

Mexico Weekly Flash

Next week...

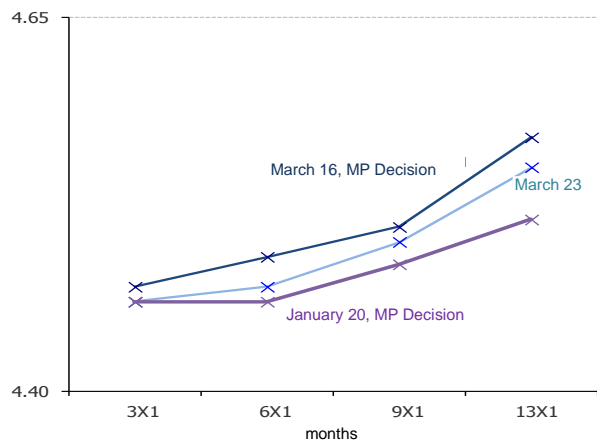
- **Monetary policy meeting minutes: more awareness of the improved inflationary risk balance?**

- Banxico will release the minutes from the March 16 monetary policy meeting next week. The most important point will likely be the viewpoints of the Board members on the situation and the coming risks for inflation and growth after highlighting the improvement in both risk balances in the last release. Firstly, we will especially need to see how positions on inflation coincide more after the discussions seen in previous minutes. Secondly, comments will need to be followed on domestic situation indicators which are consistent with an improvement over the end of 2011 in line with an improved outlook for overseas. The central bank's opinions on whether this situation will last will be key at a time when the short-term inflation outlook is improving. Lastly, Board members' opinions on the increase in oil prices and the possible effect on inflation and growth will be important after being mentioned as a risk element in the last statement.

- **Financial assets in Mexico sensitive to economic data in coming weeks**

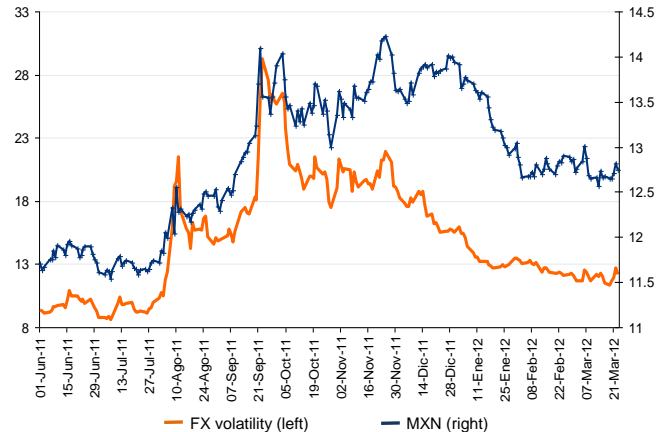
- Volatility was high for the MXN over the week despite scant global news on the cyclical situation. We continue to see no driving force for a break through the currency trading range; trades between 12.55-12.90 are not ruled out. In turn, capital flows have favored the short and long end of the curve since the beginning of the year. Net foreign positions over the week are estimated at MXN5.3bn. With regard to institutional investor strategies, the Siefores increased their net long position of MXN0.55bn, the first in March, but at a very low trading volume.

Chart 1
Lending Rate implied in IRS contracts



Source: BBVA Research and Valmer

Chart 2
Mexico: MXN/USD and implied 1-month volatility (ppd and %)



Source: BBVA Research with data from Bloomberg

Calendar: Indicators

February Trade Balance (Monday, March 26)

Forecast: 996 md	Consensus: 313 md	Previous: -287 md
------------------	-------------------	-------------------

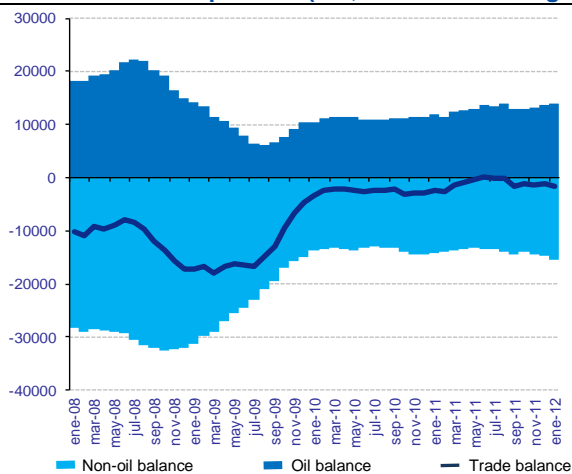
The trade balance for February will be released on Monday which we believe will be in surplus by around 900md. This favorable performance will mainly be due to two factors: first, the higher oil price seen in the month in comparison to January (110 dpb vs. 107 dpb in January) and second, the good performance in industrial output in Mexico for January - a favorable sign for manufacturing exports in the short term. If the US economy's dynamism continues in a scenario with high oil prices over the year, we should see a highly reduced deficit in the trade balance. Overseas dynamism will outpace the recovery in domestic consumption, limiting imports of these types of goods. Nonetheless, we will need to watch US industrial performance since it has slowed since December and the possible effects the high oil prices may have on US household spending.

Public Finances in February (Friday, March 30)

Forecast: N.A.	Consensus: N.A.	Previous: N.A.
----------------	-----------------	----------------

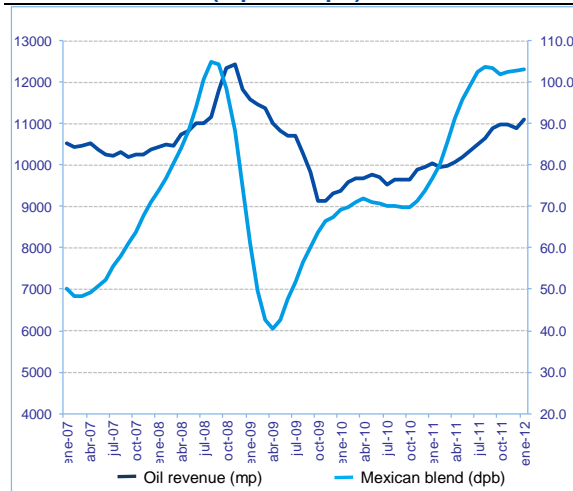
Next week sees the release of public finances in February which should continue to show the strength of oil receipts. These increased by a real 31.5% in January and drove total federal revenue up by a real 10.5%. The approved 2012 budget set out an oil price at 84.9 dpb. However, the price of Mexican oil blend over the year has averaged 110 dpb which if the Mexican economy sees growth at or above the forecast 3.3% in the budget would mean a major source of extraordinary revenue for the government. This increase, due to the rules whereby extraordinary oil revenue is distributed, would not mean a deficit below 2.4% of GDP, also forecast in the budget since it would go to increase the share for state governments, the stabilization fund and Pemex infrastructure investment, in addition to meeting the increased implicit subsidy for gasoline. In short, the size of the in principle favorable impact on the Mexican economy will depend on how effective spending is of these higher resources, mainly in states.

Chart 3
Trade balance & components (MD, 12-month moving sum)



Source: BBVA Research with INEGI data

Chart 4
12-month moving sum for oil revenue and average prices of Mexican blend (mp and dpb)

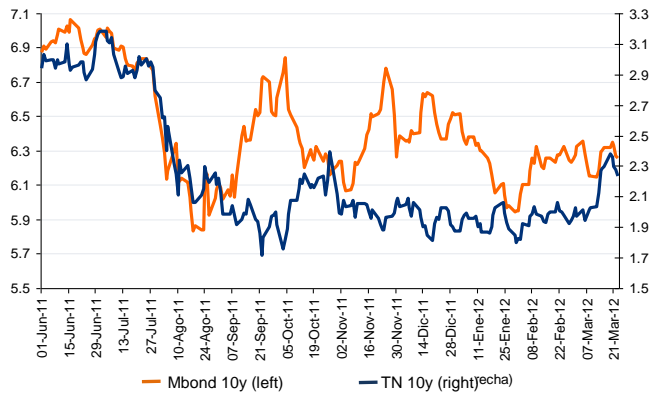


Source: BBVA Research with Banxico data

Markets

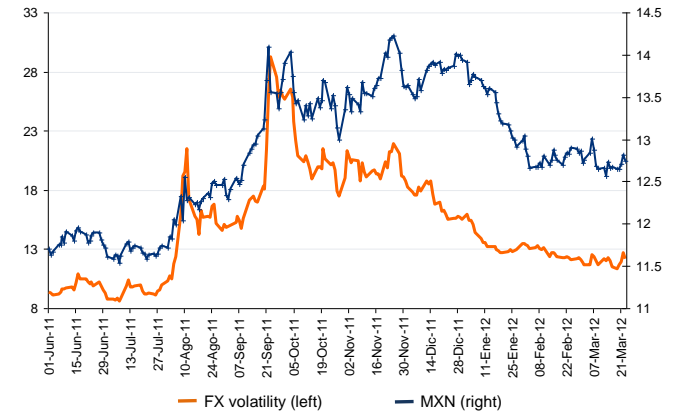
- Capital flows have favored the short and long end of the curve since the beginning of the year.**
 - Net foreign positions were estimated at MXN5.3bn over the week. In contrast to the start of March, flows were concentrated in the short end of the curve and in the *belly*. This means that foreigners were net sellers in the long part of the curve while their net position in tranches was higher than at the start of the month. In short, capital flows have favored the short and long end of the curve since the beginning of the year. 40% of the estimated flows into the MBond market in 1Q12 (MXN 48bn) was allocated to the long part of the curve while 44% went to shorter tranches (estimated net flows are calculated using market prices and trades).
 - The Siefres investment strategy over the week led to a net long position of MXN0.55bn, the first in March, but at a very low trading volume. Preferred holdings were the M27, M36 and M38. In the month to date, estimated net sales were around MXN -4.4bn with major exits from M2012 and M2031 but long positions in the M2038.
- After a negative bias over most of the week, the MXN closed on Friday with a strengthening of 0.3%.**
 - The currency saw high volatility over the week. The lack of major determining factors pushed the market into a more aggressive reaction to any type of news linked to global cyclical expectations. We believe investors will continue to be highly sensitive to economic data in coming days, although with regard to the end of the week, attention will again focus on the EMU and expectations that the EFSF and ESM act jointly. In all, we continue to see no driving force for a break through the recent 12.55-12.90 trading range.

Chart 5
10-year bond in Mexico and the US (annual %, fixed rate)



Source: BBVA Research.

Chart 6
Mexico: MXN/USD and implied 1-month volatility (ppd and %)



Source: BBVA Research with data from Bloomberg

Technical Analysis

IPC Stock Market Index



Source: BBVA, Bancomer, Bloomberg

Slight upswing week on the IPC stock market, despite the US adjustment. It managed to end the week in the lateral range resistance zone where it has traded since February (37,500/38,400pts). We believe an upward break is still likely setting a target of 39,300pts, a result of projecting up the 900pts from the lateral range. We have to take the 30-day rolling average (38,000pts) as the initial floor, although the positive trend would only halt with a downward break through 37,500pts.

Previous Rec.: An Amx reaction could help this break which would set 38,700pts as the next target (the IPC historical maximum) and, after this, 39,300pts.

MXN



Source: BBVA, Bancomer, Bloomberg

A positive dollar trend over the week, bouncing from MXN12.60 to the 50-day rolling average (MXN12.90). With this, it returns to the lateral range resistance zone where it has traded since January. At this point, we recommend taking short positions awaiting a return to MXN12.60. Only an upward break of MXN13.00 would provide a short-term buy.

Previous Rec.: We believe that the MXN12.50 to MXN12.60 range could be taken as a buy range, expecting an upswing toward MXN12.90/13.00.

3Y M BOND



Source: BBVA, Bancomer, Bloomberg

3-YEAR M BOND: (yield): Return over the week for the bond again coming in below the 200-day rolling average. It is important it respect the 4.84% zone since, if not, it would search out 4.7%.

Previous Rec.: This sets the next upward target at 5% by hitting through the 200-day rolling average.

10Y M BOND



Source: BBVA, Bancomer, Bloomberg

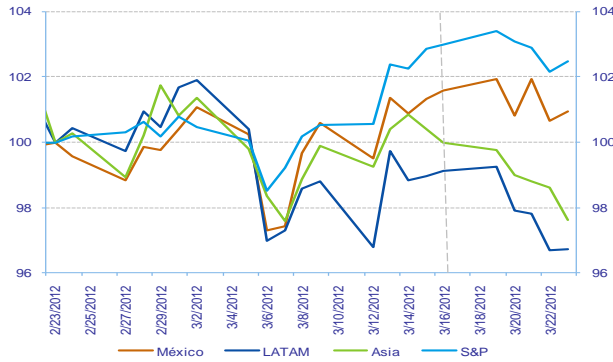
10-YEAR M BOND: (yield): Unable to hit entry as it failed to break the 200-day rolling average. We would only see a buy signal with an upward break of 6.41% or a return to the 6.1% floor.

Previous Rec.: Still failing to produce an entry signal as still trading below the 200-day rolling average (6.41%).

Markets

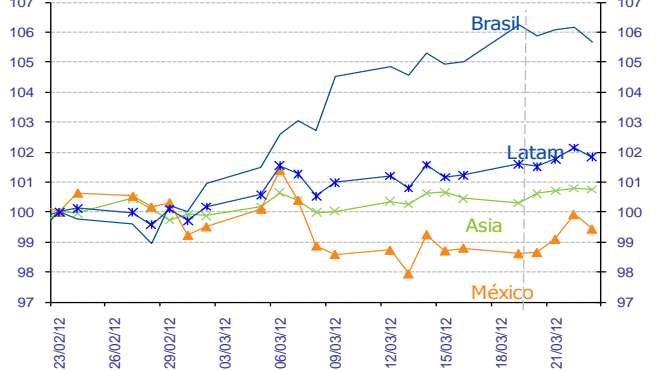
- Stock markets see losses over the week after the release of lower-than-expected manufacturing data in China and Europe. The exchange rate fell over the week.

Chart 7
Stock Markets: MSCI Indices
 (Feb 23, 2012 index=100)



Source: Bloomberg & BBVA Research

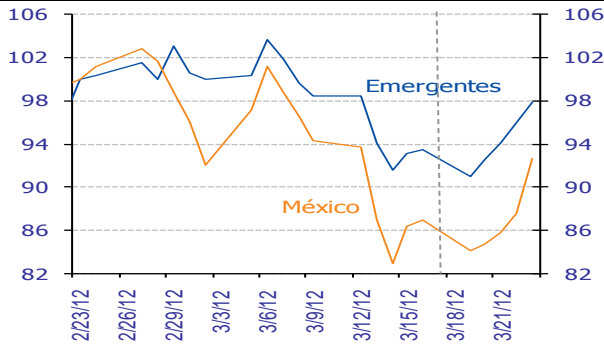
Chart 8
Foreign exchange: dollar exchange rates
 (Feb 23, 2012 index=100)



Source: Bloomberg and BBVA Research. Note: LATAM includes Argentina, Brazil, Chile, Colombia and Peru. Asia includes the Philippines, South Korea, Taiwan, Singapore, Indonesia and Thailand. Non-weighted averages

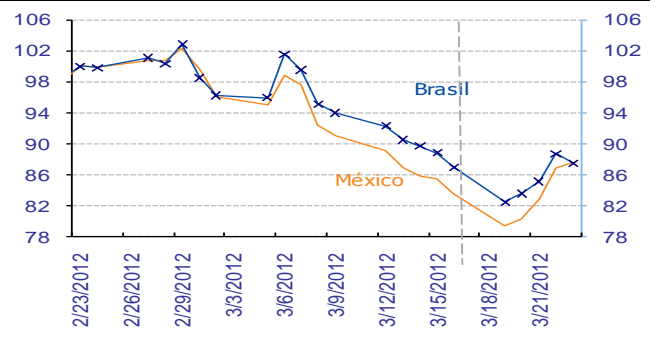
- Higher risk aversion influenced by data showing lower economic activity in China

Chart 9
Risk: EMBI+ (Feb 23, 2012 index=100)



Source: Bloomberg & BBVA Research

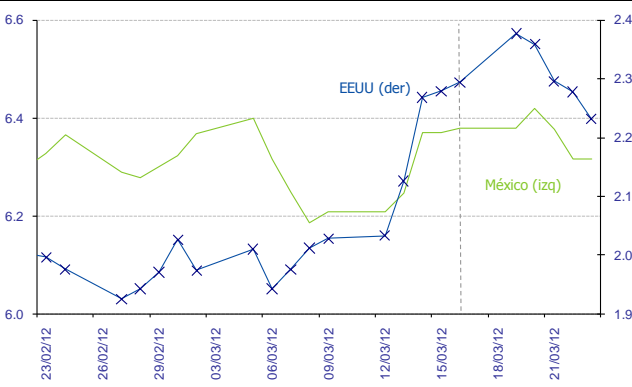
Chart 10
Risk: 5-year CDS (Feb 23, 2012 index=100)



Source: Bloomberg & BBVA Research

- Fall in rates in the US due to increased risk aversion mid-week. Rates in Mexico maintain a positive correlation with US Treasury rates.

Chart 11
10-year interest rates*, last month



Source: Bloomberg & BBVA Research

Chart 12
Carry-trade Mexico index (%)

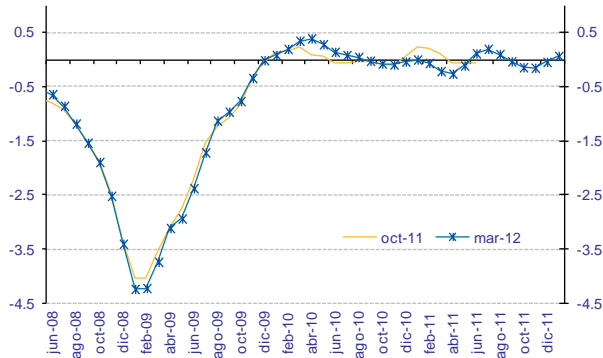


Source: BBVA Research with data from Bloomberg

Activity, inflation, monetary conditions

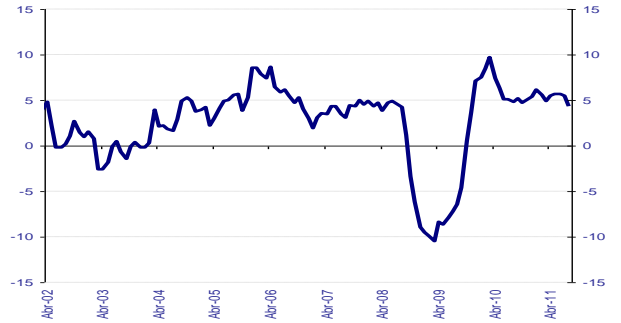
- Output holds positive performance, situation indicators point to 1Q12 with quarterly rates around 0.6%.

Chart 13
BBVA Research Synthetic Activity Indicator for the Mexican economy



Source: BBVA Research with data from INEGI, AMIA and BEA
 Weighted sum of 21 different indicators of activity, expenditure and expectation, based on trend series.

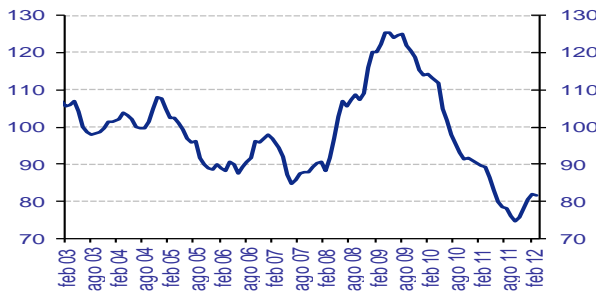
Chart 14
Advance Indicator of Activity (% change y/y)



Source: INEGI

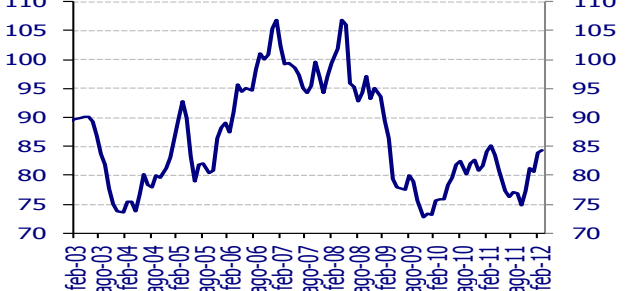
- The last inflation surprise was downward while, in general, activity continues to offer positive surprises.

Chart 15
Inflation Surprise Index (July 2002=100)



Source: BBVA Research with data from Banxico from the monthly surveys on the expectations of economic specialists in the private sector.

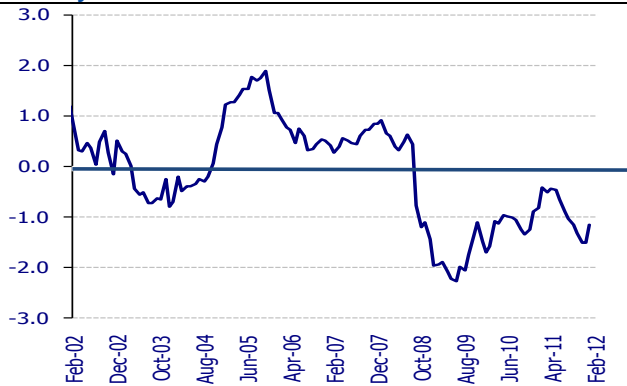
Chart 16
Activity Surprise Index (2002=100)



Source: BBVA Research with data from Bloomberg. Difference between recorded data and the Bloomberg consensus for seven activity variables in Mexico. Standardized index. Rises (falls): positive (negative) surprises.

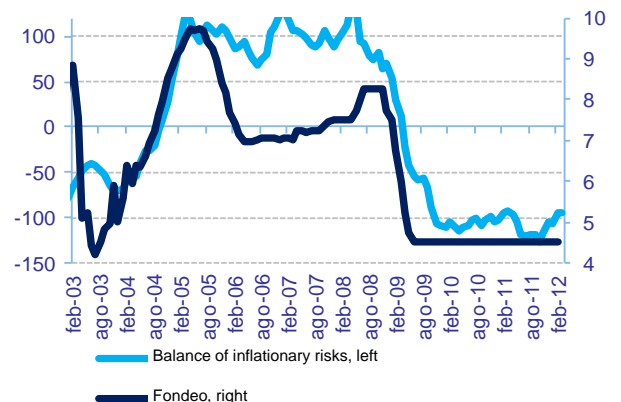
- Monetary conditions slightly strained due to recent exchange rate appreciation.

Chart 17
Monetary Conditions Index



Source: BBVA Research.

Chart 18
Balance of Inflationary Risks* and Lending Rate (standardized and %; monthly averages)



Source: BBVA Research. * Standardized and weighted index (of inflation and economic growth) based on economic indicators of economic activity and inflation. A rise in the index points to a greater weight of inflationary risks over growth risks and thus a greater possibility of monetary restriction

Claudia Ceja
claudia.ceja@bbva.bancomer.com
+5255 5621 9715
Octavio Gutiérrez Engelmann
o.gutierrez3@bbva.bancomer.com
+5255 5621 9245
Iván Martínez
ivan.martinez.2@bbva.com

Pedro Uriz
pedro.uriz2@bbva.com

Julian Cubero
juan.cubero@bbva.com

Ociel Hernández
o.hernandez@bbva.bancomer.com
+5255 5621 9616
Rodrigo Ortega
r.ortega@bbva.bancomer.com
+52 55 5621 9701

Alejandro Fuentes Pérez
a.fuentes@bbva.bancomer.com
+52 55 5621 9705
Arnoldo López
arnoldo.lopez@bbva.com

Cecilia Posadas
c.posadas@bbva.com



Av. Universidad 1200, Col. Xoco, Mexico 03339 D.F. | researchmexico@bbva.bancomer.com | www.bbva-research.com

IMPORTANT DISCLOSURES

Analyst Certification

I, Octavio Gutiérrez, Rodrigo Ortega, Edgar Cruz, Claudia Ceja, Ociel Hernández, Liliana Solís and Alejandro Fuentes Pérez: hereby certify that the views expressed in this research report accurately reflect my personal views about the mentioned corporation(s) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for any specific recommendation in this report.

Rating, target price and price history information for the companies that are the subject of this report are available at www.bancomer.com

Receipt of Compensation / Provision of Services current as of 3/12/12

Management or Co- Management of Public Offering. Within the past twelve months, BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer ("BBVA Bancomer"), and/or its affiliates, have participated as manager or co-manager in public offerings, and received compensation for these services, of the company(ies), which is(are) the subject of this report: **Actinver, Arca Continental, Banco Compartamos, Banco Interacciones, Banco Inbursa, BNP, Bimbo, Caterpillar Credito, Cemex, Comisión Federal de Electricidad, Corporación Interamericana de Inversiones, Chedraui, Daimler, El Puerto de Liverpool, Embotelladoras Arca, Facileasing, Ferrocarril Mexicano, Fonacot, GE Capital Bank, General Electric, GMAC, Hipotecaria su Casita, HSBC, INFONAVIT, Maxcom, Megacable, Nemak, NRF(Nissan), OHL, Paccar, Pemex, Posadas, Prudential Fiancial, Ruba, Tefovis, Telmex Internacional, Telefónica Móviles México, Toyota, Urbi, VWLease.**

Investment Banking Compensation. Within the past twelve months, BBVA Bancomer, and/or its affiliates, have received compensation for investment banking, common representation and credit related services from the Company/ies, which is(are) the subject of this report: **Acciona, Aeromexico, Agropecuaria Santa Genoveva, Alsea, América Móvil, Asur, Avicola Pilgrim's Pride de Mexico, Axtel, Bancomext, Banco de Credito e Inversiones, Banco Santander, Banorte, Banregio, BMV, Cemex, Cencosud, CIE, Cintra, Colbun, Comercial Mexicana, Comisión Federal de Electricidad, Concesionaria Mexiquense, Consorcio Comex, CAF, Controladora de Farmacias, Copamex, Coppel, Corporacion Andina de Fomento, Corporación Geo, Corporativo Arca, Corporación Moctezuma, Credito Inmobiliario, Daimler Chrysler de México, Dine, El palacio de Hierro, Elementia, Empresas Cablevisión, Endesa (Chile), Facileasing, Factoring Corporativo, Farmacias Benavides, FCC, Femsa, Ferrosur, Fomento de Infraestructura Turística Cancun, Gas Natural Mexico, GEO, Gruma, Grupo Alfa, Grupo Ara, Grupo Brescia, Grupo Bimbo, Grupo Carso, Grupo Casa Saba, Grupo Cementos de Chihuahua (GCC), GAP, Grupo Comercial Chedraui, Grupo Collado, Grupo Comercial Gomo, Grupo Dermet, Grupo Elektra, Grupo Famsa, Grupo Femsa, Ford Credit Mexico, Grupo Financiero Inbursa, Grupo R, Grupo Scotiabank, Grupo Herdez, Grupo ICA, Grupo La Moderna, GMAC, Grupo Maseca, Grupo México, Grupo Posadas, Grupo R, Grupo Sanborns, Grupo Televisa, Grupo TMM, Grupo Videomax, Grupo Xignux, Hilasal Mexicana, Homex, HSBC, Holcim (Apasco), Hylsamex, Ideal, Imsa/Tarida/Ternium, Industrias Bachoco, Hipotecaria Casa Mexicana, Hipotecaria su Casita, ICA, Industrias Aluprint, Industrias CH, Industrias Peñoles, Inmobiliaria Ruba, Interceramic, Kansas City Southern de México, Kaupthing Bank, Kimberly Clark México, Lamosa, Liverpool, Mabe, Manufacturas Kaltex, Medica Sur, Megacable, Mexichem, Minera los Pelambres, Molymet, Municipio de Aguascalientes, Nadro, Nafin, NRF México, Nemak, OHL, Paccar, Pasa, Pemex, Petrotemex, Pimsa, Plavicom, Prolec GE, Ruba, Sare, Sears, Sigma, Simec, Scotia Bank Inverlat, Techint, Telefónica CTC, Telefónica Móviles, Telint, Telmex, Tenaris, Toyota, Urbi, Value, Volcan Cia Minera, VWLease.**

Expected Investment Banking and services Compensation. In the next three months, BBVA Bancomer, and/or any of its affiliates, expects to receive or intends to seek compensation for investment banking, common representation and credit related services from the company (ies) discussed in this report.

BBVA Bancomer acts as market maker/specialist in: **MexDer Contrato de Futuros (Dólar de Estados Unidos de América (DEUA), TIIE de 28 días (TE28), Swap de TIIE, CETES de 91 días (CE91)), Bonos M, Bonos M3, Bonos M10, Índice de Precios y Cotizaciones de la BMV (IPC), Contrato de Opciones (IPC, Acciones América Móvil, Cemex, CPO, Femsa UBD, Gcarso A1, Telmex L), Udibonos.**

BBVA acts as market maker/specialist in Latibex: **Alfa, AMX, Corporación Geo, Grupo Modelo, ICA, Sare, Telmex.**

BBVA Bancomer, is recognized by Mexico's Finance Ministry as a market improver and acts as a market maker/specialists in MEXDER, Mercado Mexicano de Derivados.

Ownership Positions

BBVA Bancomer, and/or its affiliates holds, directly or indirectly, at least 1 % of the equity capital of the following company/ies whose shares are open to negotiation in organized markets and which is(are) the subject of this report: **BOLSA, CEMEX VENEZUELA, GRUPO VIDEOVISA, MAXCOM TELECOMUNICACIONES, MEGACABLE, PASA.**

BBVA Bancomer, and/or its affiliates hold(s), directly or indirectly; as of the end of the last quarter, at least a 10 % of its investment portfolio, or 10% of the amount issued, of the securities or underlying investments issued by the companies which is(are) the subject of this report: **AXTEL.**

Other Disclosures

To the best of BBVA Bancomer's knowledge, a Member of its Board, its CEO or Senior Manager holding a direct reporting position to BBVA Bancomer's CEO holds a similar position in any of the following company/ies which is(are) the subject of this report: **Alfa, Alsea, Amx, Asur, Bimbo, CMR, Dine, Femsa, GAP, Gmodelo, Grupo financiero Inbursa, Grupo Carso, Grupo Posadas, Hogar, Invex, Kof, Kuo, Liverpool, Maseca, Oma, Peñoles, Sanborns Hermanos, Sears Roebuck, Telecom, Telefónica Móviles México, Telmex, Tenaris, Tlevisa, Urbi, Vitro.**

Additional Information and Disclaimer

Ratings and Price Targets

As of December 30, 2011, for the whole universe of companies which BBVA Bancomer, has under coverage there are **51%** Buy ratings (including "Buy" and "Outperform"), **4%** Neutral ratings and **45%** Sell ratings (including "Sell" and "Underperform"). BBVA Bancomer or any of its affiliates has rendered Investment Banking services or participated as manager and/or co-manager in public offerings in **50%** of the Buy ratings, **10%** of the Neutral ratings and in **40%** of the Sell ratings.

Ratings are set on a six-month or year-end basis against the relevant benchmark. BBVA Bancomer issues three equity recommendations: **Outperform:** Upside potential of more than 5% vs. the market. **Neutral:** Stock is expected to perform in line with the market (+/-5%). **Underperform:** Expected downside of at least 5% vs. the market:

Recommendations reflect the stock's expected performance vs the market, within a specified period. This performance may be explained by the fundamental stock valuation method and other factors. The fundamental stock valuation method used by BBVA Bancomer S.A., is based on a combination of one or more generally accepted financial analysis methodologies, which may include, multiples, discounted cash flows, sum of parts or any other methodology that applies to the particular case. Notwithstanding other factors include newsflows, benefit timing, M & A's and market's appetite in a given sector. These factors can lead to a recommendation contrary to that indicated by the simple fundamental valuation results and its comparison with direct quotations.

This document and the information, opinions, estimates and recommendations expressed herein, have been prepared by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) and/or BBVA Bancomer, to provide their or its customers with general information as of the date of the report and are subject to changes without prior notice. BBVA Bancomer is not liable for giving notice of such changes or for updating the contents hereof. This document and its contents do not constitute an offer, invitation or solicitation to purchase or subscribe to any securities or other instruments, or to undertake or divest investments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind. For more information please contact the persons included in the directory of this document.

The determination of a price target does not imply any warranty that it will be attained. For a discussion of the risks associated with the attainment of price targets, which depend on intrinsic and extrinsic factors that affect both the performance and trends prevailing in the market on which the recommended securities is traded and/or offered, please refer to our recently published documents, which are available via e-mail, contact our analysts or visit our internet site www.bancomer.com.

Investors who have access to this document should be aware that the securities, instruments or investments to which it refers may not be appropriate for them due to their specific investment goal, financial position or risk profile, for these have not been taken into account in the preparation of this report. Therefore, investors should make their own investment decisions considering the said circumstances and obtaining such specialized advice as may be necessary. Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance. The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. investors should be aware that they could even face a loss of their investment.

The contents of this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA Bancomer, and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. BBVA Bancomer, accepts no liability of any type for any direct or indirect losses arising from the use of the document or its contents.

Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance. The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. Investors should be aware that they could even face a loss of their investment.

Transactions in futures, options or high-yield securities can involve high risk and are not appropriate for every investor. Indeed, in the case of some investments, the potential losses may exceed the amount of the initial investment; in such circumstance, investors may be required to pay more money to support those losses. Thus, before undertaking any transaction with these instruments, investors should be aware of their characteristics, as well as the rights, liabilities and risks associated with these securities and their underlying investments. Investors should also be aware that secondary markets for the said instruments may be limited or may not exist.

BBVA Bancomer, or any of its affiliates, as well as their respective executives and employees, may have a position in any of the securities or instruments referred to, directly or indirectly, in this document, or in any other related thereto; they may trade for their own account or for third-party account in those securities, provide consulting or other services to the issuer of the aforementioned securities or instruments or to companies related thereto or to their shareholders, executives or employees, or may have interests or perform transactions in those securities or instruments or related investments before or after the publication of this report, to the extent permitted by the applicable law.

BBVA Bancomer BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile or any affiliate of the BBVA Group, of its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, BBVA Bancomer or any of its affiliates' BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile or any affiliate of the BBVA Group's proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

No part of this document may be (i) copied, photocopied or duplicated by any other form or means (ii); redistributed or forwarded; or (iii) quoted, without the prior written consent of BBVA Bancomer. No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

This document is provided in the United Kingdom solely to those persons to whom it may be addressed according to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and it is not to be directly or indirectly delivered to or distributed among any other type of persons or entities. In particular, this document is only aimed at and can be delivered to the following persons or entities (i) those outside the United Kingdom (ii) those with expertise regarding investments as mentioned under Section 19(5) of Order 2001, (iii) high net-worth entities; and (iv) any other person or entity under Section 49(1) of Order 2001 to whom the contents hereof can be legally revealed.

This document is being distributed for BBVA Bancomer in Singapore by Banco Bilbao Vizcaya Argentaria (BBVA), Singapore Branch purely as a resource and for general informational purposes only, and is intended for general circulation. Accordingly, this research document does not take into account the specific investment objectives, financial situation, or needs of any particular person and is exempted from the same by Regulation 34 of the Financial Advisers Regulations ("FAR") (as required under Section 27 of the Financial Advisers Act (Cap. 110) of Singapore ("FAA")).

Please note Banco Bilbao Vizcaya Argentaria (BBVA) is not an Authorised Deposit taking Institution within the meaning of the Banking Act 1959 nor is it regulated by the Australian Prudential Regulatory Authority (APRA).

The remuneration system concerning the analyst/s author/s of this report is based on multiple criteria, including the results obtained by BBVA Bancomer BBVA Securities Inc., BBVA Brazil, BBVA Continental, BBVA Banco Frances, BBVA Chile and by BBVA Group in the fiscal year, which, in turn, include the results generated by the investment banking business, common representation or credit related services; nevertheless, they do not receive any remuneration based on revenues from the mentioned areas or a specific transaction in investment banking, common representation or credit related services.

The information contained in this document should be taken only a general guide on matters that may be of interest. The application and impact of the laws may vary substantially depending on specific circumstances. Changes in regulations and the risks inherent in electronic communication may cause delays, omissions, or inaccuracy in the information contained in this site. Accordingly, the information contained in the site is supplied on the understanding that the authors and editors do not hereby intend to supply any form of consulting, legal, accounting or other advice. As such, it should not be considered a substitute for the direct advice provided by accounting and fiscal advisors or other competent consultants.

All images and texts and texts are the property of BBVA Bancomer and may not be downloaded from the Internet, distributed, stored, re-used, re-transmitted, modified or used in any way, except as specified in this document, without the express written consent of BBVA Bancomer. BBVA Bancomer reserves all intellectual property rights to the fullest extent of the law. None of the information contained herein may be interpreted as a concession by implication, exclusion or any other means, of any patent or brand of BBVA Bancomer or of any third party. Nothing established herein should be interpreted as a concession of any license or right under any BBVA Bancomer copyright.

BBVA Bancomer, as well as its executives and employees have adopted the Código de Conducta de Grupo Financiero BBVA Bancomer, which is available in our internet site www.bancomer.com.

BBVA Bancomer, BBVA and the entities of the BBVA Group, are subject to BBVA Group Policy on Conduct in the Securities Markets. In each entity where the Group Conducts Businesses in the Security Markets, the Policy is supplemented with the Internal Standards of Conduct which, among other regulations, include rules to prevent and avoid conflicts of interests with the ratings given, including information barriers. The BBVA Group Code of Conduct for Security Market Operations is available for reference at the following web site: www.bbva.com / Corporate Governance / Conduct in the Securities Markets.

BBVA Bancomer is regulated by the Comisión Nacional Bancaria y de Valores.

"Banco Bilbao Vizcaya Argentaria S.A. (CE number AFR194) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong"

BBVA Continental, BBVA Banco Frances, BBVA Chile as well as other entities in the BBVA Group that are not members of the *FINRA* (Financial Industry Regulatory Authority), are not subject to the rules of disclosure affecting such members.

This material is being distributed into the United States in reliance on an exemption from broker-dealer registration under Rule 15a-6 of the Rules under the Securities Exchange Act of 1934. Any trades in the securities discussed in this report must be effected through a U.S. registered broker/dealer as we are not authorized to accept any order to effect trades in any security discussed in this report within the U.S.