

A light blue background featuring a stylized map of the Americas, including North and South America, rendered in a darker blue color.

BBVA USA

**Family Remittances
USA to LATAM**

BBVA Bancomer Transfer Services Inc.

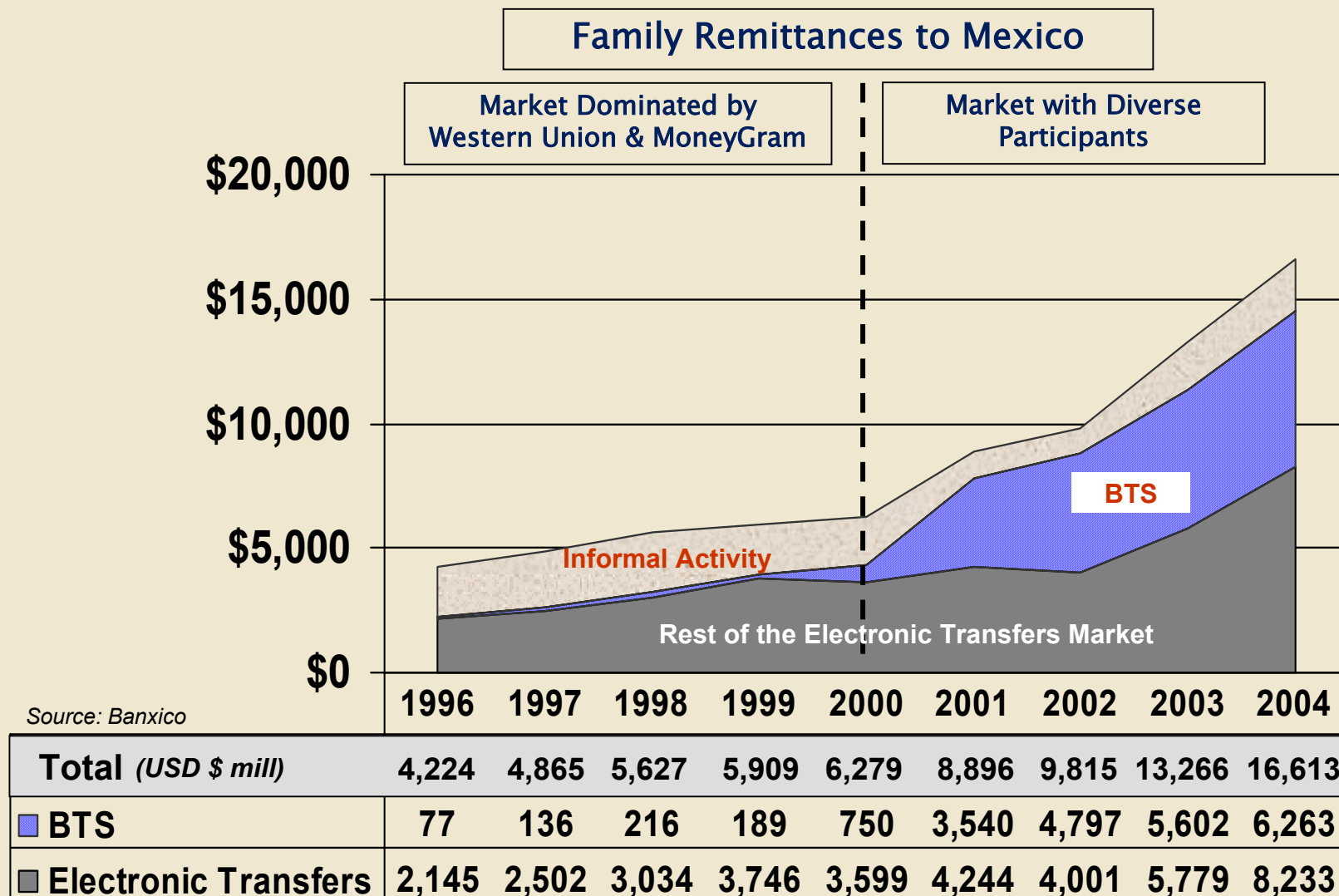
Bancomer Transfer Services (BTS)

- **Subsidiary of BBVA Bancomer Financial Holdings**
- **BTS' mission is to provide high quality payment services for family remittances in LATAM**
- **High quality payment services are supported with a proprietary technology platform**
- **Technology platform incorporates one of the most stringent compliance programs and a state-of-the art AML monitoring system**
- **BTS acts as a money transfer engine, allowing MT's to provide their consumer with a reliable and secure alternative to wire money at affordable prices**
- **Claims ratio: 0.02%**

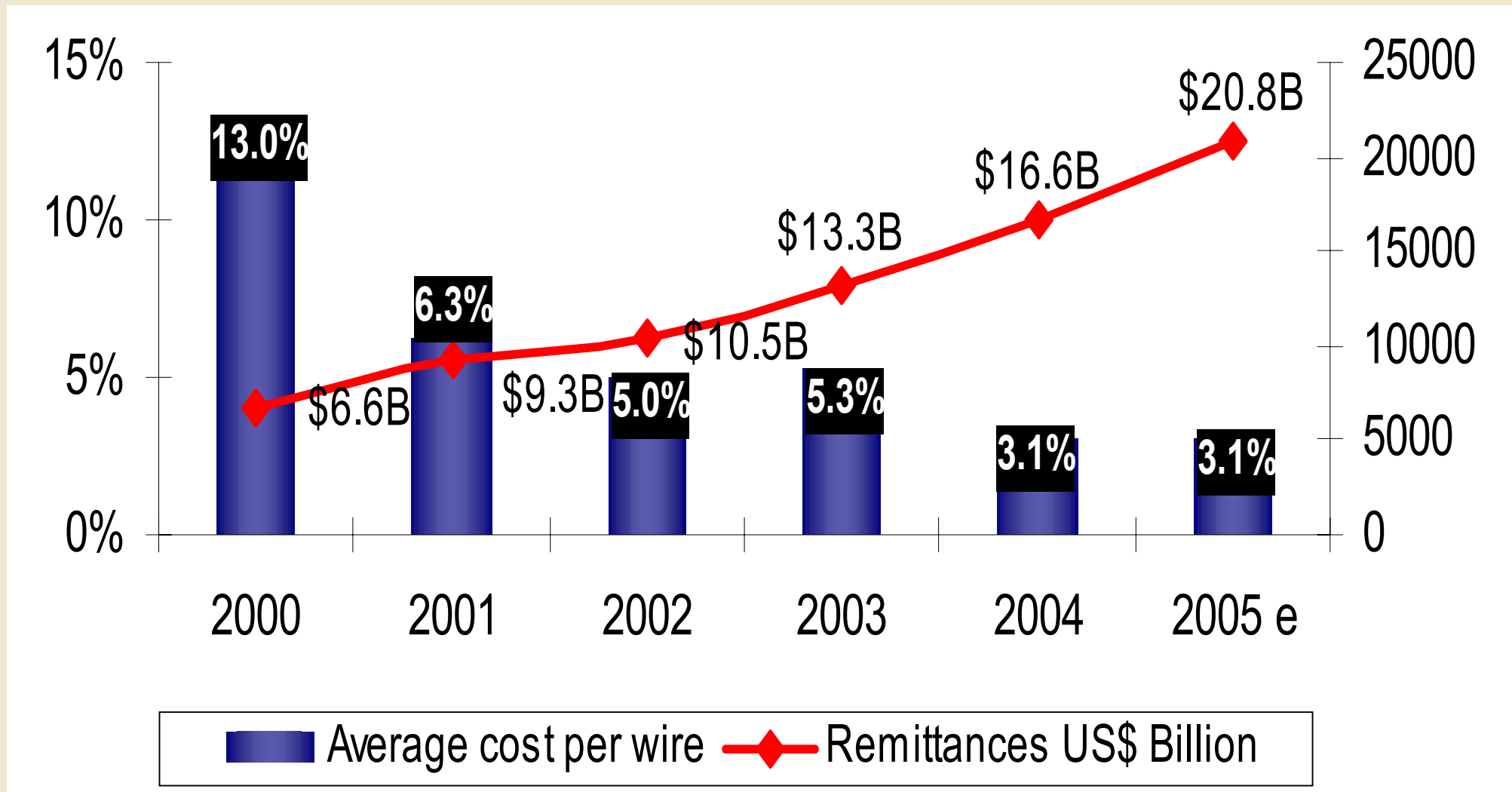
BTS has been promoting switching to formal payment channels, which provides benefits to all the participants of the remittances market

- **In Mexico, family remittances started to switch to formal payment channels back in the year 2000**
- **Many new participants joined the industry, due to **formal access to formal payment networks****
- **With access to formal payment networks, new participants were able to offer:**
 - **High quality service at payment to beneficiaries**
 - **Competitive prices**
 - **Strengthen compliance programs**
- **This provides the consumer with more reliable and secure alternatives to wire money at affordable prices**

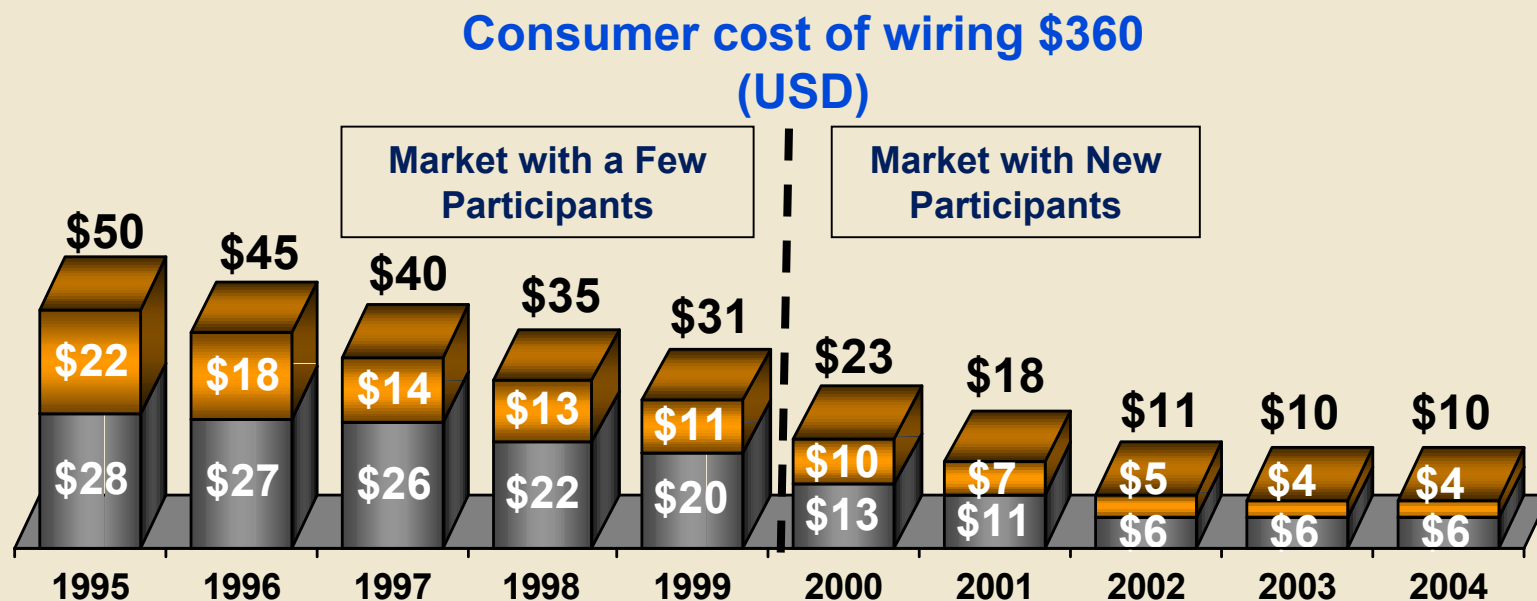
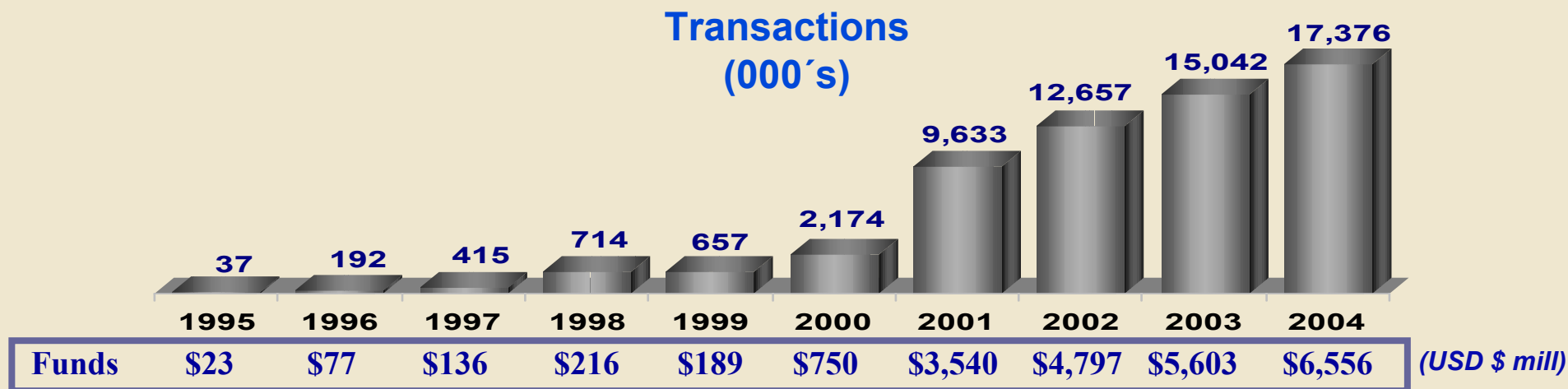
90% of the family remittances to Mexico are transferred electronically and mainly through formal payment channels ...



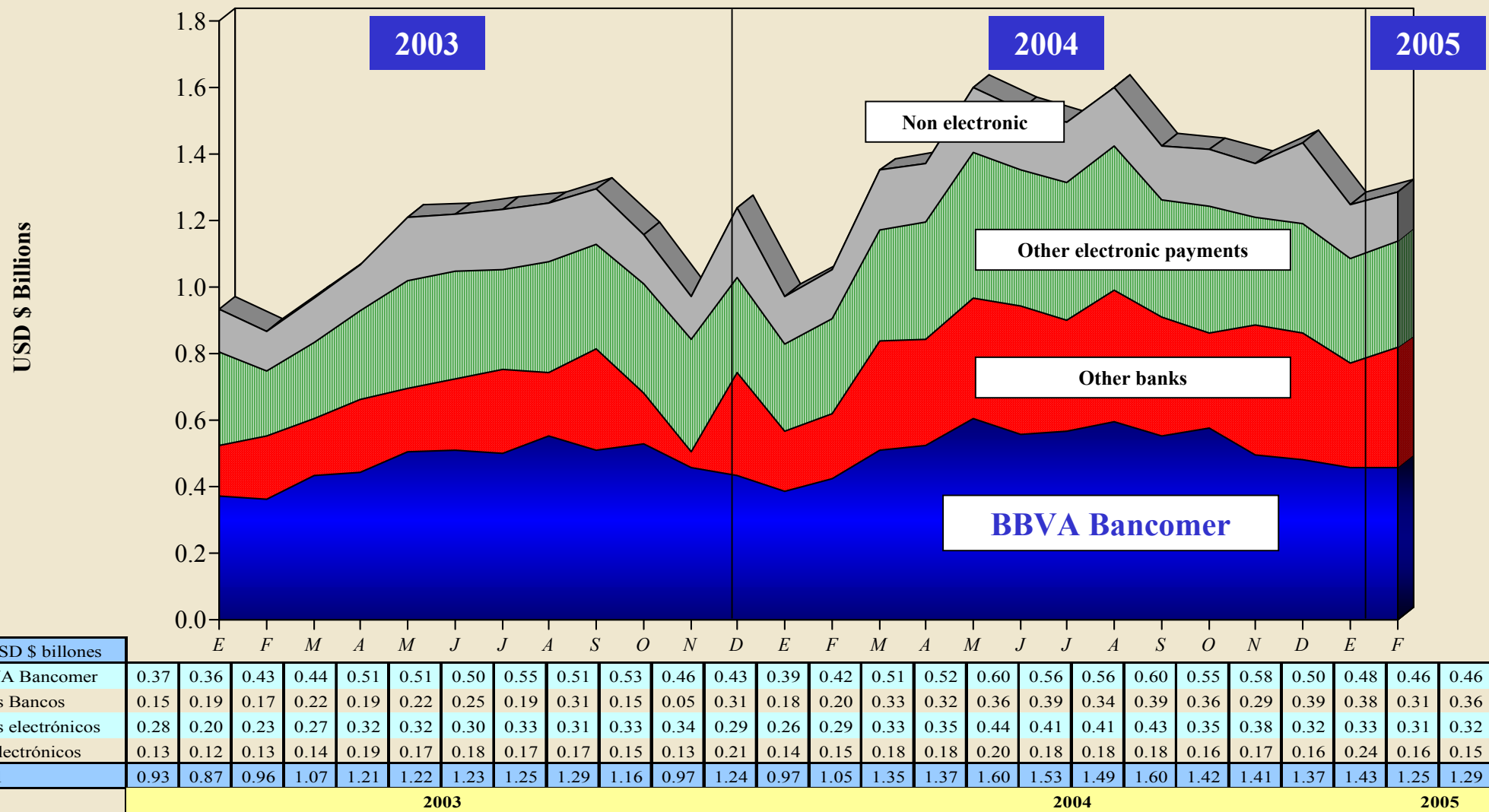
... and the remittances from the United States to Mexico could exceed \$20 Billion in 2005



BBVA Bancomer through its BTS solution, has played a key role in lowering consumer costs



Mexican Banks have participated in 2/3 of family remittance payments



More than 61% of the payments processed through Banks were paid by BBVA Bancomer during 2004

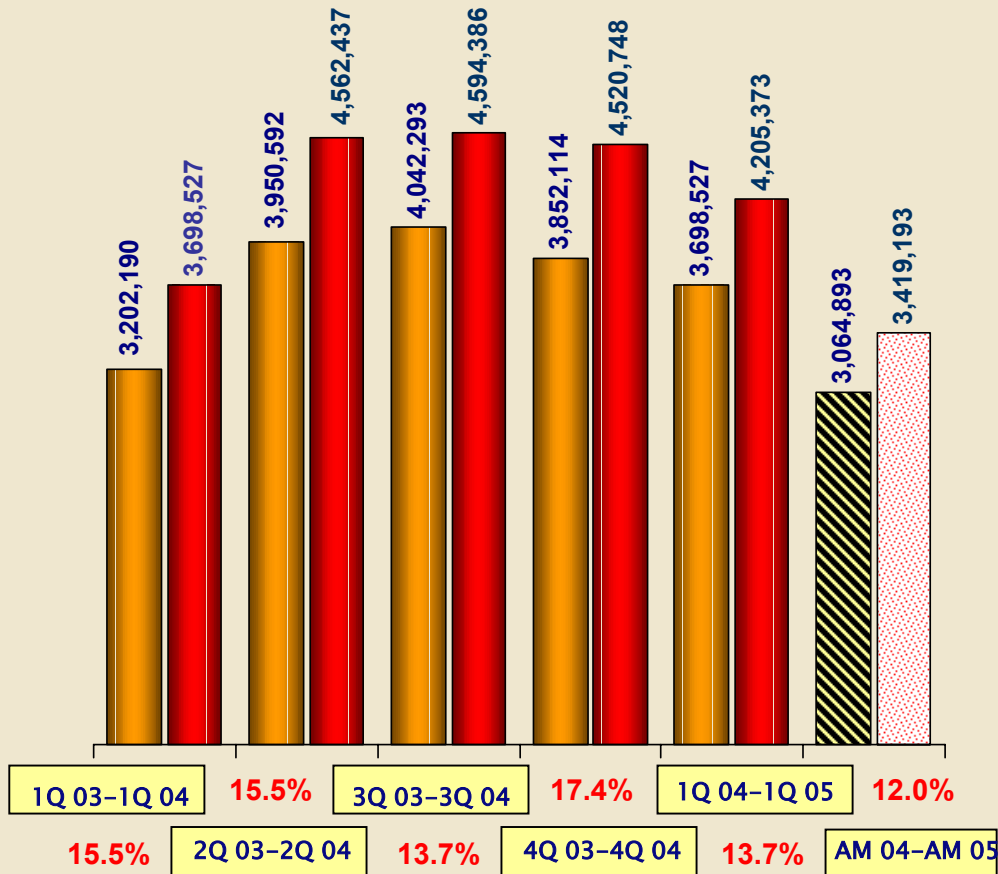
IN 2004, BBVA Bancomer paid almost half of the remittances that were transferred electronically

Payment of family remittances transferred through electronic wires (USD \$ Mill)

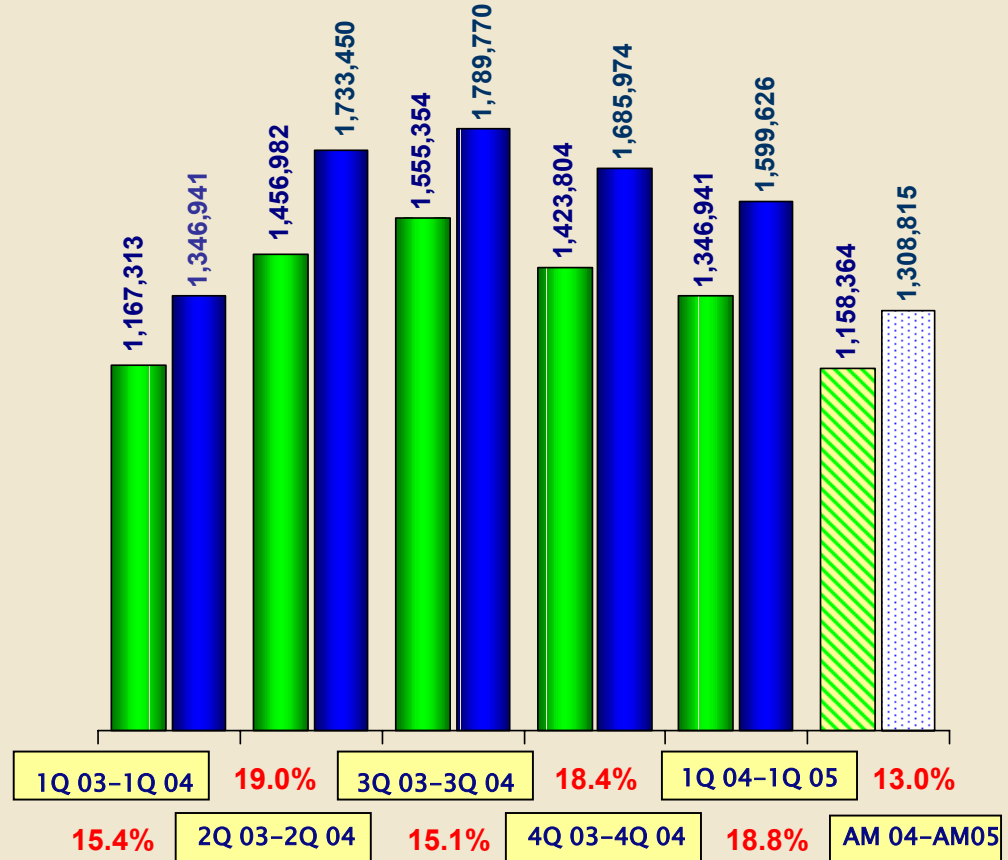


In 2005, BTS's volume continues to grow at two digit rates

Transactions

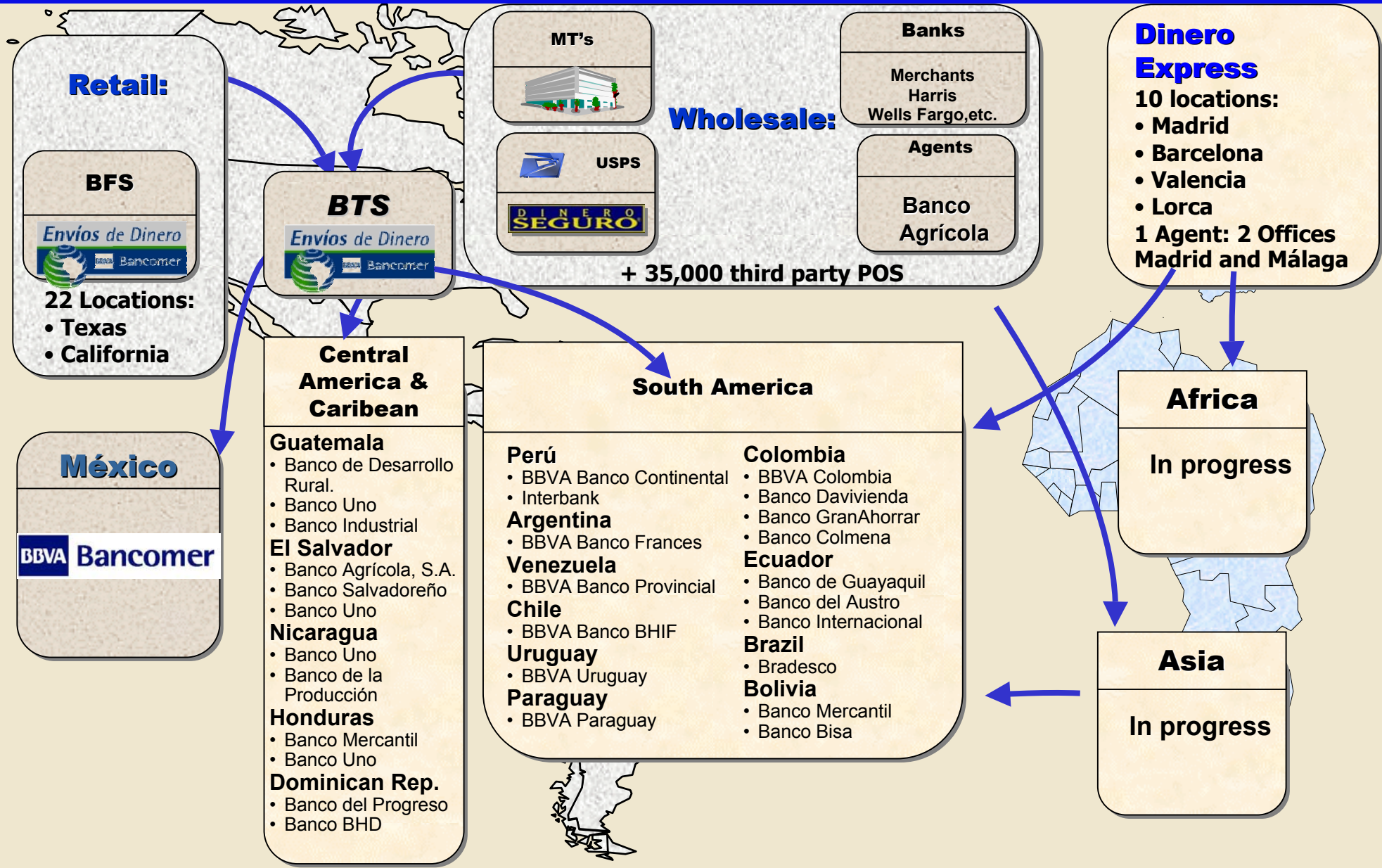


Funds (USD 000)



This confirms that BBVA Bancomer's leading service is the consumer's top choice to wire money back to Mexico

Based on Mexico's success, we are extending BTS's international network ...



And into new market segments with ad-hoc products

USA

Account - Account
"Intercuenta Express"

MEX

Banked

Banked

**WELLS
FARGO**

Unbanked

Banked

Cash - Account
Envíos de Dinero Card



Unbanked

Unbanked

Cash - Cash



CONCLUSIONS

- With formal channels the sender enjoys better and more alternatives to wire money back home
- BTS's solutions provide the following advantages:
 - Point of sale has less claims and can provide better service to their customers (0.02%)
 - The transmitter has better control of activities and can reach many destinations through the same pipeline
 - Payment entities can rely that the most stringent compliance and monitoring applications screen every transaction
 - Beneficiary can always count that the money will be ready for payment
 - Due diligence is performed to network participants in order to join the program

CONCLUSIONS

- And the most important benefit of formal payment channels:
 - Consumers are wiring 31% more money back home:
 - 1999 average face value per transaction: \$287 USD
 - 2005 average face value per transaction: \$377 USD
 - At lower prices:

300% price reduction !!!