to the scholarship program.

B+ Educa Fund

Total Donations (Millions of Pesos)	Transactions
24,808,683	116,715

Other Products and Services

There are sectors in the Mexican economy with great strength and dynamism, for which BBVA Bancomer has created a range of products and services available to them:

New Products and Services:

- **Bank Card for Food Coupons:** In 2010 we launched the first bank card for food coupons, together with VISA, a product which supports the modernization of payment methods and contributes to bringing access to banking services to more Mexicans. This card, to be used for the food coupon social benefit, replaces the paper coupons, offering several benefits to our customers, such as added security, decreased administrative load and a flexible transaction method. In this first year we managed to place 80,000 cards.
- **Voluntary Savings**: This year Afore Bancomer launched the permanent “Voluntary Savings” campaign, allowing customers to make voluntary contributions to increase their balance, in order to improve the standing of their pension upon retirement or to perform short- and long-term personal projects.
- **Express Account:** An on-demand bank deposit account, which makes the customer’s cellular phone into a bank account. The cellular phone number is linked to the account number (through Bancomer Mobile) to be acknowledged at the different channels within Bancomer: office tellers, Bancomer Line, ATMs, etc. This is first such mobile account in the market (simplified filing), easy to open, requiring only an official identification. It is a low-cost product where commissions are only paid per transaction with no minimum balance required.

Existing Products and Services:

- **Micro-business Credit Card:** Offers a credit line for small business owners with special characteristics, such as 45-day no interest financing and credit line equal to 15 days of business sales.
- **Money Sending Card:** After a decade in the market, we have renewed commercially the Paisano a Paisano card for Money Sending, adding alternative channels for use such as Mobile Banking, in such way that the recipient of the remittance is notified immediately by text message when the remittance arrives, and at that same moment can use his/her money, using the

application that Bancomer has developed for this segment at no additional cost.

- **Prepaid Cards:** This product works like a traditional debit card, with the feature that the user only uses the amount deposited prior to the card, which brings certain benefits, such as not spending more money than you have, and not carrying cash as a security measure.
- **Winner Card Savings Card:** In order to promote a culture of savings in new generations, we designed this card targeted at minors, offering a fun way to save through creative designs and attractive rewards and promotions.

Credit Leant to PYMES (Small and Medium-sized Businesses)

Credit	2008	2009	2010
Number of credits given	4,774	9,640	6,184
Amount in millions of Pesos	2,581	3,602	2,987

(1) Credits given greater than 2 million Pesos.
Scope: BBVA Bancomer

Money Sending

	2009	2010
Number of deposits	16,090,284	1,607,904
Total amount of remittances	$86,375,992,820	$6,195,734,886

Scope: BBVA Bancomer

Responsible HR Management

Staff Profile

BBVA Bancomer employees are characterized by their diversity, as our staff is made up of 52% women and 28% men, from the 32 states of the Mexican Republic, from different age ranges and professional backgrounds.

Non-Discrimination and Equal Opportunities

At BBVA Bancomer we favor effective application of the principle of equal opportunity and non-discrimination in order to promote diversity and use this diversity as a competitive advantage. In this regard, all policies from the Human Resources area include the concept of equal opportunity and non-discrimination based on gender, especially with as relates to professional careers, pursuant to the ethical principles that are part of our corporate culture: integrity, transparency, non-discrimination, professionalism, and merit-based recognition.

It bears mentioning that as with the roles and responsibilities of the position, professional development and meeting objectives, salaries of men and women are also equal.

Staff by Age and Sex

Age	2008	2009	2010
< 25	19%	18%	18%
25-45	68%	70%	69%
< 45	13%	12%	13%

Scope: BBVA Bancomer Group

Sex	2008	2009	2010
Women	17,767	16,934	17,787
Men	16,757	15,646	16,295

Scope: BBVA Bancomer Group

Equal Opportunities

	2008		2009		2010	
Position	Men	Women	Men	Women	Men	Women
Management Committee and Corporate Directors	59	1	59	1	63	1
Middle Management	264	37	257	36	254	35
Specialists	2,872	2,502	2,860	2,471	2,101	945
Sales	6,646	6,656	5,710	5,730	2,999	2,594
Base-level Positions	4,926	7,743	4,790	7,850	6,118	6,282

Scope: BBVA Bancomer Group

Selection and Employability

We have the responsibility to, as a source of jobs, use clear and transparent procedures to ensure that the selection of candidates is governed by the principle of equal opportunity, as well as maximum independence and confidentiality.

To this end, we rely on tools such as job posting, through which the selection process begins, where possible, with a search among the employees of the company. Likewise, we have implemented the "Sign Up" tool, to strengthen transparency in internal selection processes. The objectives of this initiative are to favor as much as possible equality in internal opportunities for development among all people working at the company, as well as the recalibration of their career path based on their own professional interests. It bears mentioning that 95% of our directors are of Mexican nationality.

Employee Hires	2008	2009	2010
Number of Employees	12,562	4,520	7,419

In 2010 and 2009 true hires are reported; in 2008 gross hires are reported.
Scope: BBVA Bancomer Group

In 2010, overall turnover across the Group was:
Men: 17.2%
Women: 17.1%
0 to 25 years: 28.7%
25 to 25 years: 14.7%
Over 45 years: 9.6%.

Number of employees and % of total	2008		2009		2010	
Retirement and Early Retirement	197	1%	119	1.8%	68	1.2%
Termination with incentive	781	4 %	18	0.3 %	900	15.9 %
Resignation	6,483	37 %	3,760	58 %	2,961	52.3 %
Other	10,070	57 %	2,578	40 %	1,729	30.6 %

In 2010 and 2009 true hires are reported; in 2008 gross hires are reported.
Scope: BBVA Bancomer Group

Evaluation, Professional Development and Compensation

At BBVA Bancomer, we support our employees in their professional and personal development at all times. Our Talent Administration System allows us to identify the ability level and knowledge of each person, based on a series of evaluation techniques.

To find out more about the Talent Administration System, click here.

Likewise, in order to ensure that all of our employees receive just compensation, we rely on our Compensation Policies, which takes into consideration the level of responsibility of the position and the professional performance of each person, avoiding discrimination based on sex, race or other factors.

Evaluation, Professional Development and Compensation (1)

Position	2008	2009	2010
Management Committee and Corporate Directors	27.29 %	29.25 %	26.68%
Directors	24.35 %	26.27 %	24.39%
Team Leaders and Technical Leads	19.02 %	26.52 %	19.08%
Administrative, General Services and Others	14.55 %	17.50 %	14.68%

(1) Compensation based on the evaluation, with regard to total compensation. Pension plans and benefits are not included.
Scope: BBVA Bancomer Group

Training and Education Management

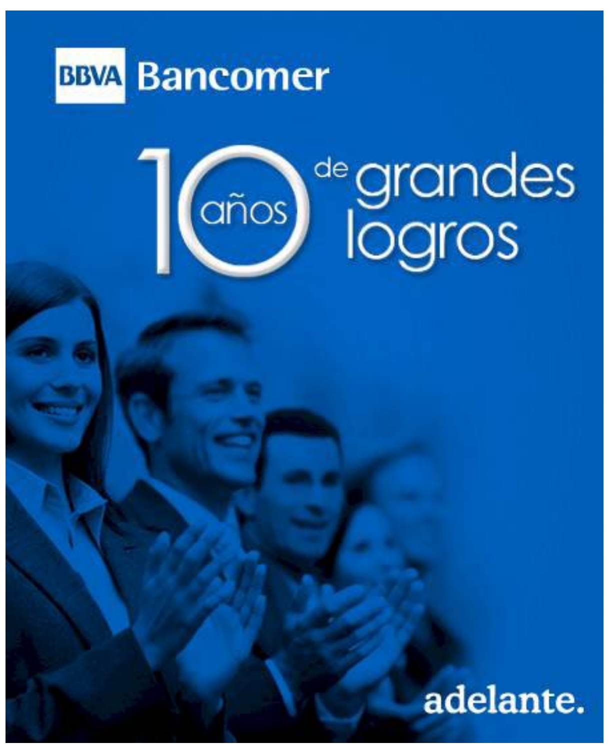
In order to keep our employees well prepared, we have streamlined our training programs, with special emphasis on the e-learning platform, which this year was migrated to the e-campus platform, through which we gave 1,090,269 hours of training this year, a 43% increase over last year.

In 2010, 113 million pesos were allocated to courses given to 196,715 participants for a total of 1,933,691 training hours. It bears mentioning that we continue to support employees interested in completing a degree or attending graduate school..

Training and Education Management	2008	2009	2010
	Training Hours per channel		
On-site Training	804,430	844,351	843,422
Remote Training	135,407	No longer offered beginning in 2009	
Training through e-learning	579,849	763,146	1,090,269
Scope: BBVA Group	1,519,686	1,607,497	1,933,691
Percentage of employees trained 100%			

Training and Education Management	2008	2009	2010
	Training		
Total investment in training (thousands of pesos)	127,000	100,000	113,000
Investment in training per employee (pesos)	3,629	3,108	3,426
Hours of training per employee	44.0	50	58.6
Evaluation of satisfaction of the training	4	4.3	4.3
Employees that have received training	35,000	32,177	32,987

Scope: BBVA Bancomer Group



Hours of Training per Business Unit, 2010

	E-learning				On-Site		
	Staff	People	Hours	Staff Hours	People	Hours	Staff Hours
Business Unit	18,152	78,968	678,088	37	41,254	417,317	23
Entire Group	32,987	138,226	1,090,269	33	58,489	843,422	26

Scope: BBVA Bancomer Group

Hours of training per employee's category

Position	People	Hrs	Average (Hrs)
Associates	240	6890	28.70
Assistant	352	3696.5	10.50
Coordinator	517	4574	8.8
Private Banker	803	14491	18.04
Analysts	1039	15411.5	14.83
Consultant	1199	24257	20.23
Advisor	1386	23134.9	16.69
Assistant Director	1492	32177	21.56
Specialist	1705	24677	14.47
Manager	5063	62006.5	12.24
Other	6791	140507	20.69
Cashiers	16033	223057.1	13.91
Director	10772	136645.5	12.68
Executive	11097	131897	11.88
Aggregate	58,489.00	843,422.00	14.42

Social Benefits and Other Initiatives

The "Passion for People" corporate platform at BBVA Bancomer stands out for offering employees attractive programs with a wide range of benefits for both their own personal development and that of their families.

The main programs include:

- Personal Loans: for clothing and footwear, consumer goods, cars, mortgages, personal and material outlets.
- Bancomer Staff Benefits: membership in discount programs, hotels, vacation and seniority recognition.
- Bancomer Family: Athletic, social and cultural activities to promote integration and family wellbeing.

To find out more about what these programs include, click here.

2010 Accomplishments

- Employee included in the BBVA Bancomer Membership program: 88.09 of total staff.
- Total number of employees given Staff Benefits: 70,643
- Most relevant activities performed by Bancomer Family:
  - 5th BBVA Bancomer People Race: 13,750 participants from 10 states in Mexico

- Banking Games: 619 athletes earning 148 gold medals
- Professional Soccer League: 10 children participated in a soccer clinic in Barcelona, Spain
- Cultural Workshops: 16 workshops with 1,087 participants, employees and their families
- Seniority Recognition given to 3,851 employees
- Seguros Bancomer organized activities for its employees, such as the 6th Insurance and Securities Race, Integration Day, the Light Challenge, its publications ("Acércate más" y "Conóceme más"), the dynamic portal "Auto Galería Bancomer," as well as its annual events: Halloween contest, bowling tournament, dominoes tournament, Christmas contest, Children's Day contest, breakfast on Mother's Day, among others.
- This year we launched the NFT Project (New Forms of Work), aimed at promoting remote-based work using new technologies. After the pilot phase, the application of these facilities has been expanded to different BBVA Bancomer departments, with the idea of further expansion during 2011.

Environment Survey

Business Unit	2008		2009		2010	
	Participation	%	Participation	%	Participation	%
BBVA Bancomer Financial Group	26,498*	100 %	28,246*	87.2 %	26,510	100 %
Bank	21,527	81.20 %	23,962	88 %	22,640	85.40 %
Afore and Pensions					1,928	7.27 %
Insurance and Multi-support					903	3.40 %
Technology and Utilization					646	2.43 %
Other Areas					393	1.48 %

(1) In 2007, the survey was applied using a sample from the Group population. Beginning in 2008, the survey is conducted response of the entire population.
(2) In 2008 and 2009, we did not have access to data from Afore, Insurance, Technology and Other Areas, as this was new information.
Scope: BBVA Bancomer Group

Work Environment

Each year we implement projects that contribute to maintaining a healthy work environment. One of the main tools that help us monitor the effectiveness of these projects and detect new areas of opportunity is the work environment survey.

This year, the organizational environment survey achieved 100% participation of the staff, equal to 26,510 employees. With the results obtained, we designed the 2011 work plan.

Freedom of Association, Union Representation and Conflict Resolution

BBVA Bancomer has the most comprehensive collective labor agreement in the financial system, which defines labor relations with 41.6% of employees. Banking institutions in general have been characterized by offering compensation and benefits well above those required by Law. Not only is BBVA Bancomer no exception, in some areas it offers even more advantageous conditions than other institutions from the industry.

Preferential conditions include, among others, personal loans for purchase of durable goods, automobiles and acquisition of mortgage loans. Vacation days to which employees have a right, the vacation bonus and the annual bonus are substantially greater than those required by Law.

Collective relations at BBVA Operadora and BBVA Bancomer Servicios are governed as per the collective labor agreements entered into with the Sindicato Nacional BBVA Bancomer de Empleados de los Servicios de la Banca y Crédito y de Actividades Financieras Relacionadas (SNAEBB). Likewise, Internal Labor Regulations have been signed with both companies.

As relates to union membership, 41.6% of the BBVA Bancomer staff is represented by the SNAEBB. Each of the processes where union staff has some level of involvement is treated in an environment of respect and responsibility based on the regulations established in Mexican Labor Law.

Every two years the Collective Labor Agreement is reviewed in full. To view the most relevant agreements reached in 2009, click here.

Freedom of Association, Union Representation and Conflict Resolution

Contracts by Gender. Percentage	2008 (M / F)	2009 (M / F)	2010 (M / F)
Fixed or Undefined Full-time	44.0 / 42.9	44.9 / 47.4	42.91 / 45.42
Fixed or Undefined Part-time	2.0 / 3.8	0.6 / 1.4	1.03 / 2.14
Temporary	3.3 / 4.0	2.5 / 3.2	3.88 / 4.62

(1) M = MALE F = FEMALE
Scope: BBVA Bancomer Group

Disputes

	2008	2009	2010
Individual Complaints	626	801	779
Total	**626**	**801**	**779**

Scope: BBVA Bancomer Group

Disciplinary Cases

	2008	2009	2010
Sanctions	185	287	157
Terminations	109	89	104

Scope: BBVA Bancomer

Occupational Health and Safety

At BBVA Bancomer we believe that promoting health and safety is a basic principle and fundamental objective, upheld through constant improvements in working conditions. This policy is enforced through the Occupational Hazard Prevention System, which establishes each year a plan of action on occupational health and safety, implemented progressively in two areas: Technical/Prevention and Occupational Medicine.

2010 Accomplishments

- We launched a campaign to conduct Hepatitis C testing for the entire staff of the BBVA Bancomer Financial Group in the metropolitan area and their families, free of charge.
- Employees were invited to vaccinate themselves against the Human Papillomavirus (HPV) and to get more information about this serious condition, together with a vaccination campaign against Influenza AH1N1.
- We participated in the International Breast Cancer Day, where we provided a self-examination guide, contributing to a culture of prevention.
- Seguros Bancomer launched the “Reto Light” program, awarding the participant who lost the largest percentage of weight and body fat, along with the satisfaction of improving their physical appearance and health.
- We conducted the First Civil Protection Week, collaborating with the Coordinator General of Civil Protection under the Secretariat of the Interior, where useful tips were provided on what to do in an emergency.
- As they do every year, the Civil Protection brigades and the Safety staff organized an evacuation drill at the Bancomer Center in order to develop a culture of self-protection in the staff. Actions to be taken before, during and after a seismic event were also covered.

Absenteeism

	2008	2009	2010
Employees	3,621	8,597	7,762
Days	61,546	56,168	89,627

Scope: BBVA Bancomer Group

Responsible Purchasing

Relations with our suppliers are governed by the Code of Conduct, which states that "BBVA Bancomer gives special value to suppliers that share the principles set forth in this Code and that have adopted in performing its activities the commitments from the United Nations Global Compact."

In addition, our Purchasing area is governed by the Principles applied to those who participate in the procurement process, a document that details the items from the Code of Conduct that are especially important to all the operations within this process, which are governed by a respect for legislation in effect in each area.

Within the general principles and guidelines, respect for legislation, commitment to integrity, competition, objectiveness, transparency, creation of value and confidentiality are all of importance.

Corporate Purchasing Model

Our purchasing model establishes relations with suppliers based on two fundamental aspects:

- The application of criteria of objectivity, transparency, professionalism and equal opportunities in the selection of suppliers and in relations with said suppliers;
- A focus among suppliers on ethical principles and corporate responsibility.

Suppliers

2008	2009	2010
688	748	602

Scope: BBVA Bancomer

Supplier Authorization System

BBVA Bancomer has worked for five years on an authorization process, which enables us to certify the production, technical, financial, legal and commercial capabilities of our suppliers, as well as their level of involvement in areas of corporate responsibility.

Items from the ethical, social and environmental criteria include labor practices, market transparency, environmental protection and relations with the community where these companies operate.

Supplier Authorization

	2008	2009	2010
Number of authorized suppliers	138	116	111
Percentage of purchases made with suppliers that have participated in the authorization process	29.72	29.61	32.44
Number of suppliers that have not undergone the authorization process	2	3	5
Number of electronic negotiations	2,893	2,201	2,379

Scope: BBVA Bancomer

Responsible Suppliers

We are convinced that in giving preference to purchasing from companies that meet sustainability criteria, we are motivating other companies to implement corporate responsibility strategies in the management of their activities. To this end, in 2010, 20 of our suppliers have received ESR (Socially Responsible Company) certification, 7 of which for more than four consecutive years.

Management and Procurement Tools

This year, 86.8% of BBVA Bancomer orders to suppliers were made through our electronic business platform, Adquira. Quote requests and automatic purchasing orders, among other operations are made through this system, through an efficient and transparent framework that optimizes the negotiation process and improves the services offered to the internal client, in addition to fostering transparency since it is fully auditable.

2010 Accomplishments

- We received the highest rating in the supplier satisfaction survey, which is conduced across the BBVA Group each year.
- We continue working with local suppliers, which represent 99% of the total, which provides us with an opportunity to develop our value chain.
- Authorization criteria are strengthened, seeking to further mitigate exposure to risks resulting from relations with suppliers that do not meet expectations.
- There was a notable increase in electronic negotiations.

Environmental Management and Climate Change

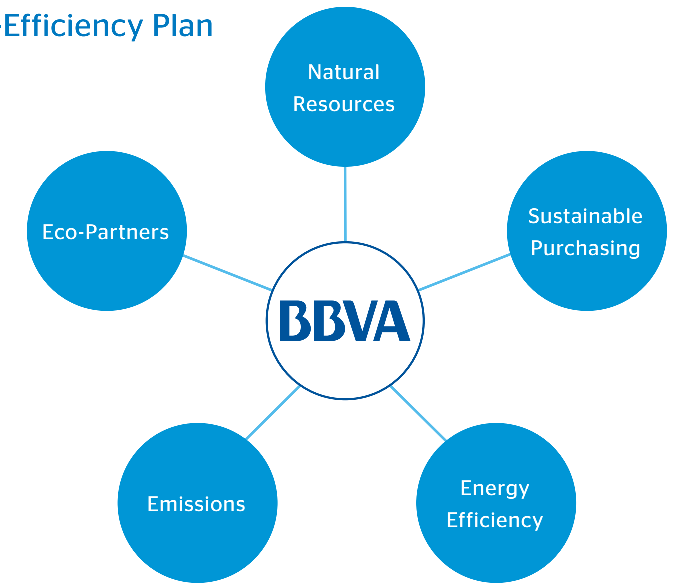
The environmental policy of BBVA Bancomer represents an expression of its commitment to sustainable environmental management and to contribute to the fight against climate change. Through various provisions we seek to drive effective integration of the environmental criteria in all our activities, in considering these criteria to be a differential element and to represent a competitive advantage.

Global Eco-Efficiency Plan (PGE) 2008-2012

Since 2008, we have been working on a plan with ambitious, concrete and measurable objectives that will contribute to optimizing the use of natural resources, thus reducing the direct impact our activities have on the environment.

The PGE is managed through a control module, where the progress made in terms of six environmental indicators is entered on a quarterly basis, for which objectives have been established for the year 2012:

Global Eco-Efficiency Plan



2012 Objectives (per employee)	
-20%	CO_2
-10%	Paper
-7%	Water
-2%	Energy (electricity)
20%	Employees in ISO 14001 buildings (26,000 employees)
Headquarters	LEED Gold Headquarters (15,000 people; Madrid and Mexico)

Fight against Climate Change

Atmospheric Emissions(t)	2008	2009	2010
Total CO_2 emitted(t)	115,675	108,236	110,019
Total CO_2 per employee(t)	3.35	3.32	3.21
Direct CO_2 Emissions	2,386	2,695	2,284
Indirect CO_2 Emissions(t)	113,288	105,541	107,735

(1) Total CO2 emitted is calculated by adding direct emissions (fossil fuels) to indirect emissions (electricity and air travel).
(2) (t) = metric tons
Scope: Central Buildings and Bank Offices

Paper Consumption

Paper (t)	2008	2009	2010
Total paper consumed (t)	1,959	-1,814	-
Total paper consumed per employee (t)	0.0567	-0.055	55
Ecological paper consumed (t)	55	1,813,870	1,879,573

(1) Since 2009, all paper consumed is ecological.
(2) (t) = metric tons
Scope: Central Buildings and Bank Offices

Water Consumption

Water Consumption (m^3)	2008	2009	2010
Total annual water consumed (m^3)	928,188	885,881	722,111
Water consumed annually per employee (m^3)	26.9	27.2	21.18

(1) (m3) = cubic meters
Scope: Central Buildings and Bank Offices

Energy Consumption

	2008	2009	2010
Total electricity consumed (1)	202,416 Mw/h (55,304.91 GJ)	196,944.16 Mw/h	195,894.48 Mw/h
Total electricity consumed per employee	5.86 Mw/h	3.11 Mw/h	2.94 Mw/h
Total natural gas consumed	147.81 m^3	125.38 m^3	119.217 m^3
Total consumed diesel (gas oil)	472.91 m^3	489.95 m^3	452.470 m^3

(1) The GJ measurement unit was used in the 2008 report. In order to facilitate easy understanding, it was decided to change the unit of measurement to MW/h in the 2009 and 2010 report, thus the data from 2008 was converted.
(2) Mw/h = Megawatt hour
Scope: Central Buildings and Bank Offices

Kilometers Traveled by Plane and Car

Km traveled by plane:	2008	2009	2010
Trips less than 452 km	15,170,472	8,641,554	791,690
Trips from 452 to 1600 km	19,420,328	11,245,866	13,724,578
Trips greater than 1600 km	18,886,936	7,939,628	42,233,160
Km traveled by car:			
Director cars Kms	934,599	977,141	799,732
Service cars Kms	4,130,389	4,926,896	3,834,959
Employee cars Kms	7,345,308	7,565,295	6,784,650

Scope: Central Buildings and Bank Offices

Profile of BBVA Bancomer
Financial Report
Corporate Responsibility Report
Company Profile
Principles and Policies
Stakeholder Inclusiveness
Relevant issues
Financial Education
Financial Inclusion
Responsible Banking
Community Involvement
Additional Information
Audit report

Waste Generated

Waste managed (t)	2008	2009	2010
Paper and cardboard (t)	324,720	308,276	324,614
Electric and electronic devices (t)	20,650	43,295	27,547

Scope: Central Buildings and Bank Offices

Videoconferencing

	2008	2009	2010
Videoconferences	1,502	1,541	1,508
Rooms equipped for videoconferencing	37	741	60
Audio conferences	-	13,700	23,641
Telepresence	-	226	139

1. For Audioconferencing and Telepresence no historic data is available, as these are new initiatives.
2. The number of rooms equipped for videoconferencing in 2010 includes all rooms on a national level.
Scope: Central Buildings and Bank Offices

ISO Certifications: Building 14001

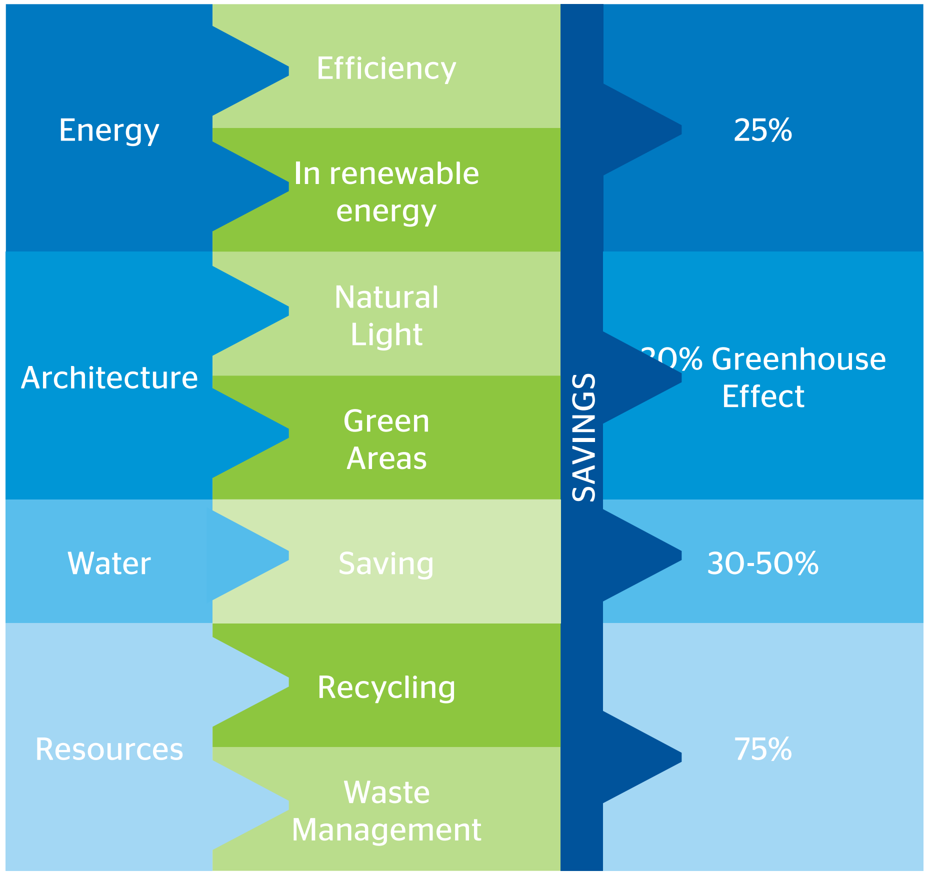
	2008	2009	2010
Buildings certified according to environmental standard ISO:14001	2	2	5 (1)
Number of employees at certified buildings	970	970	2,486

The three new certified buildings are: Edificio Sede 5 de Mayo, in Puebla, Puebla; Edificio Sede Plaza Rio in Tijuana, Baja California and Edificio Montes Urales 424 in Mexico City.
Scope: Central Buildings and Bank Offices

LEED Corporate Headquarters

Construction works at our new corporate headquarters continued during 2010. These new headquarters will host 9,000 people who currently work at seven different sites. We are scheduled to have LEED Certification (Leadership in Energy and Environmental Design) for two buildings by late 2012, which implies considerable savings in energy, water, recycling, and resource management..

LEED Certification Commitments:



Climate Change

The role of companies in the fight against climate change is key. For that reason, at BBVA Bancomer we assume our responsibility in full and continue to support numerous initiatives that help protect the climate.

These include, for example, the installation of energy-saving electric exterior signs at two branches, as well as the installation of exterior and interior merchandising and energy-saving windows at three branch offices as a prototype of the "Lean Publicity" Project, to be extended to 780 branch offices in 2011.

In addition, containers were installed for the Waste Recycling Program (plastic, glass, paper, aluminum) at the corporate buildings in Mexico City. Employees were invited to place labels on the containers as part of the promotional campaign.

As part of the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP16) held in late 2010 in Cancun, Quintana Roo, BBVA Bancomer sponsored a series of informational radio spots, as well as several interviews to discuss the objectives of the event.

Environmental Training and Awareness

As part of our training activities, and in order to promote a culture of environmental conservation, we continue to strengthen the Canal Verde, the site where gather information relating to initiatives, programs and indicators being developed at BBVA Bancomer to uphold the commitments from the PGE. The strategies presented revolve around four topics: water conservation, paper conservation, energy saving and solid waste management.

In addition, during 2010 we conducted the following initiatives:

- Campaign for collecting and recycling electronic waste (batteries, cellular phones, chargers, cables) at corporate buildings with the support of Telefónica México, who recognized BBVA Bancomer for its efforts in the campaign;
- Ecological Rally with Pronatura to celebrate Global Environment Day, where employees and their families participated to enjoy and appreciate the protected natural areas of the Mexico City Ecological Park in Ajusco;
- Exchange 2,914 Styrofoam cups used in the company dining areas for plastic cups, whose biodegradation time is considerably less;
- Exchange napkins at the company dining areas for ecological napkins, made of 100% recycled fibers and chlorine free, thereby reducing

consumption by 109,500 napkins, representing 33.13%, and promoting responsible consumption among employees;

- Replacement of high consumption toilets with more efficient equipment at 200 branch offices, thereby reducing water consumption by 9,000 m^3;
- 1,692 tons of PETE and 0.179 tons of aluminum were collected through different campaigns;
- We conducted the "Deja tu huella" campaign, which consisted of inviting employees to sign onto the Green Code, agreeing to follow one of the 13 conducts from the code by placing their fingerprint on the code;
- We organized the "Waste and Climate Change" conference, given by a specialist from the North American Environmental Information and Communication Center (CICEANA, in Spanish), and attended by employees, suppliers and the general public, who learned more about waste production and home alternatives to decrease waste.

Much of the work we do to make information available to our stakeholders on the importance of environmental conservation is through the BBVA Bancomer Foundation education area.« In this regard, we work in collaboration with specialized organizations, such as Pronatura, the Secretariat of the Environment and Natural Resources (SEMARNAT, in Spanish), the National Commission for the Knowledge and Use of Biodiversity (Conabio), the North American Environmental Information and Communication Center (CICEANA) and the San Miguel de Allende Environmental Education Project (PEASMA).

To find out more about these environmental education initiatives, you can view the 2010 BBVA Bancomer Foundation Report or click here.

Community Involvement

The BBVA Bancomer Foundation

As a natural extension of our commitment to society, this year we are celebrating the ten year anniversary of the BBVA Bancomer Foundation, a nonprofit organization through which BBVA Bancomer has channeled its responsibility to contribute to social development in Mexico.

The Foundation is made up of four strategic areas: Bancomer Educational and Production Centers, Cultural Promotion, Bancomer in Education and Social Development Programs. In 2010, through these areas we were able to impact 314,251 people, with the collaboration of 1,718 volunteers.

BBVA Bancomer Foundation Budget

Strategic Area	Total Contribution
Bancomer in Education	$39,809,136.06
Bancomer Educational and Production Centers	$10,108,111.09
Cultural Promotion	$15,401,119
Social Development Programs	$186,318,591
Other (Social and Institutional Assistance and operating expenses)	$7,317,869
Total	$258,954,826

Bancomer in Education

This area has as its objective to support formal instruction through academic excellence, developing initiative and creativity and promotion of knowledge of and respect for nature, while contributing to the building of values for the strength and personal growth of young Mexican with limited resources who work hard to get ahead.

To find out more about Bancomer in Education, click here.

2010 Accomplishments

- With the Children's Knowledge Olympics, we gave scholarships to 3,070 students, with an annual grade-point average of 9.58 with the support of 1,018 sponsors.

2010 Bancomer in Education

Project Name	Description	2010 Results
Children's Knowledge Olympics	Competition organized by the Secretariat of Public Education (SEP, in Spanish) for 6th grade student from all the schools in the country. Awards consist of scholarship plans administered by the Foundation. The program ends in 2012 when the scholarships given in 2009 expire.	In 2010, 3,070 students directly received benefits from this program. Scholarship students have earned an average annual grade-point average of 9.58 and the replacement/desertion rate has been less than 2%. 1,018 sponsors support this program.
Bancomer-ITESM Scholarship	These scholarships consist of economic support to cover 33% and 67% of tuition for well-performing students in high school and college, respectively.	This project is in an advanced stage of development, and through December 2010, 19 out of 150 undergraduate scholarships are current, 116 of 127 Tec Milenio High School scholarships and 769 of 1,000 Prep@Net (online high school) scholarships, for a total of 904 recipients.
Bancomer-Fundemex Scholarship Foundation	Merit scholarships for technical/professional high school students at the Colegio Nacional de Educación Profesional (Conalep) given together with the Fundación del Empresariado en México A.C. (Fundemex).	To date, 320 students have graduated with good grades, and 8% have come to work at the bank. In 2010 we gave scholarships to students.
PRONATURE Environmental Education Program	A program that seeks to raise awareness and support knowledge of environmental conservation, through workshops, guided tours and other activities, at the Environmental Education Center in the Ajusco Medio Mexico City Ecological Park, a natural reserve located in the southern part of the Federal District.	To date more than 40 thousand students have benefited from this program. Likewise, reforestation days have been held with staff from the Bancomer Financial Group. During 2010, we served 7,000 people who were benefited from this program.
Sustainable Development Program with CICEANA	BBVA Bancomer supports the North American Environmental Information and Communication Center (CICEANA, in Spanish) to offer training and preparation for children, young people and adults on sustainable ecological development.	In 2010, 4,000 students benefited from this program, receiving training on environmental education.
San Miguel de Allende Environmental Education Program	BBVA Bancomer supports this program, similar to those with CICEANA and PRONATURA, which is developed in the State of Guanajuato.	More than 5,000 students have taken guided tours through forested areas near San Miguel de Allende. In 2010 4,000 students benefited from this program.
Natural Disasters	Support for different Mexican states in the event of natural disaster.	In 2010, support was given to 62,400 people affected by natural disasters in Michoacán, the State of Mexico, Nuevo Leon, Tamaulipas, Coahuila, Veracruz, Chiapas, Tabasco, Oaxaca and in Haiti. 350 volunteers participated.
Quetzal Route	A cultural exchange program whose objective is to bring the cultures of Europe and the Americas closer together through cultural trips for young people 15 to 17 years old.	Mexico hosted the Quetzal Route and received 320 travelers, plus the 20 national scholarship recipients.

Bancomer Educational and Production Centers

These centers were created to provide low-income communities with tools, especially women and children, to improve their quality of life, through the promotion and support of their family and personal development. Last year we began a process of transforming the 24 centers into a social incubator model, together with the ITESM. We currently have six centers operating under this new model.

To find out more about the Bancomer Educational and Production Centers, click here.

2010 Accomplishments

- We served a total of 6,120 people at 6 centers operating in 2010, incubating 243 micro-businesses, of which 53 are industrial, 91 commercial and 99 service-based.

Number of People Served in 2010

	Micro-business incubated	Community education workshops	Volunteering workshops	Financial education workshops	Other workshops	Prepanet	Total of people served
Pachuca	78	2870	58	72	0	359	3437
Torreón	58	571	375	130	0	128	1260
Aguascalientes	49	190	12	55	0	188	794
Guadalajara	34	309	39	18	47	6	453
San Luis Potosí	28	57	0	8	28	1	120
Toluca	0	56	0	0	0	0	58
Irapuato***	13	46	0	0	0	0	0
Tuxtla Gtez***	13	46	0	0	0	0	0
Cuernavaca***	0	0	0	0	0	0	0
Tampico***	0	0	0	0	0	0	0
Total	258	4099	484	283	75	982	6120

***Centers recently opened

Cultural Promotion

This is an area in which we have worked since 1990, with the creation of the Bancomer Cultural Foundation. Since then, the Foundation has worked to achieve its fundamental objective: to promote creative and cultural development in Mexico through support and holding of artistic and cultural activities.

To find out more about Cultural Promotion, click here.

2010 Accomplishments

- We supported 36 projects at a total of $5,375,207, through our main program, the Arts Support Fund.
- Seguros Bancomer lent support to the Mexican Film Industry to participate in the Guadalajara Film Festival, by sponsoring two Mexican films: “De la infancia” and “Depositarios.”

2010 Cultural Promotion

Project Name	Description	2010 Results
Arts Support Fund	This program seeks to support and promote culture in our country, supporting all manner of quality cultural projects in all areas of the arts.	Since 2006 we have supported a total of 164 projects. This year, resources were given totaling $5,375,207 and 36 projects were supported.
3rd University Competition “Hazlo en cortometraje”	A competition that seeks to promote the creation and production of short films among university students and recent graduates.	142 young people participated, creating 70 short films from 45 universities
Bancomer-MACG Program, Contemporary Art	Artistic training program aimed at beginner Mexican artists	182 participants, of which 10 were selected. 11,448 people attended the exposition.
“El Mestizaje Mexicano” book	An editorial project that continues the stories of some of the protagonists from the documentary of the same name, which include artists, photographers and writers.	13,000 copies printed
Confluence, Two Centuries of Modernity in the BBVA Collection” Exposition	An exposition that reflect on the last 200 years of art in Spain and Latin America from the BBVA Collection.	114 groups attended in guided tours with a total audience of 24,142 people. A catalogue with 1,000 copies was also published.
“El Mestizaje Mexicano” Meeting	A meeting of great thinkers and historians, to analyze and debate fundamental topics of the fusion of indigenous culture and the Spanish world, coordinated by historian Enrique Krauze.	Number of attendees: 318, plus 14,644 internet downloads.
Rural Cinema	A project that brings the experience of the cinema to rural communities in Mexico.	13,991 participants from 63 different municipalities.

Social Development Programs

Our social development program "Por los que se quedan," launched in 2006, seeks to support academic achievement of middle school students in migrant communities, to encourage that they stay in school and to contribute to raising the quality of their education. To find out more about the Social Development Programs, click here.

2010 Accomplishments

- Graduation of 5,000 scholarship students, with grade-point average of 9.3.
- Implementation of the Remote Sponsor Program, through which 78 courses on "The Advantages of Staying in School" were given to 996 scholarship recipients from the program, with the participation of 62 volunteers from the company and 7 family members, for a total of 552 hours of volunteer work.

2010 "Por los que se quedan" Social Development Program

	2006-2009	2007-2010	2008-2011	2009-2012	2010-2013
"Por los que se quedan" Scholarships	600	5,000	5,000	5,000	5,000
Bancomer Branch Offices	8	77	86	166	183
Bancomer employees participating as sponsors	41	351	390	689	700
Municipalities	6	70	78	143	143
States	3	10	10	18	18

2010 Awards and Certifications

Reconocimiento	Institución otorgante
Socially Responsible Company (ESR, in Spanish) certification to: BBVA Bancomer (tenth consecutive year) Seguros Bancomer and Afore Bancomer (second consecutive year)	Mexican Philanthropy Center (CEMEFI) and the Alliance for Corporate Social Responsibility in Mexico (ALIARSE)
Award for Best Corporate Social Responsibility Report	Ganar-Ganar Magazine
Ranked 10th of the 50 Most Responsible Companies	Mundo Ejecutivo
"Beyond Banking: Banking on Global Sustainability" Award in the category of learnBanking for the "Financial Education: Get Ahead on your Future" initiative	Interamerican Development Bank (IDB)
"Beyond Banking: Banking on Global Sustainability" Award in the category of People's Choice for the "Financial Education: Get Ahead on your Future" initiative	Interamerican Development Bank (IDB)
"World Finance Pension Fund of the Year 2010 Mexico" Award to Afore Bancomer	World Finance
ISO 9001:2000	International Organization for Standardization
ISO 14001 to: Edificio Montes Urales 620 and Montes Urales 424 in Mexico City, Edificio Chapultepec in Guadalajara, Jalisco Edificio sede 5 de mayo in Puebla, Puebla Edificio sede Plaza Río in Tijuana, Baja California	International Organization for Standardization

2010 Progress and 2011 Objectives

	Work Streams	Objectives for 2010	Progress in 2010	Deloitte Compliance %	Objectives for 2011
Corporate Responsibility Policy	To advance the integration of the CR policy in general strategy and the Group's business and support areas.	- To prepare the 2010 Mexico RRC Strategic Plan.	- Preparation of the 2010-2012 Mexico RRC Strategic Plan.	75%	- Follow up of projects and initiatives of the 2010-2012 Mexico RRC Strategic Plan
		- Awarded the Distinction for Socially Responsible Company for 11 years (Centro Mexicano Filantropía - Mexican Center for Philanthropy). Third Extension to the subsidiaries Retirement Funds Management Bancomer, S.A. de C.V. and Insurance BBVA Bancomer, S.A. de C.V.	- Awarded the Distinction for Socially Responsible Company for 11 years (Centro Mexicano Filantropía - Mexican Center for Philanthropy). 3rd. Year for the subsidiaries Retirement Funds Management Bancomer, S.A. de C.V. and Insurance BBVA Bancomer, S.A. de C.V.	100%	- Awarded the Distinction for Socially Responsible Company for 12 years (Centro Mexicano Filantropía - Mexican Center for Philanthropy). 4th year for the subsidiaries Retirement Funds Management Bancomer, S.A. de C.V. and Insurance BBVA Bancomer, S.A. de C.V.
		- Update of the RRC page on the Intranet and Internet	- Update of the RRC page on the Intranet and Internet	100%	- Improvement of the RRC page on the Intranet and Internet
		- Created synergy programs with Forum companies (focus on education and environmental issues).	- Synergy was established with the company Telefonica Movistar (focus on education and environmental issues). Project on "Collection boxes for Batteries and Cellular Phones.	100%	- Encouragement to and participation in initiatives supporting CR together with other companies and institutions Continuing with synergy programs with Forum companies (focus on education and environmental issues).
		- Follow up by Quarterly RRC Committees. 4 per year	- Creation of 3 Quarterly RRC Committees per year	75%	- Follow up by Quarterly RRC Committees. 4 per year
	Adherence to international commitments	- Progress in the dissemination of the Millennium Development Objectives: "2015, a better world for Joana" and developing initiatives that contribute to their achievement. - Preparation of the Progress Report (PR) of the UN Global Compact	- Dissemination of the Millennium Development Objectives: "2015, a better world for Joana" and development of initiatives that contribute to their achievement - Preparation of the Progress Report (PR) of the UN Global Compact.	75%	- Progress in the dissemination of the Millennium Development Objectives: "2015, a better world for Joana" and development of initiatives that contribute to their achievement. - Preparation of the Progress Report (PR) of the UN Global Compact.
	Preparation of a CR course for Directors of the BBVA Bancomer Financial Group	- Preparation of an on-line RRC Workshop for the rest of the staff.	- On-line RRC training for the staff. The staff took part in Workshops of the Financial Education Program "Get going on your Future"	100%	- Participation of the staff in the on-line RRC Workshop.
	Development of the RRC report	- Preparation of the 4th RRC report 2009 (Under GRI and attached Finance Sector guidelines and Deloitte Certification).	- Preparation of the 4th Annual Corporate Responsibility Report 2010. Under GRI and the Financial Sector Supplement guidelines, and Verification by Deloitte. The International AA1000 Accountability Standard was added.	100%	- Preparation of the 5th Annual Corporate Responsibility Report 2011. Under GRI and the Financial Sector Supplement guidelines, Verification by Deloitte and the AA1000 International Accountability Standard
Participation of Stakeholders	Measuring priorities and perceptions among employees, customers and public opinion in Mexico.	- Constant measurement of the perceptions of employees (annually) and that of customers and public opinion, will be a continuing process (Reptrack).	- Preparation of surveys for measuring the stakeholders' perceptions. To be incorporated this year: Expert Groups in CR and NGOs.	100%	- Continued measurement of stakeholders' perceptions.
	Improvement of communications channels with employees.	- Continued use of "IPTV in your home" for all employees - Internal Memos - Stakeholder surveys	- Follow up of use of "IPTV in your home" for all employees - Execution of the Internal Reputation survey.	100%	- Continued use of "IPTV in your home" for all employees - Execution of the Internal Reputation survey
	Improvement of communications channels with customers.	Improvement of communications channels with customers.	- Performance of Stakeholder surveys (intranet, internet and telephone)	100%	- Extension of stakeholder surveys
Financial Inclusion	Financial Education.	Strengthening of links with Universities and government bodies for conducting workshops on personal finance in their communities.	Several collaboration agreements were entered into with Universities, including the UANL, UVM, EBC and the ITESM, with the participation of more than 14,000 people in our workshops.	100%	Strengthening of links with Universities and government bodies for conducting workshops on personal finance in their communities.
		Production of content together with the Interactive Museum of Economics (MIDE, by its initials in Spanish), on: Insurance, SMEs-I, SMEs-II, Latin America	More than 90% of these were structure with insurance related content, with a focus on life insurance, the contents for savings and credit were partially adapted for five Latin American countries, while a non-technology version of the 2nd SME module was developed	75%	Production of content together with the Interactive Museum of Economics (MIDE, by its initials in Spanish), on: Funds and Investment and SMEs III
		240,000 participants reached through these workshops.	More than 300,000 participants took part at least one of our workshops	100%	400,000 participants in at least one of our workshops
		Setting up of six mobile classrooms.	Six mobile classrooms were created, enabling us to extend the reach of our Personal Finance Workshops in organizations lacking the physical and technological infrastructure.	100%	Definition of necessities and where necessary, the infrastructure for organizing workshops
		Setting up of six mobile teams.	Setting up of six mobile teams, which will enable us to extend our capacity to carry technology, educational resources and instructors, taking advantage of training spaces available for organizing personal finance workshops	100%	
		Launch of Insurance and SME workshop	The content of more than 90% was structured with a focus on life insurance, and the 2nd SME modules was launched in the national SME week	75%	Support for completing cultural adaptation and implementation of personal finance workshops in five Latin American countries
		Relocation of classrooms in the network due to problems of access and parking in the classrooms.	Relocation of classrooms in the network due to problems of access and parking in the classrooms.	100%	A process was established for dissemination and invitation in the branch network to increase the number of participants in the fixed classrooms, thus avoiding the relocation of some of them.
		Modification, together with the CONDUSEF, of the national Financial Education week with a more educational approach, rather than one focusing on dissemination. Support for the implementation of Personal Finance Workshops in South America.	During SNEF (National Financial Education Week) 2010, together with several strategic partners, more than 11,000 personal finance workshops were organized, together with participation in more than 11 events for publicity and spreading awareness. We also participated in the construction of a financial education classroom and the holding of workshops during traveling CONDUSEF exhibitions in two states	75%	Strengthening of our participation in mass events for spreading awareness, such as the national financial education week
	Facilitating financial inclusion for underprivileged groups or those with special needs	Awareness campaigns in the media with the aim of attracting participants.	Launch of the publicity campaign in the traditional media, to contribute to spreading awareness and positioning our program. In addition, major newspapers collaborated on press notes promoting financial education, which led to the free publication of more than 120 articles in five national and local media outlets	75%	Launch of awareness and publicity campaign in the media

Financial Inclusion	Facilitating financial inclusion for under-privileged groups or those with special needs	Organization of Personal Finance workshops for employees of the Financial Group.	More than 20,700 group employees took part in at least one of the personal finance workshops, resulting in more than 118,000 workshops organized through the e-campus platform, through the "Bicentenary Get going on your Future Challenge", organized in collaboration with HR.	90%	Continued organization of Personal Finance workshops for employees of the Financial Group.
			Development and printing of workshop notebooks, using eco-friendly materials at a lower cost.	75%	Definition of the strategy for the launch of future values adapted to Mexican culture
			Award of two Beyondbanking prizes by BID in the learnbanking and beyondbanking people's choice categories	100%	
Responsible Banking	Customer Orientation	- The institution will increase its sales points in 2010 to more than 12,000 in commercial establishments, where it hopes to perform 40 million annual banking operations, with extended hours and on weekends, increasing its present infrastructure of 1,800 branches, and thus confirming its leadership position as the number one commercial distribution and financial network in Mexico.	- This institution increased its sales points in commercial establishments to more than 12,000 in 2010, where it hopes to carry out 40 million annual banking operations, with extended hours and weekends, improving on its existing infrastructure.	100%	The leadership position established in 2010 in terms of commercial establishments set up as correspondent banks, will be strengthened through the inclusion of commercial chains with a regional presence. Additionally, new services will be incorporated and have
	Responsible Products and Services	- Promotion of the supply of socially responsible products.	- B+Educa reached 3,208 million pesos and generates income as donations for the Bancomer Foundation of more tan 24 million pesos. This amount allows for scholarships to 2481 children for the school year 2010-2011	100%	- Continued promotion of the supply of socially responsible products. Increasing the number of subscribers and investors in the B + educa fund, creating the version for BEYG to also cover this customer segment
	Responsible Finance	1.- Inform the Bank's business and risk units of the regulations for calculating environmental risk, as well as the corporate policy on the Defense Sector.	1.- Incorporated in the Bank's Credit Manual, in the circular called "General Standards on Delegation in Matters of Risk", a section referring to the BBVA Corporate Policy on the Defense Sector.	New stream	1.- Inform the Bank's business and risk units of the regulations for calculating environmental risk, as well as the corporate policy on the Defense Sector, which was updated and published in November 2010.
		1.- Promote the course on environmental and social risk analysis to employees in different Business and Risk areas of the Bank 2.-To encourage the use of models for measuring environmental and social risk.	1.- For 2011 (Q2), we have planned for the development and release of the sheet on Valuing Environmental and Social Risks within the Rating application, with application to the Bank's present and potential customers.	New stream	1.- Promote the course on environmental and social risk analysis to employees in different Business and Risk areas of the Bank.
	Responsible Human Resource Management	Application of the Survey with a new completely electronic system that emphasizes transparency.	- Application of the Survey with a new completely electronic system that emphasizes transparency.	100%	Continuing with the application of the Survey with a new system that emphasizes transparency.
			- Different Preventive Health programs were conducted, aimed at preserving health within the bank's properties and branch network, and support for healthy management within the family.	100%	
		Increase in the medals tally in inter-bank games, with strong support for socio-cultural activities.	- Strong incentives given to socio-cultural and sporting activities, resulting in winning positions in inter-bank competitions.	100%	Increase in the medals tally in inter-bank games, with strong support for socio-cultural activities.
		- Providing better service to employees through SAE / Employee Attention System, encouraging self-service and direct support through a telephone helpline.	- Strong support given to the e-learning tool as a global training tool for encouraging study under the distance learning system.	75%	
				New stream	- Providing better service to employees through the SAE / Employee Attention System, encouraging self-service and direct support through a telephone helpline.
				New stream	- Defining a global training plan on CR issues.
				New stream	- Development of a Gender Equity plan
				New stream	- Implementation of the program for Labor Inclusion for the disabled
		- Defining a global training plan on CR issues.	Initiatives were launched aimed at changing employees' environmental culture; providing relevant information in support of a change in mindset, in order to later invite them to participate in activities.	75%	Reinforcing eco-friendly behavior in all the staff. Introducing this initiative in the Welcome Program. Identifying the agents of green change. Defining at least one green goal per Business Unit. Translating these into commitments on environmental issues
	Responsible Purchasing	- Development of the variables reviewed in the certification questionnaires, so that they form a part of the approval given to suppliers in future years.	- Development of the variables reviewed in the certification questionnaires, so that they form a part of the approval given to suppliers in future years.	50%	- Development of the variables reviewed in the certification questionnaires, so that they form a part of the approval given to suppliers in future years.
				New stream	Development of the GPS system, for identifying bottlenecks in the process and correcting them
	Extending ISO 14001 certifications to buildings.	Extending ISO 14001 certifications to a corporate headquarters in Mexico City, and two regional headquarters.	Recertification of the corporate buildings Montes Urales I in Mexico City and Chapultepec Building in Guadalajara City. New Certifications for Montes Urales II, Headquarter Building 5 de Mayo in Puebla, Financial Center Tijuana, Baja California	85%	Follow up of ISO 14001 Certified BuildingS
	Environmental and Climate Change Management	3% reduction through the replacement of obsolete sanitary facilities in 200 network offices	3% reduction through the replacement of obsolete sanitary facilities in 200 network offices	100%	2% reduction through the replacement of obsolete sanitary facilities. Establishment of maintenance plans for eliminating unhealthy consumption (leaks)
		Achieving energy savings of 2% in the Bank's properties, by means of Technology Upgrades and Renovation in the Electrical Lighting and Power Facilities; as well as innovation in the Design and Construction of Illuminated Signs at Bus Shelters, ATMs and boards.	Achieving energy savings of 2% in the Bank's properties, by means of Technology Upgrades and Renovation in the Electrical Lighting and Power Facilities; as well as innovation in the Design and Construction of Illuminated Signs.	100%	Achieving energy savings of 2% (accumulated) in the Bank's properties, by means of Technology Upgrades and Renewal in the Electrical Lighting and Power Facilities; as well as innovation in the Design and Construction of Illuminated signs.
		3% reduction in consumption by means of the implementation of paperless procedures in processes, review of the number of copies printed in branches and the introduction of Regulations for the use of paper and filing. Introduction of new measurement indicators, such as paper consumption for account statements and reduction of 2% in the customer-product index	3% reduction in consumption by means of the implementation of paperless procedures in processes, review of the number of copies printed in branches and the introduction of Regulations for the use of paper and filing. Introduction of new measurement indicators.	Objective not met	Reduction of 12 million papers, 400 tons, representing a savings of 1.1 million pesos, implementation of regulations for efficient filing.
		5% reduction in emissions, by means of actions such as reduction in travel for the delivery and collection of mailbags at branches, as well as the integration of logistics routes in general.	5% reduction in emissions, by means of actions such as reduction in travel for the delivery and collection of mailbags at branches, as well as the integration of logistics routes in general.	Objective not met	5% reduction in emissions. Strict monitoring and control in travel management.

Responsible Banking	Environmental and Climate Change Management		Introduction of the first Green Offices: preserving the ambient temperature, by means of insulation of the walls, roofs and gates, reduction in water consumption, with low consumption devices, reduction in the consumption of electrical energy with alternative refrigeration systems and in general, self-sustaining construction material. Pilot program in the offices of Acoxpa in Mexico City and Américas in Guadalajara.	New stream	Creation of Green Offices Phase II Real Estate Plans 2011 and 2012
			Introduction of self-sustaining supplies in: - Cardboard Boxes - Notebooks - Fertilizers - Refrigerants - organic coffee at corporate offices - Electronics (recyclable computer equipment) - Industrial Cleaning Products - Stationery Items	New stream	- Monitoring of Ecoefficiency Commitments Plan. Search for more options in stationery articles, fertilizers, recyclable and low-use electronic equipment, industrial cleaning products, organic coffee, etc.
			- Implementation of Digital Operating flows for those corresponding to the purchase of goods and services from the Group. - Implementation of the Supplier Portal - Continued reinforcement of open and transparent business practices,	New stream	Creation of Publicity Campaigns for RRC activities
Commitment to Society	Social Development Programs	- Continuation of the award of 1,000 scholarships for Secondary school and winners and the Olympics, as well as issuing 50 new scholarships at the Higher Middle Level to scholars with the best Secondary results.	1,000 new Secondary and 50 Preparatory scholarships were given to the best performers of the class of 2007.	100%	Continuation of the grant of 1,000 scholarships more for Secondary and 50 more for Preparatory; as well as giving recognition to the scholarship holders' "God-parents" (Branch Directors who encourage and monitor the scholarship holders).
		- Follow up of the Integration Scholarship Program "For those left behind". This year, 5,000 graduated	- Integration Scholarship Program "For those left behind". Growth of the program to 15,000 scholarships.	100%	- Follow up of the Integration Scholarship Program "For those left behind".
		- Continued follow up of the 1,000 scholarships given, of those who have already graduated, who may require the grant of a scholarship for a degree program at the Tec Milenio University, based on the agreement.	- Scholarship program for Higher middle / Higher education. Follow up and continuity to 1,000 scholarship holders.	100%	- Continued follow up of the 1,000 scholarships given, of those who have already graduated, who may require the grant of a scholarship for a degree program at the Tec Milenio University, based on the agreement.
	Bancomer in Education	- Increasing the number of 15,000 annual scholarship holders with the Prontatura, Ciceana and Peasma programs, looking for ties with other institutions interested in this subject.	- Consolidate the 15,000 child program. (including the new Environmental Education Program of San Miguel de Allende (PEASMA), Pronatura and CICEANA).	100%	Consolidate the Environmental Education Program, in collaboration with Pronatura, Ciceana, Peasma, Reforestamos Mexico and the Miguel Álvarez del Toro Zoo in Chiapas, with an impact on 30,000 children in different parts of the country.
		- Promotion of other events for spreading awareness and instilling practical actions in caring for the environment, for Bancomer employees and their family members, in collaboration with the Human Resources area and institutions specializing in the subject.	- Organization of two conferences on the environment and water, as well as an exhibition on climate change and a visit to Ciceana facilities and nurseries for staff of Bancomer, their family and friends.	50%	- Promotion of other events for spreading awareness and instilling practical actions in caring for the environment, for Bancomer employees and their family members, in collaboration with the Human Resources area and institutions specializing in the subject.
	Cultural Promotion		A day of reforestation was organized with the bank's staff and their family members, in which 675 trees were planted, and 6,576 were planted through the Reforestation and Tree Adoption Program in schools.	New stream	Carry out the plantation of 7,000 trees, with programs in which employees of BBVA Bancomer and other associated institutions participate.
			We kept the Program running and spread information on activities performed, through bulletins and press releases, made on the occasion of different help events carried out in six states of the Mexican Republic and Haiti, as well as with the dispatch of food stocks	100%	Carrying out the refurbishment of schools in the states of Chiapas, Veracruz and Tabasco, as well as the construction of an Comprehensive Healthcare Center for affected minors in Haiti, as well as accepting the corresponding donations. Integrate into the Manual the pro
			Third "Make a short film" University Competition, which had the participation of 142 Mexican students from 45 universities in 18 Mexican States, one from Canada and one from Colombia.	100%	Launch of the Fourth "Make a short film" University competition with the theme: How can nature and technology coexist? Propose and act. Place the initiative in the country's interior
			36 projects benefited (15 visual arts, 6 art on traditional media, 7 performing arts, 2 popular art, 4 publication, 1 new technology, 1 multi-disciplinary) 2045 employees or family members enjoyed free access	New stream	To generate management indicators for the Art Support Fund Program.
			A tour of 63 Municipalities was completed, with 13,991 spectators attending	100%	Strategic alliance with the Fourth International Country Cinema Festival. 2011 subject: Migration
			Exhibition of the work of 10 artists in the Carrillo Gil Art Museum. Public: 11,448 people	New stream	Creation and updating of the Bancomer/MACG Young creators mobile archive Program to provide the general and specialized public of a representative panorama of present artistic production in Mexico.
			In replacement of the two Tribeca scholarships, a workshop was given on approaching cinema by media specialists for three days to 27 youth.	New stream	Direct promotion of cinema workshops and other initiatives for talented youth
			Attending public: 23,813 people. Guided tours to 29 public schools and seven for employees and their family members. Publication of a catalog (1000 copies)	New stream	Programming, in collaboration with the External Affairs Secretariat, the photo exhibition and film "Los que se quedan" (Those who stay back), in cities in the USA.
	Educational and Production Centers	- This program will be implemented in 18 locations in 2010 and 2011	Implementation of 10 Educational and Production Centers, creating a collaborative alliance between the ITESM and the Bancomer Foundation.	100%	Implement this program in 8 centers, to obtain a total of 18 Educational and Production Centers.
		- Continue to encourage learning of trades and monitoring of Educational programs (Primary, Secondary and Preparatory)	The Education program (Primary, Secondary and Preparatory) was continued, as well as trade learning in the eight Overall Educational Centers	100%	- Continue to encourage learning of trades and monitoring of Educational programs (Primary, Secondary and Preparatory)
		- Commissioning of the Strategy defined for the volunteer centers.	The number of volunteers increased to 642	75%	Increase the number of volunteers in the Educational and Production Centers. Through the above defined strategy.

Additional Information

BBVA Bancomer and the Global Compact

The BBVA Group, since 2002, and BBVA Bancomer, since 2004, have been signatories to the Global Compact, the international initiative of the United Nations promoting social responsibility in companies around the world, through implementation of ten principles, which the signatory companies promise to uphold.

These ten principles are part of the Millennium Development Goals (MDG), which establish 2015 as a deadline for achieving significant improvements in reducing poverty and inequality, which affect millions of people around the world.

In addition, in 2008 the BBVA Group joined a United Nations Global Compact initiative in recognition of the 60th Anniversary of the Universal Declaration on Human Rights. Its objective is to strengthen the commitment of all social and economic sectors to the principles of the Declaration. The signatories to said initiative, regardless of their country of origin and the type of activities they perform, recognize the importance of respecting human rights in their business.

This year, in recognizing the 10th Anniversary of the MDG, the corporate responsibility portal of the BBVA Group (www.bancaparatodos.com), published an informative audiovisual project each week for each of the eight objectives, as part of the "2015: A Better World for Joana" campaign, launched by the Corporate Reputation Forum, which BBVA has supported since its creation. In addition, the employees of the Group as a whole were consulted through the corporate intranet regarding their knowledge of the MDG. Most employees indicated that they would like to know more about the cause, and as a result, a communication campaign was conducted through the intranet.

BBVA Bancomer and the Global Compact

BBVA Bancomer is fully committed to the ten principles from the Global Compact, using them as a basis for developing its CR programs and projects.

Addressing the 2009 ACRR Recommendations

Categorías	Principios	Indicadores GRI
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of inlfuence.	LA4, LA 7-8, LA13-14, HR1-2, HR 4-7, SO 5, PR1
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	HR1-2, HR4-7, SO5
Labour	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	LA4-5, HR1-2,HR5, SO5
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour;	HR1-2, HR7, SO5
	Principle 5: Businesses should uphold the effective abolition of child labour	HR1-2, HR6, SO5
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA13-14, HR1-2, HR4, SO5
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental challenges;	EC2, EN26, EN30, SO5
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	EN1-4, EN8, EN11-12, EN16-17, EN21, EN26, EN28, SO5, PR3
Anti-Corruption	**Principle 9**: Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, SO5
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	SO2-5

Source of the correspondences between Global Compact principles and GRI indicators: draft of the report "Making the Connections by GRI and Global Compact." (www.globalreporting.org)

Addressing the 2009 ACRR Recommendations

Source	2009 ACRR Recommendation	Actions Taken
External Review Report from Deloitte	Improvements to the Corporate Social Responsibility (CSR) data reporting system must continue, standardizing the scope of the information and areas responsible for said information, and continuing in the implementation of internal controls.	To make improvements in identification and quantification of the information to be reported, this year a process was implemented, through which delivery calendars are established for the GRI indicators, also indicating the people responsible for such information.
External Review Report from Deloitte	Continue with improvements and consolidation of the process of identifying and analyzing relevant issues for the BBVA Bancomer stakeholders, as well as the related dialogue process.	The materiality analysis and relevant issues for this year included as direct sources the conversations held with new stakeholders, as well as the Globescan and Reptrack internal tools. Comments and expectations discussed during sessions were taken down to be included in CR management at BBVA Bancomer, and hyperlinks were included in the 2010 ACRR to replay these results to the stakeholders.
External Review Report from Deloitte	Continue and properly handle authorizations with the informational reports issued by BBVA, with regard to measurements, amounts, presentation method, units of valuation, etc.	In order to maintain consistency between what is published in the BBVA Bancomer Report and the BBVA Group Report, this year we continued using corporate guidelines that establish clear and precise parameters regarding units of valuation and quantification methods, as well as the corporate image. There was constant communication between the two areas, and final validation was performed to compare the data reported and to prevent any differences in the information published in both reports.
External Review Report from Deloitte	On topics of Materiality and Response Capability established in the AA1000APS AccountAbility Standard , identification of the material aspects of BBVA, as well as new policies, standards and plans, should be significantly expanded.	The analysis of materiality and relevant matters performed in 2010 is based on the methodology established in the AA1000APS AccountAbility Standard. The results returned were considered in the reflection processes for the drafting of the CR 2010-2012 Strategic Plan, which will be reflected in management of the programs implemented on this matter in subsequent years, in strict adherence to the Corporate Responsibility Policy.

Audit Report

Informe de Revisión Independiente del Informe de Responsabilidad Corporativa 2010 de BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Bancomer)

Independent Review Report

Independent Review Report of the 2010 Corporate Responsibility Report of BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer (BBVA Bancomer)

Scope of our work

We have reviewed the following aspects of the 2010 Corporate Responsibility Report (IRC) of BBVA Bancomer:

- The adaptation of the IRC contents to the Guideline for Preparation of Sustainability Memories of GRI version 3.0 (G3), as well as the central and financial sector supplement performance indicators proposed in that guideline.
- The information included in the 2010 IRC of BBVA Bancomer regarding the application of the principles of inclusivity, materiality and responsiveness established in Standard AA1000 Accountability Principles Standard 2008 of AccountAbility (AA1000APS).
- The information provided regarding the progress of the Corporate Responsibility lines of work in 2010.

Verification standards and processes

We have performed our work in accordance with Standard ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC). Similarly, we have applied the *AccountAbility 1000 Assurance Standard 2008 (AA1000AS)*, issued by AccountAbility, to provide moderate assurance in regard to application of the principles established in Standard *AA1000APS* and the sustainability performance indicators (type two moderate review).

Our work consisted of making inquiries to the Director's Office and various units of BBVA Bancomer that have participated in the preparation of the IRC and in the application of certain analytical procedures and sample-based review tests, as follows:

- Meetings with BBVA Bancomer personnel to understand the principles, systems and management approaches applied.
- Process analysis to gather and validate the data presented in the 2010 IRC.
- Review of 2010 meeting minutes of the Corporate Responsibility and Reputation Committees.
- Review of activities performed in regard to the identification and consideration of the interested parties throughout the year and of the participation processes of interest groups through the analysis of available internal information and third party reports.
- Analysis of the coverage, relevance and integrity of the information included in the IRC based on BBVA Bancomer's understanding of the requirements of the interest groups regarding the material aspects identified and described in chapters "Report Criteria" and "Participation of Interest Groups" of the IRC.
- Review of information related to management approaches applied in Corporate Responsibility.
- Confirmation that the IRC contents do not contradict any relevant information provided by BBVA Bancomer in its Report.
- Analysis of the adaptation of IRC contents to those recommended by Guideline G3 of GRI.
- Verification that the central indicators of Guideline G3 and of the GRI sector supplement included in the IRC match those recommended by that standard and that non-applicable or unavailable indicators are discussed.
- Review tests to verify, on a sample basis, the quantitative and qualitative information related to the GRI indicators included in the 2010 IRC, and their proper compilation based on the information provided by the information sources of BBVA Bancomer.

Responsibilities of the BBVA Director's Office and Deloitte

- Preparation of the 2010 IRC and its contents is the responsibility of the Corporate Responsibility and Reputation Department of BBVA Bancomer, which is also responsible for defining, adapting, and maintaining the internal control and management systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied during our review.
- This report has been prepared exclusively for use by the Director's Office of BBVA Bancomer pursuant to the terms of our engagement letter. We have no liability to third parties other than the Director's Office of BBVA Bancomer.
- We have performed our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- The scope of a review is substantially lower than that of an engagement to obtain reasonable assurance. Accordingly, a lower assurance is also provided. Under no circumstances should this report be considered to be an audit report.

Conclusions

The GRI indicator table details the performance indicators reviewed and the review scope limitations. As a result of our review, we were not aware of any other aspect that might lead us to believe that the IRC contains significant misstatements or has not been prepared in accordance with:

- The Guideline for Preparation of Sustainability Memories of Global Reporting Initiative version 3.0 (G3).
- Standard *AA1000APS* 2008 regarding the application of the inclusivity, materiality and responsiveness principles.

Similarly, we were not aware of any aspect that might lead us to believe that the information provided regarding the progress of the Corporate Responsibility lines of work in 2010 had significant misstatements.

Observations and Recommendations

We have submitted to BBVA Bancomer's Corporate Responsibility and Reputation Department our recommendations regarding the areas for improvement in sustainability management and in the application of the principles of inclusivity, materiality and responsiveness. Below is a summary of the most significant recommendations, which do not modify the conclusions expressed in this report.

Inclusivity

During the year 2010 BBVA Bancomer has added new channels of communication to those already in effect and has extended the scope of action of Reptrak to its employees. Notwithstanding, the process of communication and participation of its interest groups does not have the same intensity in all the areas in which BBVA Bancomer is involved. The consolidation of the Corporate Responsibility and Reputation Committees created during the year should foster the seamless implementation of this process in all businesses.

Materiality

The application in 2009 and 2010 of the Corporate Responsibility and Reputation Strategic Plan has represented a significant progress in identifying and recognizing relevant Corporate Responsibility matters for BBVA Bancomer. The significance of the changes in the socioeconomic environment requires continuing with the systematic and periodic review of the alignment of the relevant aspects identified in that Plan and the demands of the interest groups. Similarly, more emphasis should be placed on identifying material aspects at the local level.

Responsiveness

During 2010, the Corporate Responsibility management structure throughout BBVA Bancomer has been strengthened, as well as the internal coordination of the various functions to promote the integration of their response to business processes and strategy. The approval of the Corporate Responsibility and Reputation Strategic Plan and the Corporate Responsibility Policy by the Board of Directors has resulted in new policies, standards and plans for environmental management, procurement management, and environmental and social risk management in terms of financing and guarantees.

In regard to the Corporate Responsibility reporting process, the strengthening of internal controls must continue to be encouraged and the perimeter of the information on certain indicators must be extended throughout BBVA Bancomer, as detailed in the GRI Indicator Table.

- Our team consisted of professionals with assurance qualifications led by professionals with social, environmental, sustainability and stakeholder engagement experience and sustainability report assurance experience.
- **Inclusivity**: This principle refers to the participation of interest groups in the development of a responsible and strategic focus of sustainability in BBVA Bancomer.
- **Materiality** : This principle refers to the identification of matters that are material or relevant to BBVA Bancomer and its interest groups
- **Responsiveness**: This principle requires that BBVA Bancomer respond with concrete actions to the material aspects identified and report those actions.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Deloitte.

Jorge Tapia
Mexico City, January 21, 2011.

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Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **BBVA Bancomer** has presented its report "Annual Report 2010 Corporate Responsibility" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

8 April 2011, Amsterdam

A+
GRI REPORT
GRI CHECKED

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The "+" has been added to this Application Level because BBVA Bancomer has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance Provider and for deciding the scope of the assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 14 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*

GRI Indicators

1.	Strategy and Analysis	Page
1.1	Statement from the most senior decision-maker of the organization.	11-15
1.2	Description of key impacts, risks, and opportunities.	7,20,40-43
2.	Organizational Profile	Page
2.1	Name of the organization.	Front page
2.2	Primary brands, products, and/or services.	5
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6,8
2.4	Location of organization's headquarters.	158
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	4,8
2.6	Nature of ownership and legal form.	4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	5,7-8
2.8	Scale of the reporting organization.	7-10
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	86
2.10	Awards received in the reporting period.	107,143
3.	Report Parameters	Page
Organisational Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	86
3.2	Date of most recent previous report (if any).	86
3.3	Reporting cycle (annual, biennial, etc.)	86
3.4	Contact point for questions regarding the report or its contents.	158
Report Scope and Boundary		
3.5	Process for defining report content.	86-87
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	86
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	86
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	86
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	86-87
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	86-87
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	86-87
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	155-157
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report.	151-153
4. Governance, Commitments, and Engagement		Page
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	45-47, 93
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	The Chairman of the Board is the CEO of the company based on art. 25° of the Law to regulate financial agrupations, that establishes the following: "In any case a Director could be: I. Officials and employees from the company and the rest of the members of the group, with exception of their CEO.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	45
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	45-47,93
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	45-47,93
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	93
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	45-47
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	89-90
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	90-93
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	91
Commitment with external initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	95,118-120
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	95
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	96
Stakeholder engagement		
4.14	List of stakeholder groups engaged by the organization.	98
4.15	Basis for identification and selection of stakeholders with whom to engage.	The identification and grouping of stakeholders was based on the methodology proposed in the the BBVA Corporative Guide for Stakeholder Consultation, also based in the Stakeholder Engagemet Manual, From Words to Action, Vol 2, (Accountability). 87, 97-98
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	97-99
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	100-103

GRI Indicators

Management Approach/ Main Indicators		
Economic	**Page**	
Disclosure on Management Approach		
Economic performance		
$EC1_{COMM}$ Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	5,9-10,51-54	
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	95,118-120	
EC3 Coverage of the organization's defined benefit plan obligations.	127	
EC4 Significant financial assistance received from government.		BBVA Bancomer does not receive any kind of aid from the government.
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	N/M	In accordance with the Ministry of Labour and Social Plan, BBVA gave a salary increase superior in 0.6% than the average in the financial market during 2010.
Market presence		
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	131-132	
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	131-132	
Indirect economic impacts		
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	104-106,121-123, 138-143	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	105-106	
Environmental	**Page**	
Disclosure on Management Approach		
Materials		
EN1 Materials used by weight or volume.	134	
EN2 Percentage of materials used that are recycled input materials.	135	
Energy		
EN3 Direct energy consumption by primary energy source.	134	
EN4 Indirect energy consumption by primary source.	134	
EN5 Energy saved due to conservation and efficiency improvements.	134-135	
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	133,136-137	
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	133,135-137	
Water		
EN8 Total water withdrawal by source.		BBVA Bancomer headquarters are located in urban ground, whose water supply is all municipal. Do not use differents sources. p. 134
EN9 Water sources significantly affected by withdrawal of water.	N/M	BBVA Bancomer headquarters are located in urban ground, whose water supply is done by the urban net without exploiting natural springs by ourselves.
EN10 Percentage and total volume of water recycled and reused.	N/D	We still don't have any system to recycle the water.
Biodiversity		
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		BBVA Bancomer headquarters are located in urban ground and therefore has no impact in biodiversity or other protecterd areas.
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		BBVA Bancomer headquarters are located in urban ground and therefore has no impact in biodiversity or other protecterd areas.
EN13 Habitats protected or restored.	N/M	BBVA Bancomer headquarters are located in urban ground and therefore has no impact in biodiversity or other protecterd areas.
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.	N/M	BBVA Bancomer headquarters are located in urban ground and therefore has no impact in biodiversity or other protecterd areas.
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/M	BBVA Bancomer headquarters are located in urban ground and therefore has no impact in biodiversity or other protecterd areas.
Emissions, effluents and waste		
$EN16_{COMM}$ Total direct and indirect greenhouse gas emissions by weight.	134	
EN17 Other relevant indirect greenhouse gas emissions by weight.	134	
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	133-137	
EN19 Emissions of ozone-depleting substances by weight.		In the BBVA Bancomer headquarters we don't use substances that may contain chlorofluorocarbon (CFC), that dammage the environment.
EN20 NOx, SOx, and other significant air emissions by type and weight.	N/M	BBVA Bancomer is in the services sector, and our SO and NO emissions are not relevant.
EN21 Total water discharge by quality and destination.		BBVA Bancomer headquarters are located in urban ground, whose water supply is done by the urban net without exploiting natural springs by ourselves.
$EN22_{COMM}$ Total weight of waste by type and disposal method.	135	
EN23 Total number and volume of significant spills.		BBVA Bancomer headquarters are located in urban ground, whose water supply is done by the urban net without exploiting natural springs by ourselves so there are no significant spills.
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N/A	BBVA Bancomer is in the services sector so we don't generate hazardous waste.
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	N/A	BBVA Bancomer headquarters are located in urban ground, whose water supply is done by the urban net without exploiting natural springs by ourselves.
Products and services		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	133-137	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	N/M	BBVA Bancomer is in the services sector so we don't generate relevant amounts of waste.
Compliance		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	95	
Transport		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	134-135	
Overall		
EN30 Total environmental protection expenditures and investments by type.	133,135-137	
Social: Labor Practices and Decent Work	**Page**	
Disclosure on Management Approach		
Employment		
LA1 Total workforce by employment type, employment contract, and region.	124	
LA2 Total number and rate of employee turnover by age group, gender, and region.	125	
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	N/A	All the employees at BBVA Bancomer enjoy the same benefits.
Labor/management relations		
LA4 Percentage of employees covered by collective bargaining agreements.	129-130	
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		Clauses 73 and 74 of BBVA Bancomer's Labour Collective Agreement establish two annual meetings between both parties to notify significant changes and setting the agenda for its implementation; the average notice period settled is two weeks.
Occupational health and safety		
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	N/M	In accordance with the Labour Federal Law, BBVA Bancomer has settled mixed health and safety committees where employees are represented.
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	130	
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	126	
LA9 Health and safety topics covered in formal agreements with trade unions.	129-130	

Training and education			
LA10	Average hours of training per year per employee by employee category.	127	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	125-126	
LA12	Percentage of employees receiving regular performance and career development reviews.	125	
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	124	
LA14	Ratio of basic salary of men to women by employee category.	124	
Social: Human Rights		**Page**	
Disclosure on Management Approach			
Diversity and equal opportunity			
HR1 COMM	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	119	
HR2	ercentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		The suppliers always receive a feedback on the weaknesses detected on their screening for their solution; In 2010, 32.44% of the purchases were made to accredited suppliers, in the case that a supplier doesn´t pass the screen the work relationship ends. P. 131-132
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	95	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	95	
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	95,128-129	
Child labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.		BBVA Bancomer services have no significant riskd, nevertheless, we have signed international agreements to eliminate and reject those practices, pg. 93,95,148-150
Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.		BBVA Bancomer services have no significant riskd, nevertheless, we have signed international agreements to eliminate and reject those practices, pg. 93,95,148-150
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	120	
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	95	
Social: Society		**Page**	
Disclosure on Management Approach			
Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	138-143	
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	95,120	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	95,120	
SO4	Actions taken in response to incidents of corruption.	95	
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	96	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	N/A	BBVA Bancomer does not support any political party or related institution.
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	N/A	BBVA Bancomer does not have legal actions for anti-cmpetitive behavior or others related.
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	95	
Social: Product Responsibility		**Page**	
Performance Indicator			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	114-119	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/A	There were no significant events of this kind during 2010.
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	117	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	114,117	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	113,117	
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	117	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	N/D	There were no significant events of this kind during 2010.
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/D	There were no significant events of this kind during 2010.
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	95	
Financial Institutions Sector Supplement			
Product Portfolio		**Page**	
FS1	Policies with specific environmental and social components applied to business lines.	89-91,104-106,112,119,121-123	
FS2	Procedures for assessing and screening environmental and social risks in business lines.	102,118-120	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	118-120	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	91-92,136-137	
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	101-103,118-119	
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	5,7-8	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	121-123	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	119	
Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	118	
Active Ownership			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	119	
FS11	Percentage of assets subject to positive and negative environmental or social screening.	119	
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.		At this moment, BBVA Bancomer doesn't have a formal voting policy relating to social or environmental issues beyond our corporate principles and commitments on this matter. P.118-119
Social:Society		**Page**	
Disclosure on Management Approach			
Community			
FS13	Access points in low-populated or economically disadvantaged areas by type.	109-111	
FS14	Initiatives to improve access to financial services for disadvantaged people.	109-111	
Social: Responsibility on product		**Page**	
Disclosure on Management Approach			
Product and Service Labeling			
FS15	Policies for the fair design and sale of financial products and services.	113-117	
FS16	Initiatives to enhance financial literacy by type of beneficiary.	104-111	

References:	
NAP	Not Applicable
NA	Not Available
NM	Not Material

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Additional Information

This report was drafted with the advisory of Promotora ACCSE, S.A. de C.V.
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ESR EMPRESA SOCIALMENTE RESPONSABLE

Fundéu México

THE GLOBAL COMPACT

Deloitte.

Glossary

AA 1000 SES	AA 1000 SES Norma de Accountability
ABM	Asociación de Bancos de México
ADI	Asociación de Desarrollos Inmobiliarios
AHM	Asociación Hipotecaria Mexicana
AMAFORE	Asociación Mexicana de Afore
AMIB	Asociación Mexicana de Intermediarios Bursátiles
AMIPCI	Asociación Mexicana de Internet
AMIS	Asociación Mexicana de Instituciones de Seguros
ATM	Cajero Automatico
BID	Banco Interamericano de Desarrollo
BMV	Bolsa Mexicana de Valores
CEMEFI	Centro Mexicano para la Filantropía
CFI	Corporación Financiera Internacional
CNBV	Comisión Nacional Bancaria y de Valores
CNSF	Comisión Nacional de Seguros y Fianzas
CONDUSEF	Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros
CONSAR	Comisión Nacional del Sistema de Ahorro para el Retiro
ESR	Empresa Socialmente Responsable
GRI	Global Reporting Initiative
IARC	Informe Anual de Responsabilidad Corporativa
ICA	Ingenieros Civiles Asociados
ILCE	Instituto Latinoamericano de Comercio Electrónico
INEGI	Instituto Nacional de Estadística y Geografía
LEED	Leadership in Energy and Environmental Design
MACG	Museo de Arte Carrillo Gil
MIDE	Museo Interactivo de Economía
ODM	Objetivos del Milenio
OSC	Organizaciones de la Sociedad Civil
PGE	Plan Global Ecoeficiencia
RC	Responsabilidad Corporativa
RR HH	Recursos Humanos
RRC	Responsabilidad y Reputación Corporativas
SAC	Sistema Atención a Clientes
SHCP	Secretaria de Hacienda y Crédito Público
SHF	Sociedad Hipotecari Federal
SNAEBB	Sindicano Nacional de Empleados Bancarios
SNEF	Semana Nacional Educación Financiera
TDC	Tarjeta de Crédito
UNE	Unidad Especializada
UNEP-FI	United Nations Environmental Program - Financial Institutions
VALMER	Valuación Operativa y Referencias de Mercado

BBVA Bancomer

adelante.