
Multinationals and development in Latin America

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16th November 2006

Contents

I **BBVA: committed through extensive investment in the region**

II The financial sector as the engine of growth

III BBVA's social commitment

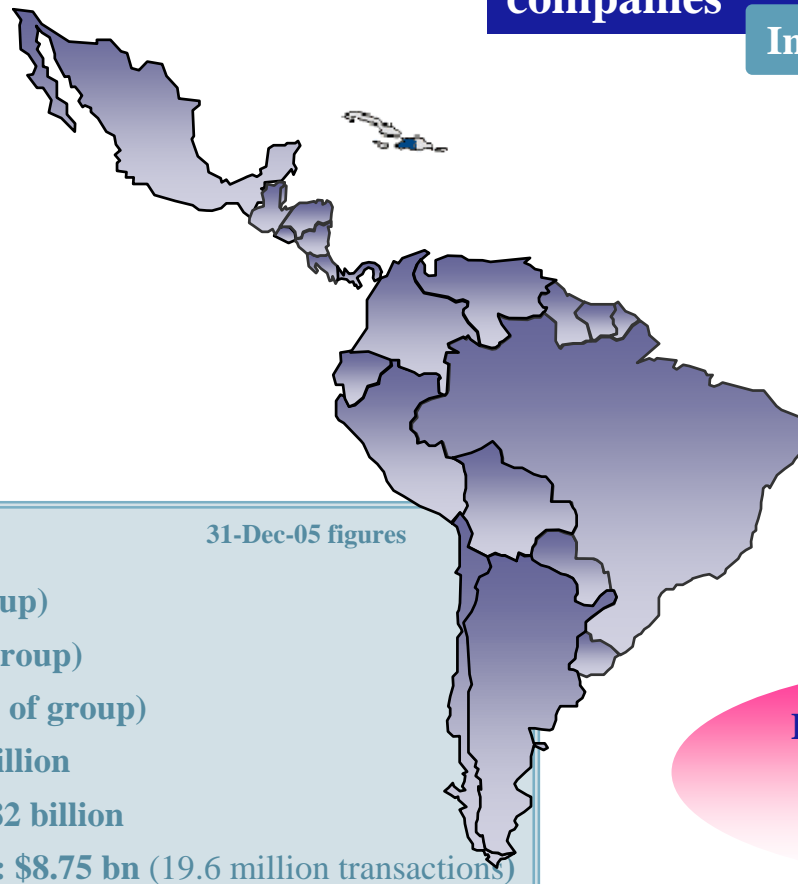
BBVA: extensive investment in the region

Investment in banks

Investment: \$12.45 bn

Investment in pension fund managers and in insurance companies

Investment: \$1.44 bn



31-Dec-05 figures

- 3,658 branches (48% of group)
- 61,604 employees (65% of group)
- Assets: €87.7 billion (22.4% of group)
- Business volume: €174.27 billion
- Net attributable profit: €1.82 billion
- Money transfers from USA: \$8.75 bn (19.6 million transactions)

Investments Apr-06 (\$)

- Forum: \$106m
- Bancomer: \$4,150m
- Hipotecaria: \$375m
- Granahorrar: \$407m

BBVA is a leading bank in the countries where it operates

Contents

I BBVA: committed through extensive investment in the region

II The financial sector as the engine of growth

III BBVA's social commitment

The financial sector as the engine of growth

An emerging economy cannot develop without . . .

- A competitive financial system
- Sound capital adequacy
- Appropriate regulation and supervision

In the last ten years, extensive progress has been made in this area in Latin America



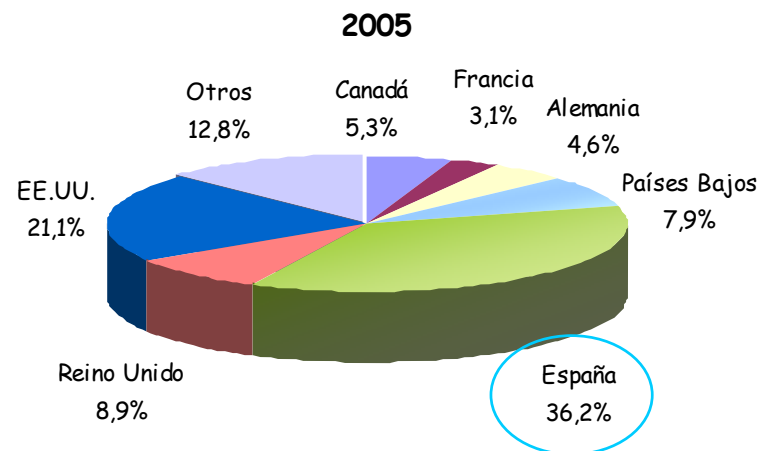
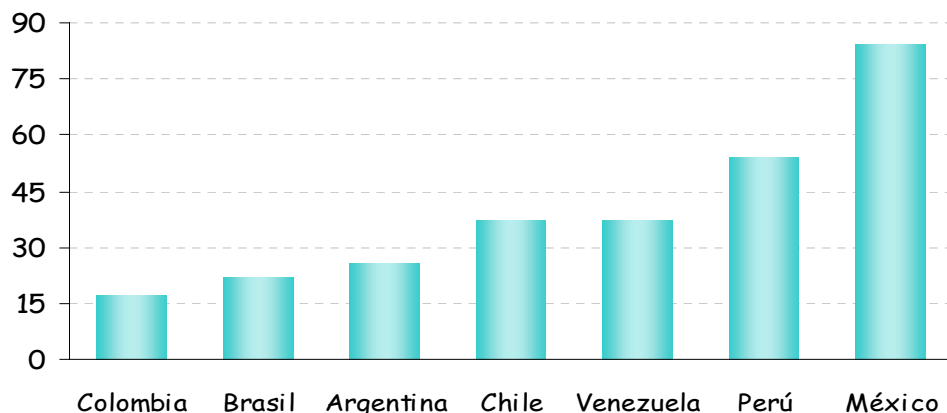
Co-operation between oversight bodies, supervisors and banks

A reduction of imbalances has fostered the conditions for greater growth

A competitive financial system

Internacionalización de la Banca en América Latina 2005

(% activos controlados por las entidades no residentes)

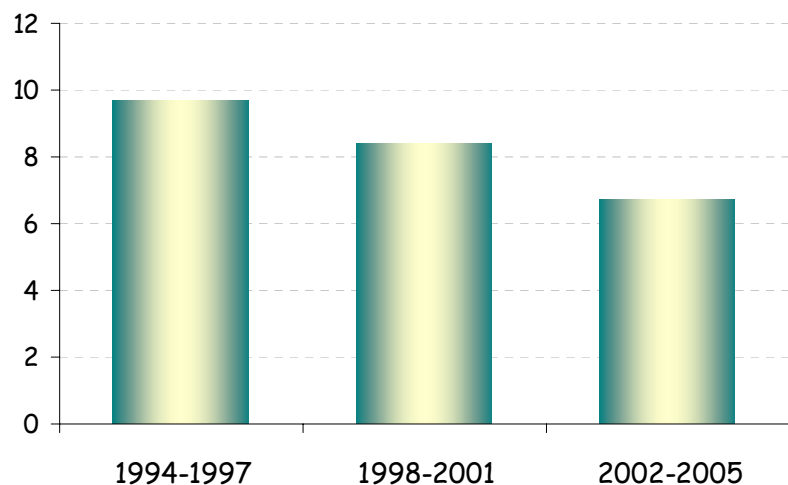


Spanish banks have played a decisive role

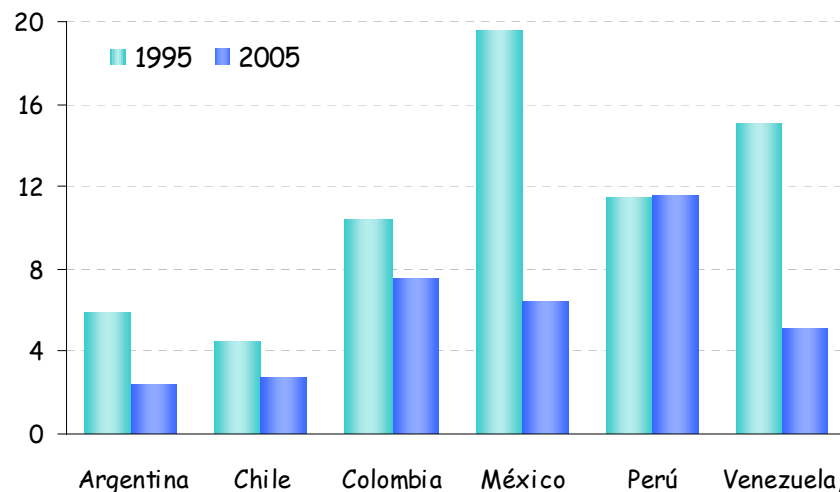
Spanish banks exported technology, management skills and banking know-how to Latin America

The access conditions for loans have improved . . .

Average bank spreads



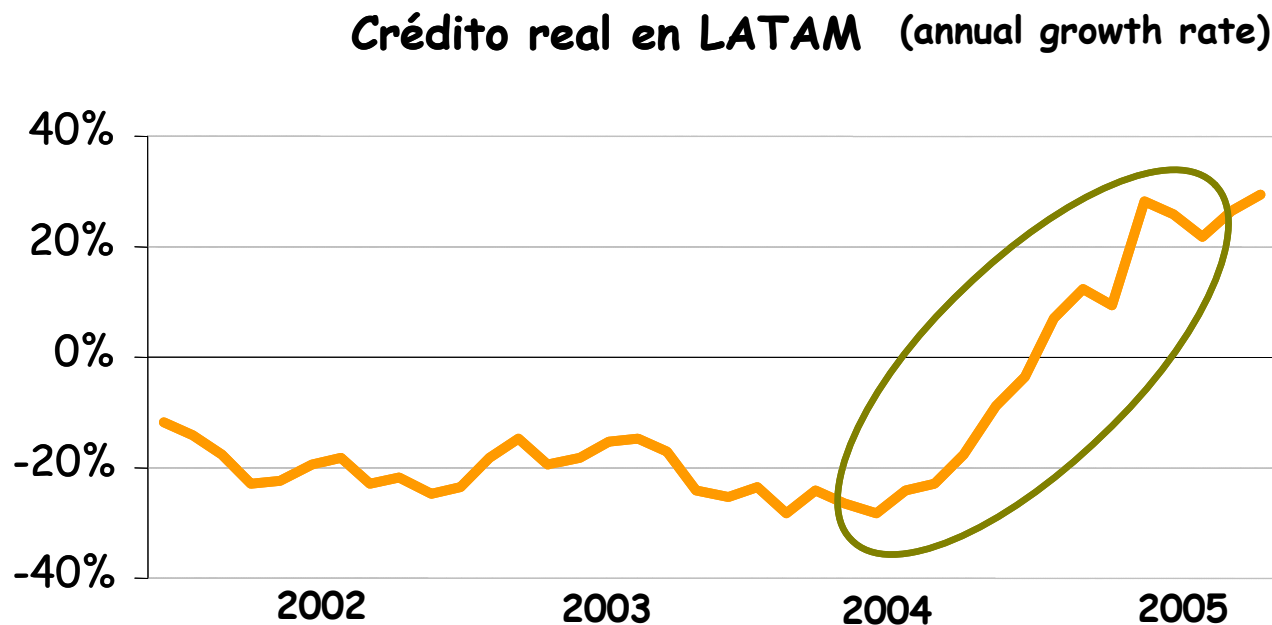
Spreads bancarios



Source: The World Bank.

Lower interest rates and greater banking competition produced a significant improvement in terms and in the ability of companies and families to access to finance


... and also in the volume of lending



Since 2004, there has been a sustained recovery of lending in the main countries

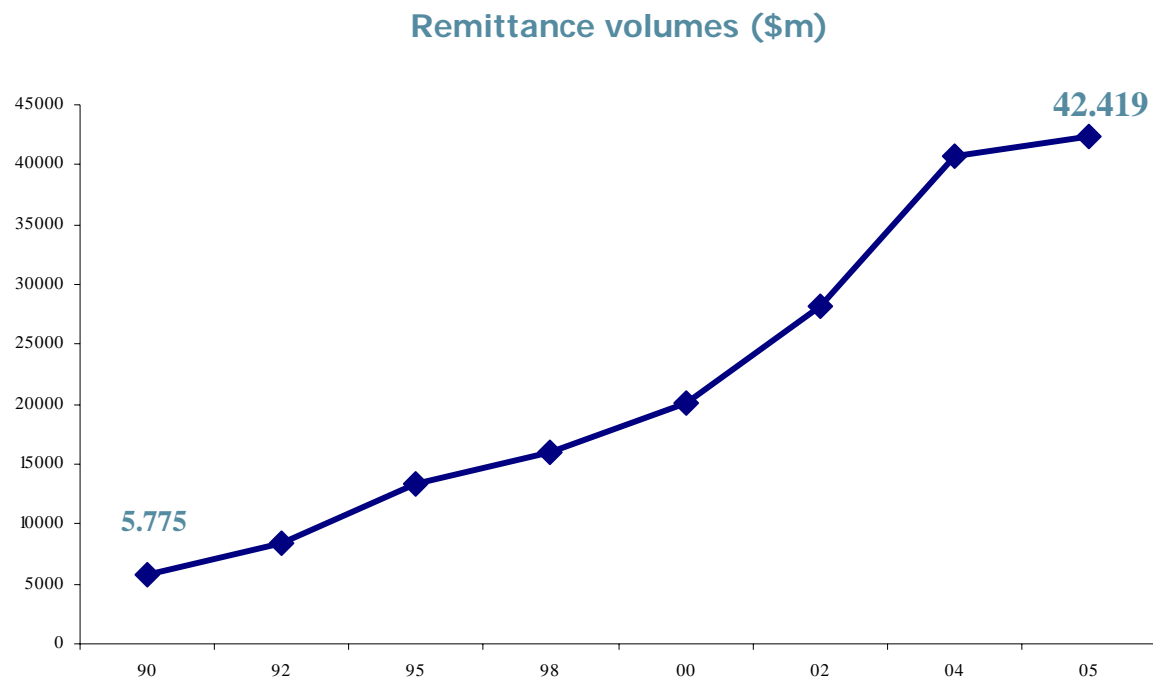
BBVA is driving lending growth in the region

Lending growth Average balances in local currencies	Sep 06
Latin-American banks	31.3%
Mexico	28.3%



Product type	Sep 06
Consumer + cards	64.6%
SMEs	29.8%
Mortgages	53.1%

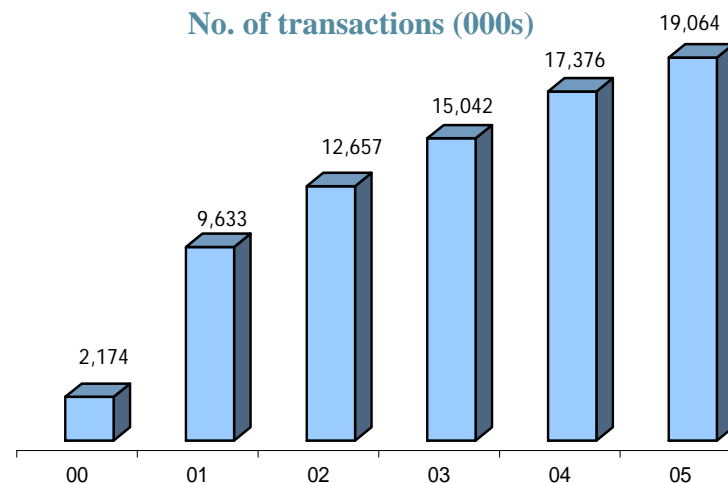
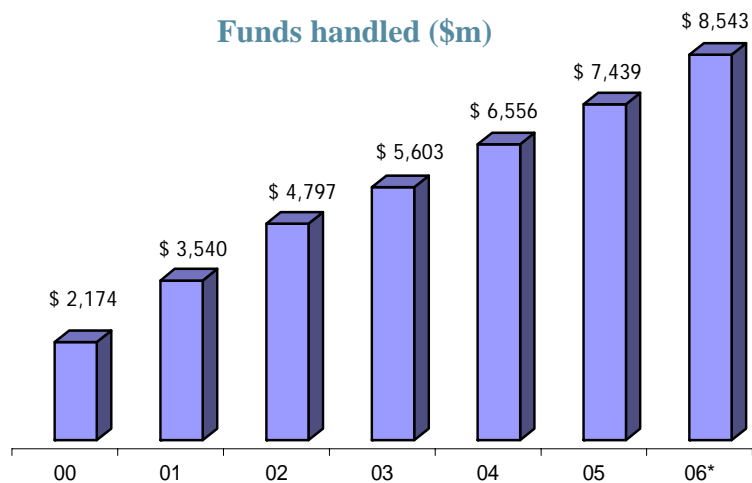
Substantial growth of immigrant money transfers



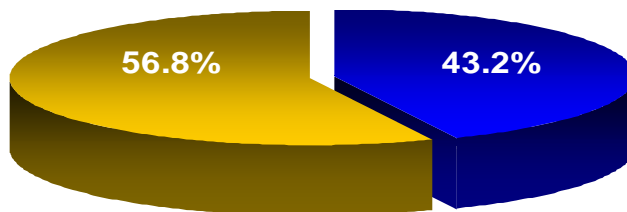
Money transfers (remittances) are playing a growing role in the economic development of Latin-American countries.

The low variability and predictable nature of remittances allow recipient families to use them to raise finance.

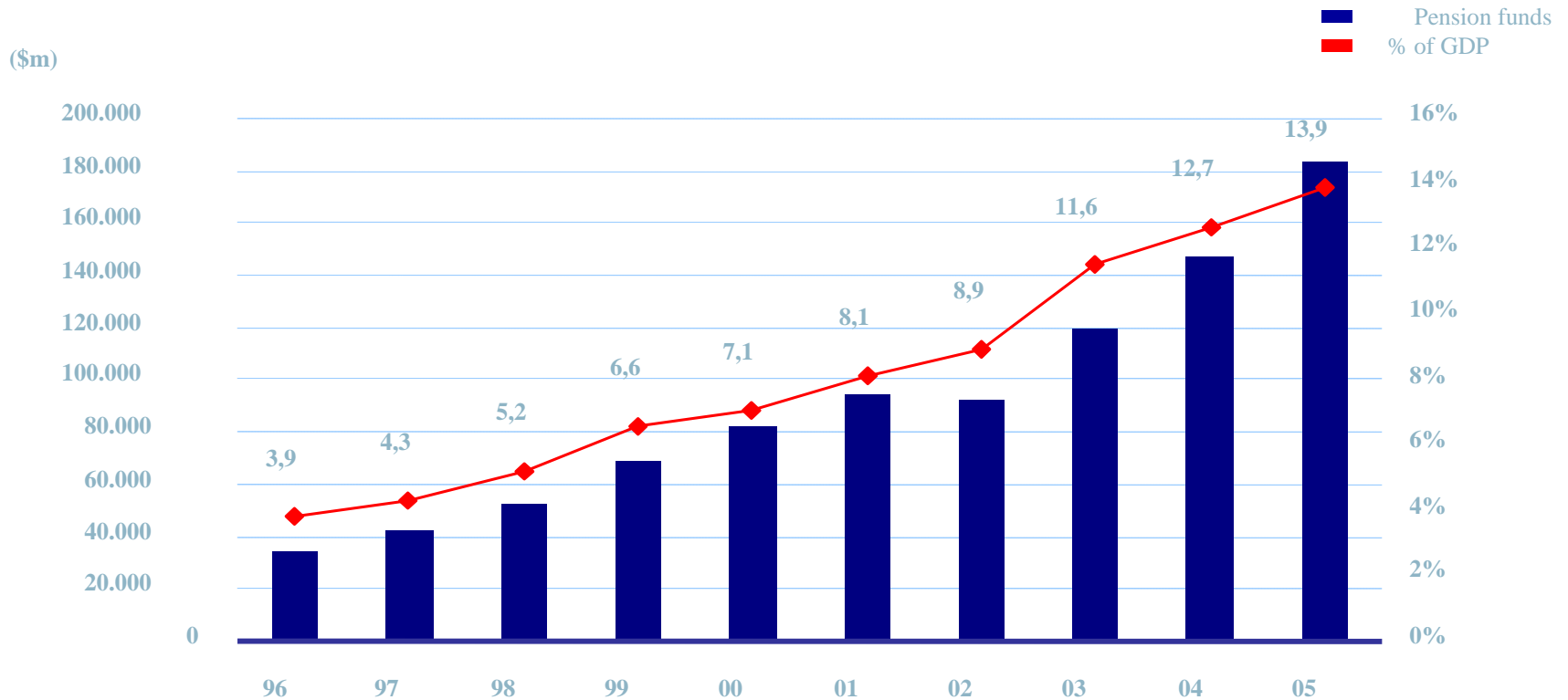
The BBVA case: remittances from USA to Latin America



43% of remittances to Mexico go to BBVA Bancomer



* YTD

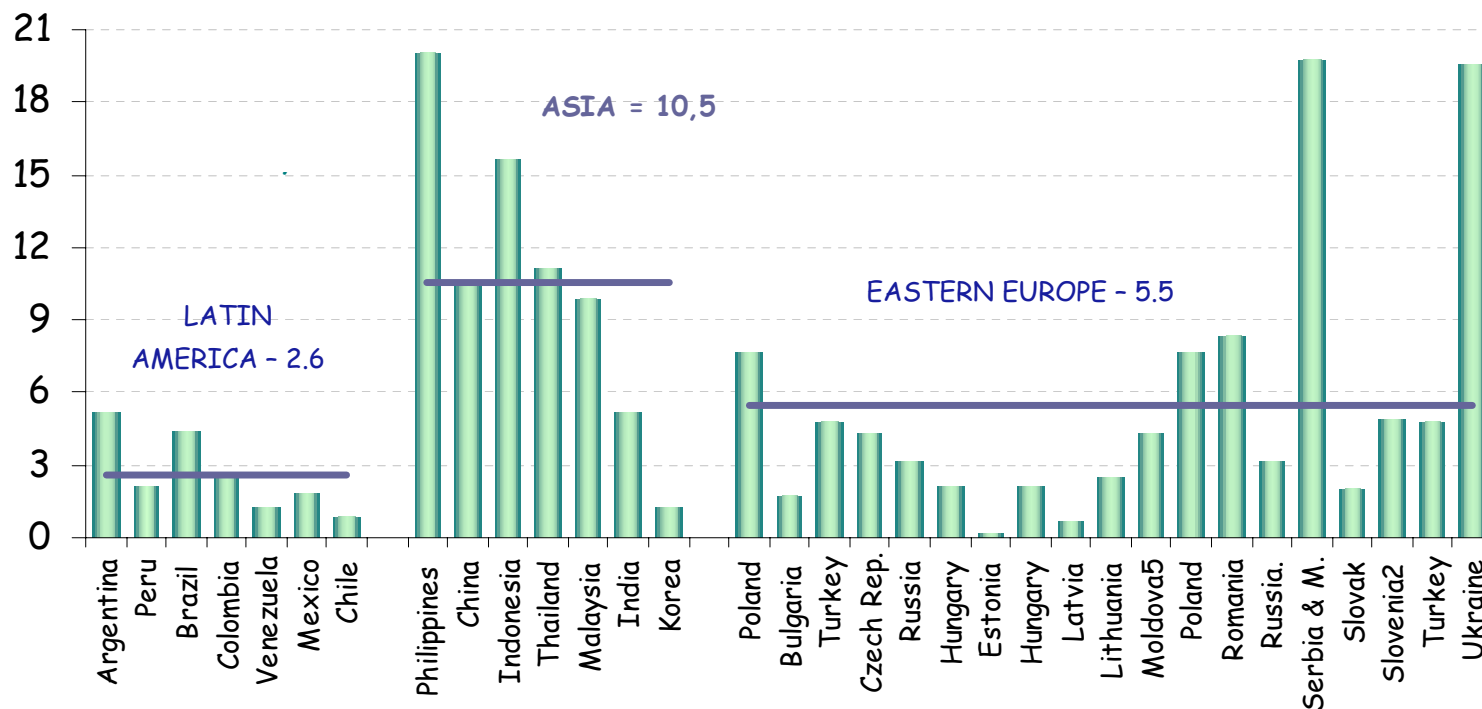


Source: BBVA based on information from FIAP and the IMF

Private savings rate of 27% v 6% in Spain

A sound and healthy system in asset terms

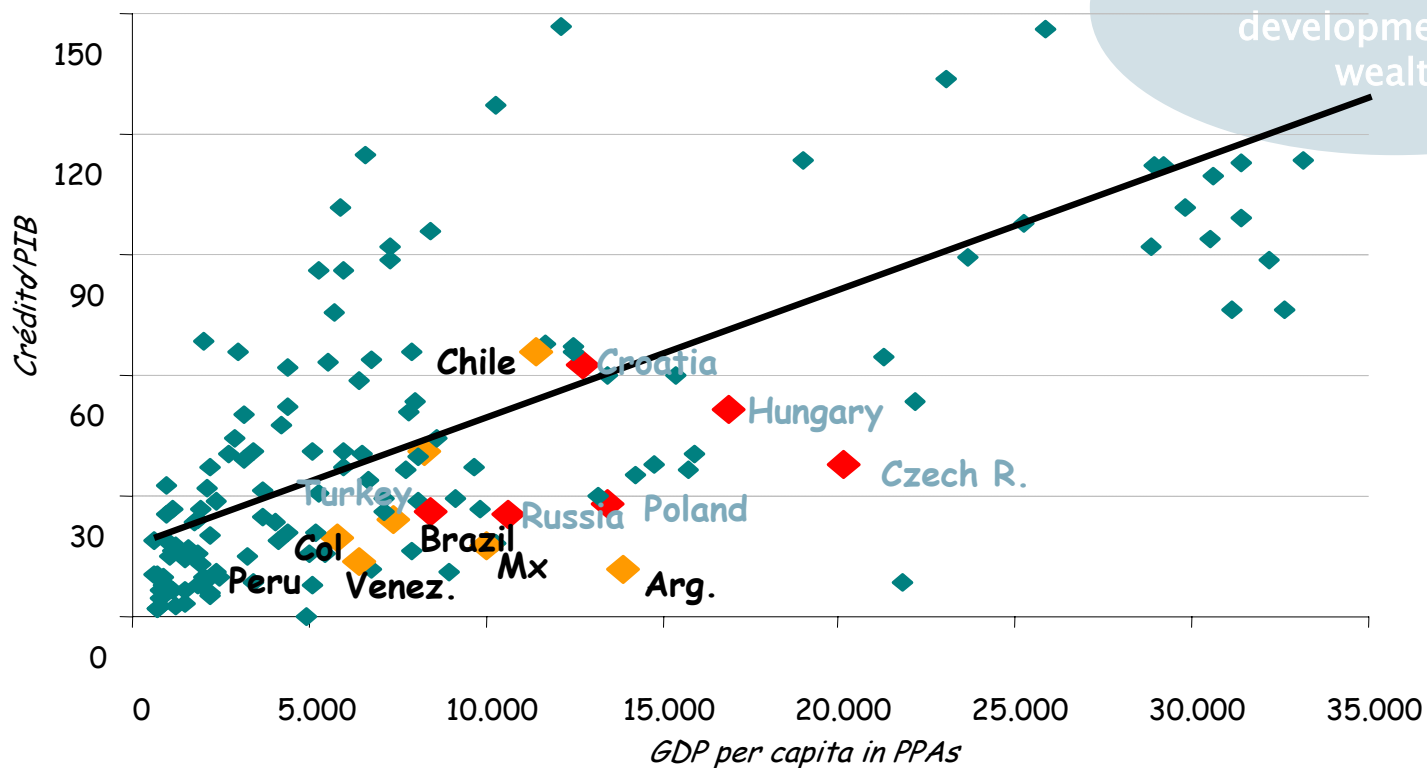
NPL ratios 2005



Best quality and credit ratios compared to other emerging economies

A great future ahead

Lending/GDP by GDP per capita in 2005



Although there has been an unparalleled expansion in lending, tremendous opportunities for developing banking penetration still remain

Contents

I BBVA: committed through extensive investment in the region

II The financial sector as the engine of growth

III BBVA's social commitment

BBVA's social commitment

**Latin America is one of the main areas of social activity for the BBVA Group:
€46.5m set aside in 2005 for different regional programmes**

- ✓ **Social work**
- ✓ **Education**
- ✓ **Research**
- ✓ **The environment**
- ✓ **Healthcare**

Education and micro-finance will be the main areas of action in the immediate future



**In BBVA we are working towards a
better future for people**

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