



Presentation  
to the media  
Madrid, 8th March 2005

dineroexpress

# The One-Stop Shop for immigrants

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Immigration and the forecasts

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A new target

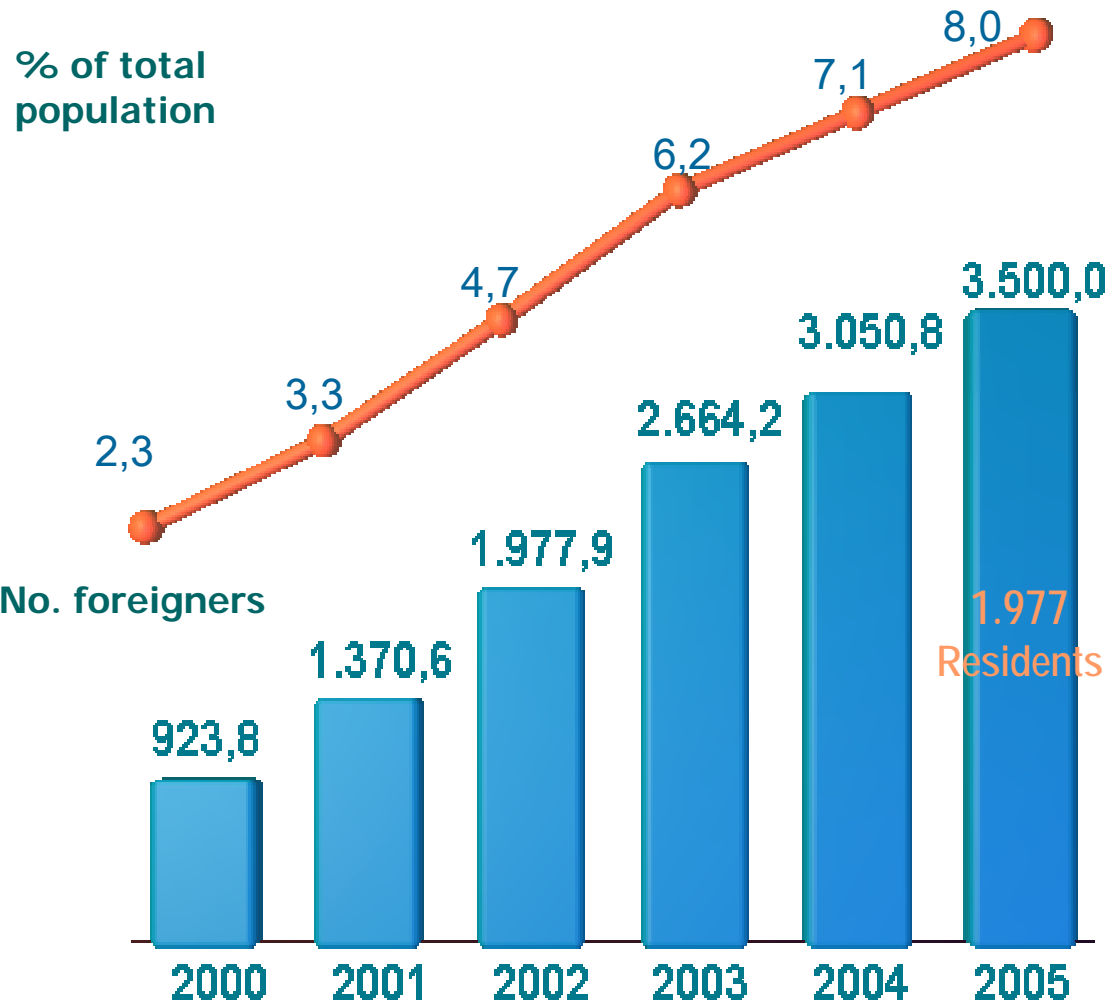
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Conclusions

# In Spain there has been a surge in immigration in recent years



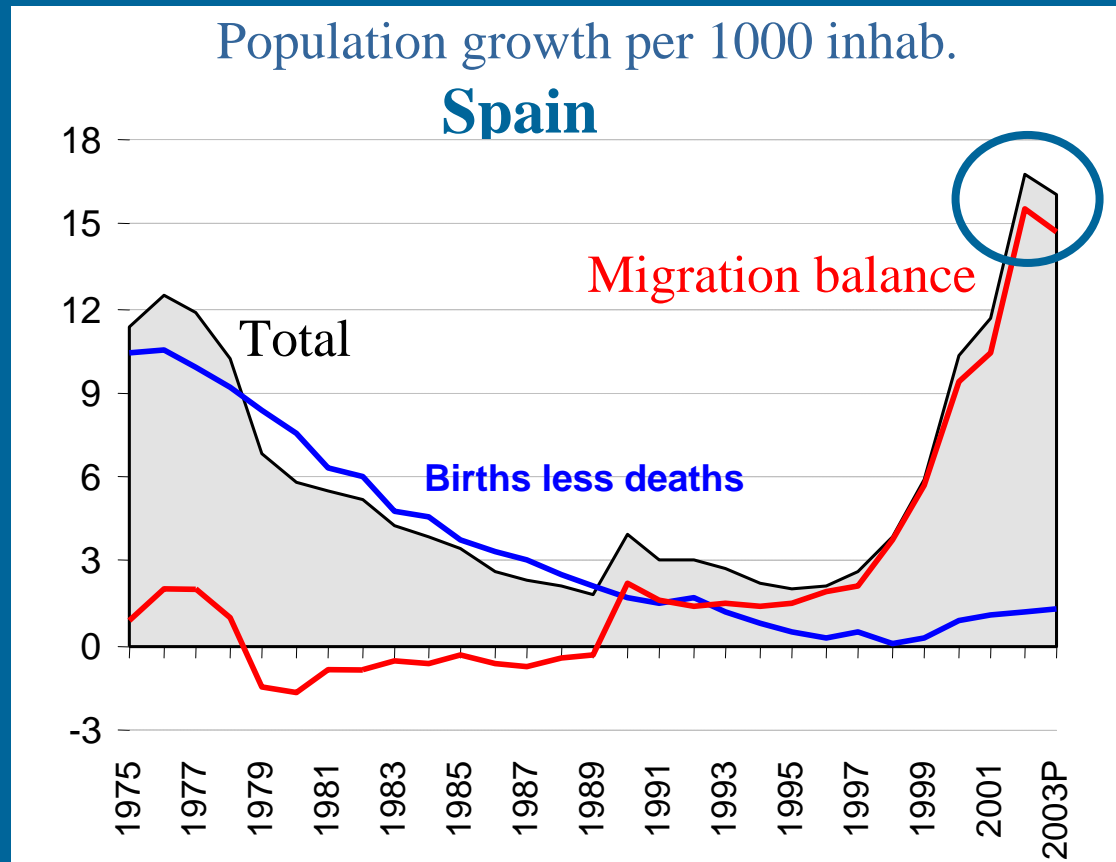
There are currently 3.5m foreigners in Spain

They are 8% of the population

# They have become the main factor in Spanish population growth

1

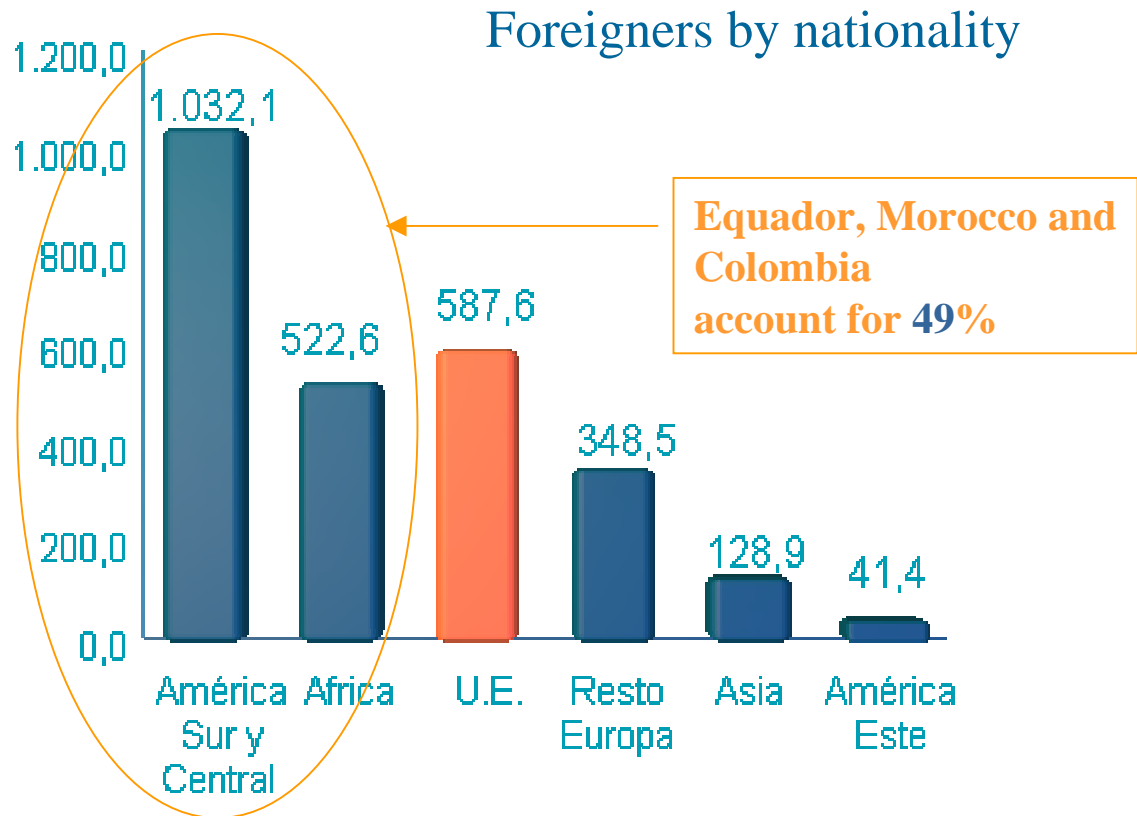
Source: INE and BBVA



Inflows of foreigners have lifted population growth to levels not seen since the second half of the 70s (end of the baby boom)

# 80% of foreigners can be classified as immigrants (excluding those from the EU)

1



Source: INE and 2003 census

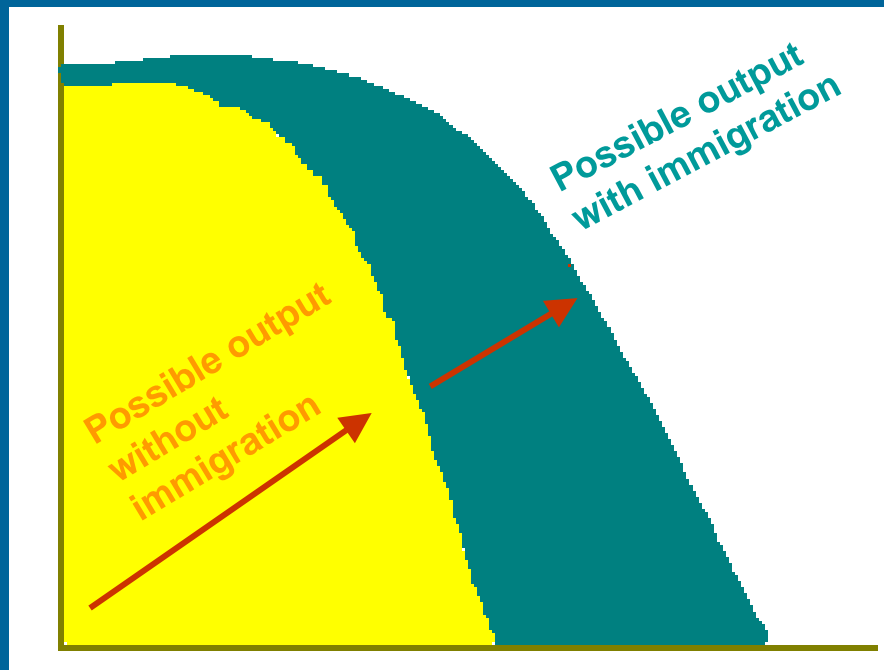
According to INE forecasts, in 2005 there could be 2.8m immigrants in Spain

# Their effect on the labour market and the economy is increasing

1

## Immigration and the labour market

Productivity



Source: BBVA and Min. of Labour

Native employment

Immigrant employment

- New contributors to social security are now 24% of total
- With an increase in the number employed that is much greater than the Spanish average (15% v 3%) (Oct 04 / Oct 03)
- 78% of active resident immigrants are employed or seeking work, compared to the Spanish average of 61%

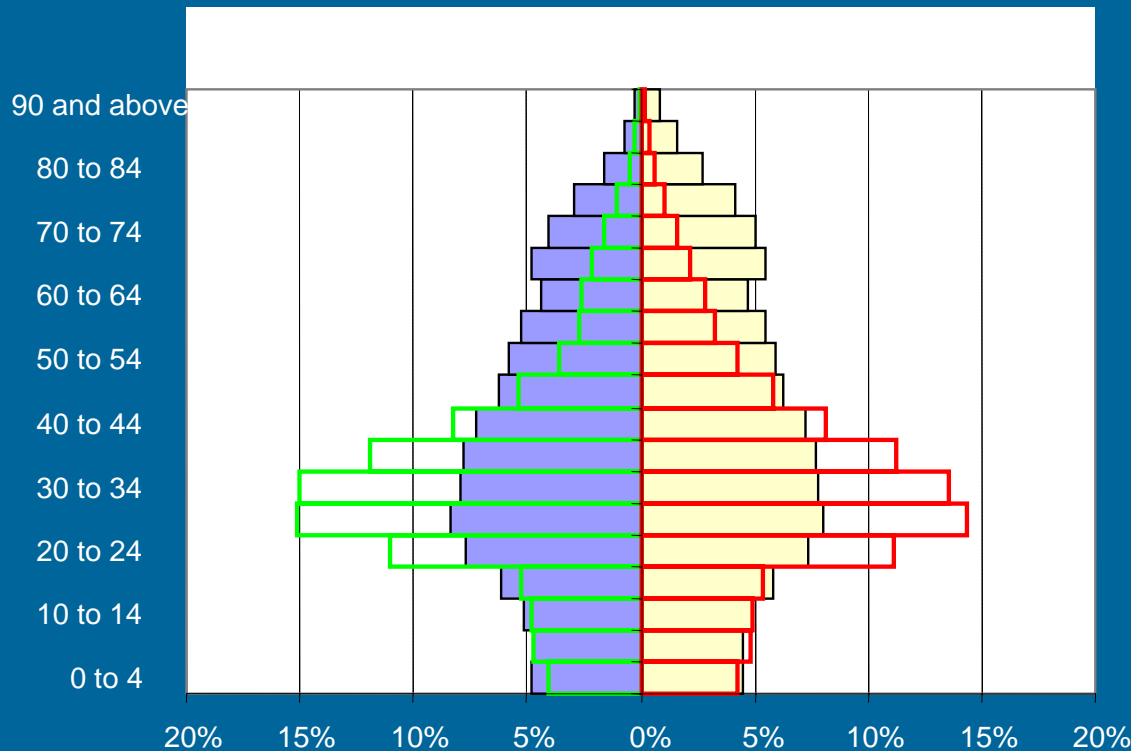
# Immigration is essential to compensate and delay economic growth restrictions due to an ageing population

1

## Spanish and foreign population pyramid

(% of respective populations)

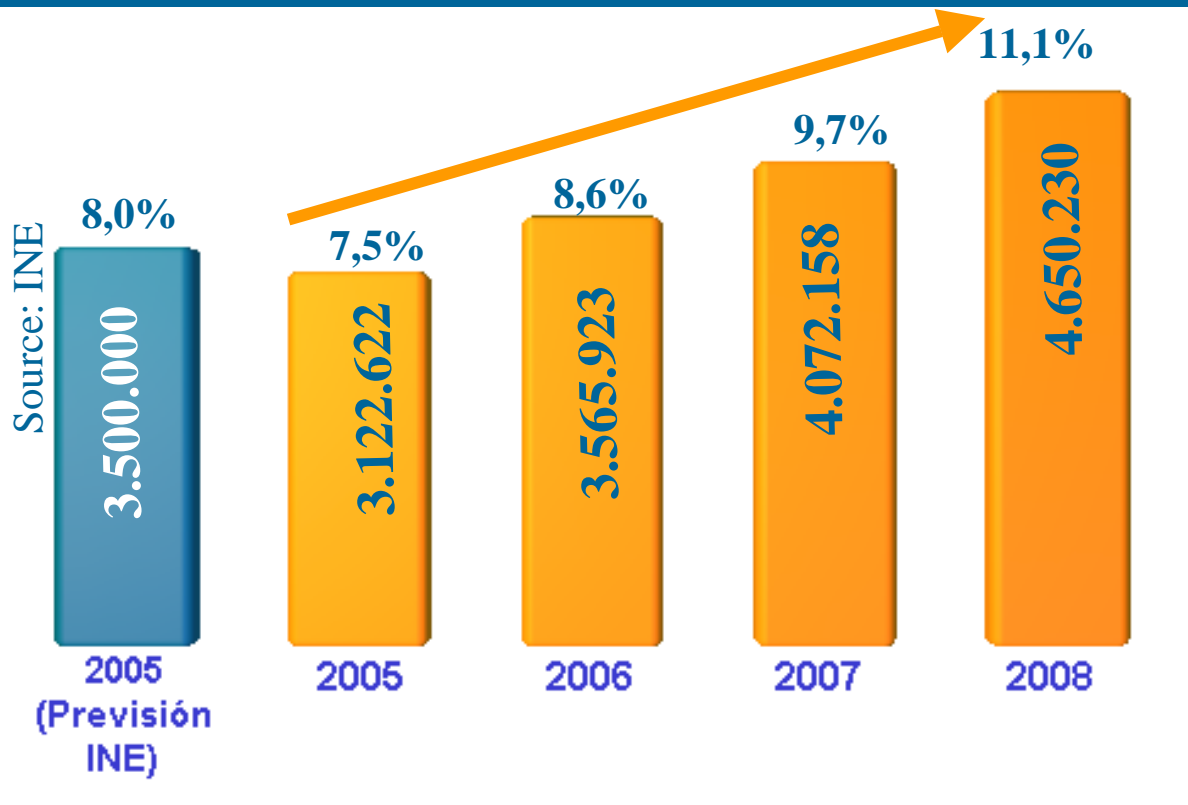
Source: 2001 census



The immigrant age distribution favours higher rates of activity and employment because there are more in the 20-44 range

# The immigrant population will continue to grow . . . 1

No. of foreigners in Spain  
(INE forecasts)



- Official forecasts point to 4.5m foreigners in 2008 (3.8m immigrants)
- Reaching 10% to 11% of the population



# There are three main reasons for this

1

- **New arrivals**, filling jobs in the domestic market
- **Birth rate**: twice the Spanish rate (they already account for 10.4% of total births)
- **Family reunion**, 55.8% of immigrants say they are supporting family members in their home country and 46.1% intend to bring them to Spain



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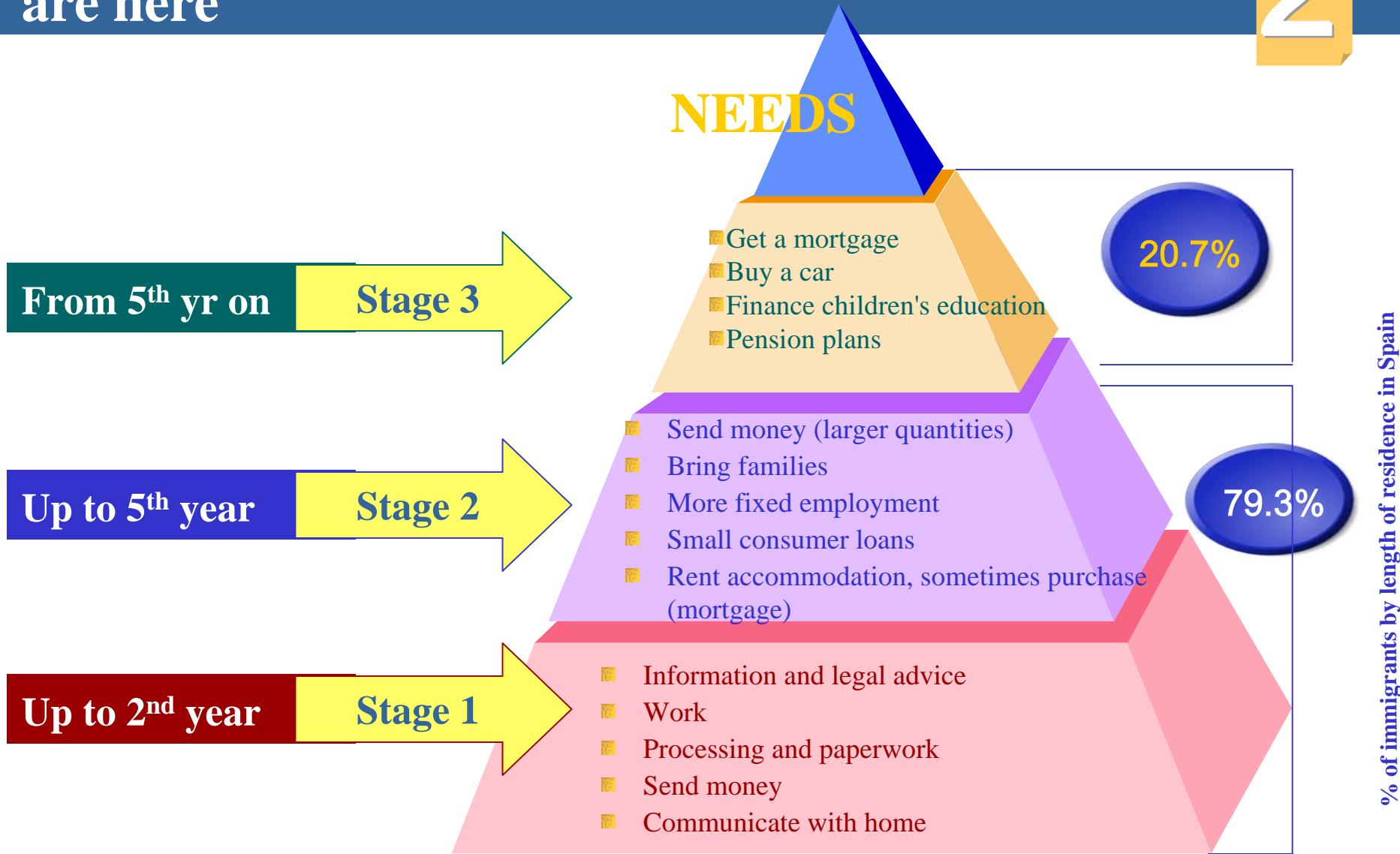
Dinero Express

4

Conclusions

# Immigrants' needs depend on the time they are here

2



# Current solutions to their needs are incomplete and the financial approach is divided

2

## Positioning within the immigrant community

Remittance and  
phone outlets

Unbanked immigrants

Loosely banked  
immigrants

Under-banked  
immigrants

Banked  
immigrants

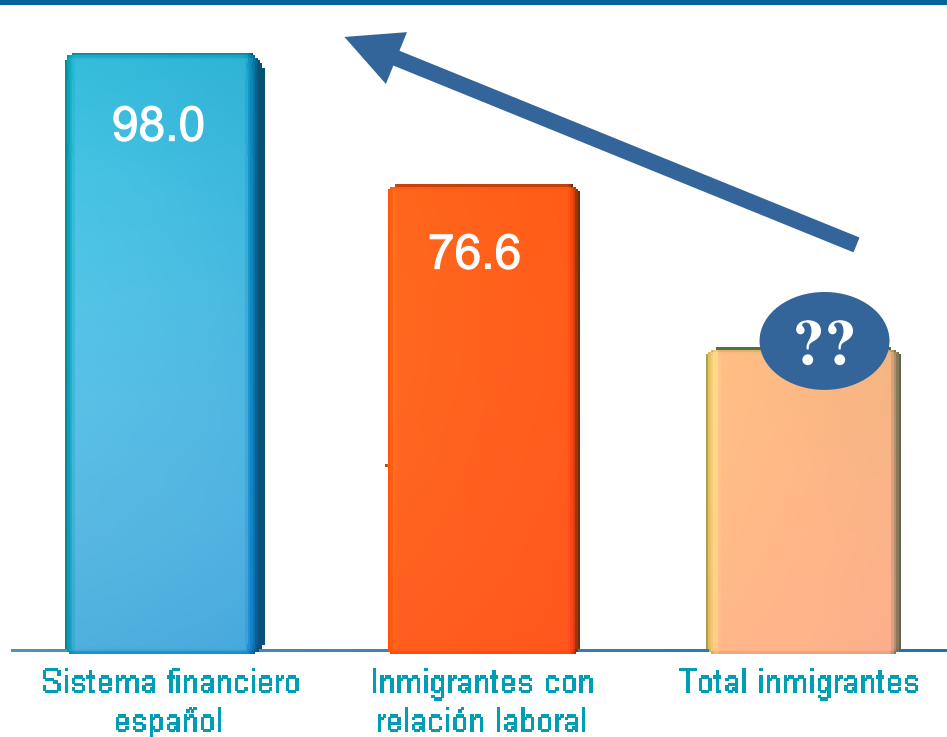
Banks

- Banks serve this segment with standard products through the usual branches.  
Remittance activity is still low
- Remittance shops only handle money transfers (80% of market)
- *There are other needs that are not covered by the banks or the remittance outlets*

# Grand opportunity: the financial behaviour of immigrants is currently outside traditional lines

2

## Bank penetration (%)



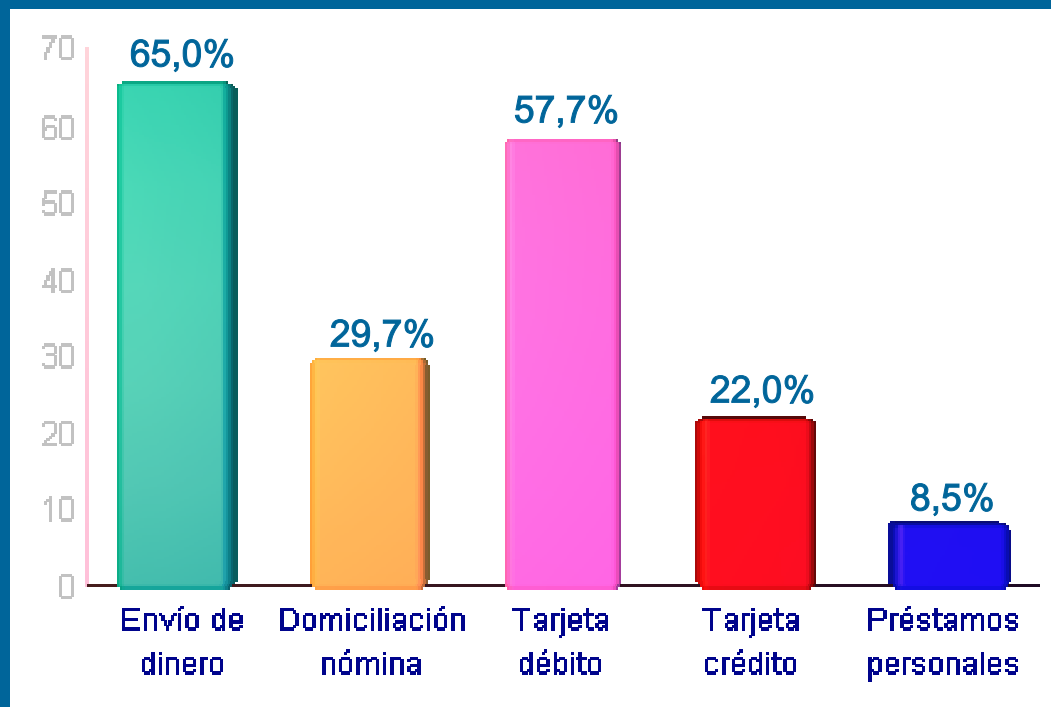
Source: BBVA based on FRS / Inmark information

Immigrants that come from developing nations are not accustomed to financial operations (barriers to access in country of origin)

# Grand opportunity: use of basic banking products is below the Spanish average

2

Use of banking products  
(% of immigrants)



Source: BBVA based on FRS / Inmark information

Usage can be as low as half the Spanish average for the usual products

# In a saturated banking market, immigrants become one of the main sources of new customers and a target for marketing

2

- **59.8% of those with no bank account intend to change this soon and 29% of those who have accounts plan to use new products**
- **Money transfer is currently the main financial product. It is estimated that transfers in 2004 came to €3.2bn and in 2007 they are expected to exceed €5bn**

Source: BBVA based on FRS / Inmark information



Moreover the current immigrant normalisation process will bring a large number into the banking market

2

- According to the BBVA research department ‘675,000 immigrants may apply of which 450,000 will legalise their situation’
- This will give these immigrants **greater access to products and services that require** job consolidation (payrolls, cards, loans, etc)
- It opens the way to more competitive products because there is a larger target segment for marketing

From the marketing perspective this is an emerging segment, a catalyst of future change in the Spanish system

2

High-growth  
market

A segment that  
requires a  
specific and  
global approach

... to which BBVA is going to respond  
in a distinctive manner

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## The One-Stop Shop for immigrants

- In 2002 BBVA launched Dinero Express as a way of transferring immigrants' money; it opened 10 outlets with considerable success

- Since then we have validated the model and tested the market for other requirements of immigrants that pose a business opportunity

- Thus, we are now reinforcing Dinero Express with a new business model and an ambitious outlet expansion plan



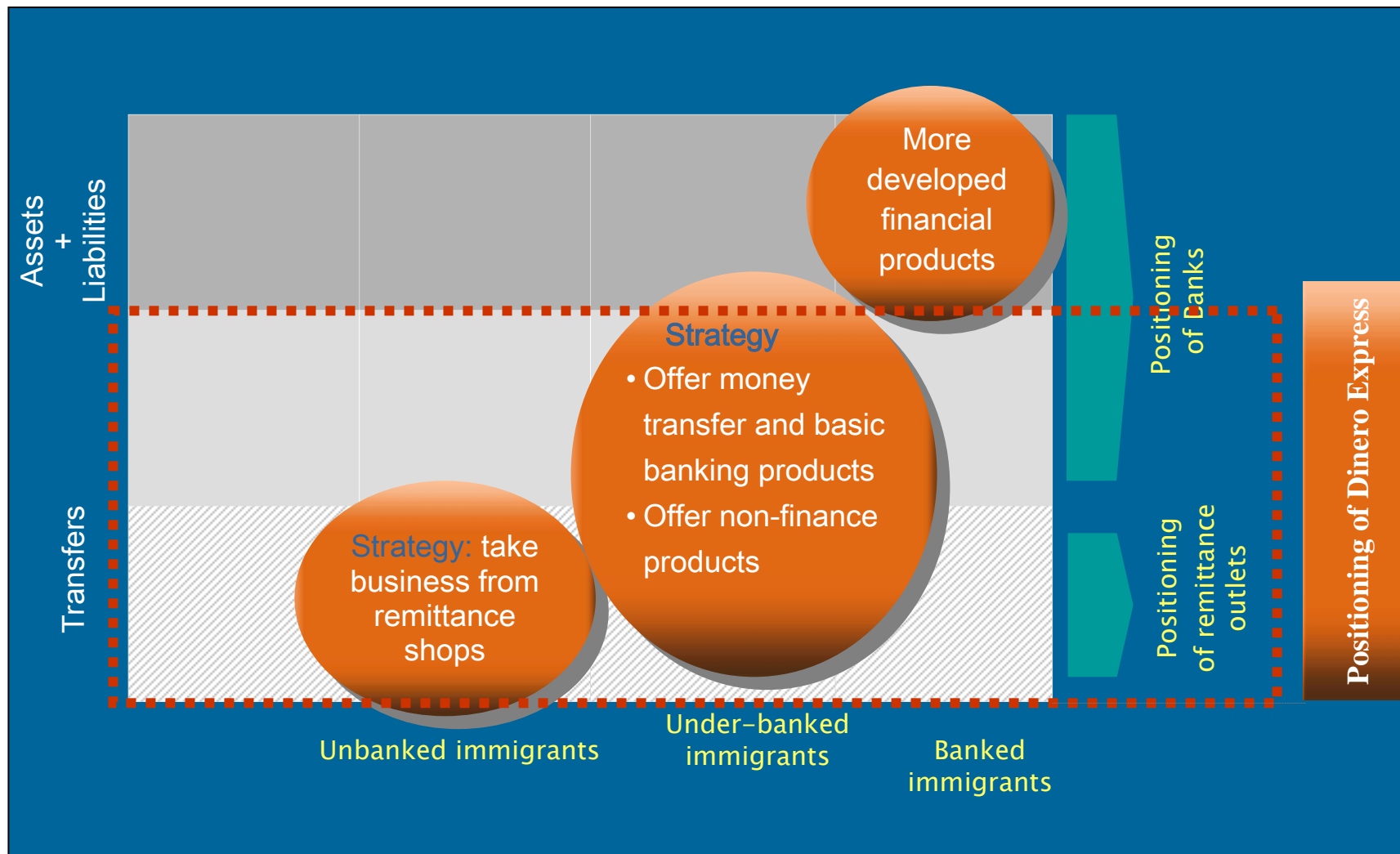
# DINERO EXPRESS becomes a global supplier of services for immigrants

3



# Covering a gap in the financial market and providing the segment with a comprehensive solution

3



# The new business focus defines an innovative proposal with regard to:

3

a

Retail services

b

The distribution and morphology concept at the point of sale

c

Short-term implementation

a

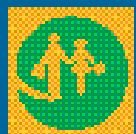
Specific retail services, in tune with migrant culture, covering all financial requirements

3

## Facilitating integration



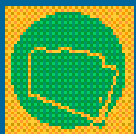
**Fast money transfers**



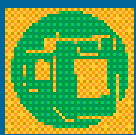
**Personal loans**  
(reunite family, travels, etc)



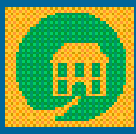
**Insurance**  
(repatriation, dental, etc)



**Guarantees for rental contracts**



**Credit cards**

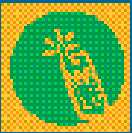


**Mortgages**

Financial  
services

BBVA  
group  
products

## Facilitating integration



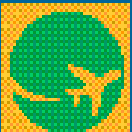
**Phone outlets**



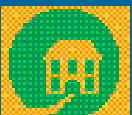
**Legal and paperwork advice**



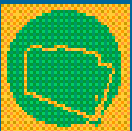
**Jobs vacant**



**Travel**



**Housing (rental and purchase)**



**Subsidies**

Non-  
financial  
services

Agreements  
with  
suppliers

a

# In addition: a special customer-care line and web pages

3

**dineroexpress**  
¿a qué esperas?

DESTINOS ONLINE CREDITOS TARJETAS HIPOTECAS SEGUROS TELEFONIA OFERTAS REMESAS

**Agencia de Viajes**  
Ofertas de vuelos a precios económicos.

**Vivienda**  
Encuentra el apartamento que necesitas.

**Bolsa de trabajo**  
Encuentra el empleo que necesitas.

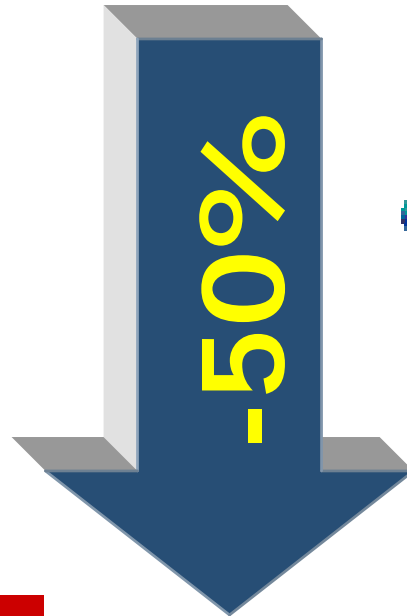
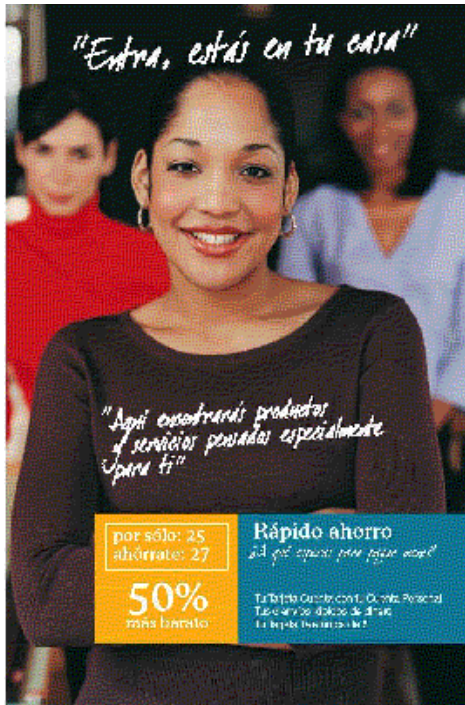
**Asesoramiento Jurídico**  
Asesoría telefónica 24h al día todo el año.

**Rápido ahorro**  
¿A qué esperas para pagar menos?  
Tu Tarjeta Cuenta con tu Cuenta personal  
Tus 6 envíos rápidos de dinero  
Tu Tarjeta Telefónica de 5

por sólo: 25  
ahórrate: 27  
**50%**  
más barato

# a Attractive pricing for immigrants

3



**Market prices**

Debit card	€11
6 money transfers	€36
Phone card	€ 5

**Total €52**

**Dinero  
Express  
€25**

**Service pack:**

up to 50% savings on  
market prices

**And:**

Free access to:

Jobs vacant

Housing available

Travel

Subsidies

**And constant promotions**

**BBVA**

## Countries

- Ecuador
- Colombia
- Peru
- Domin, Rep.
- Argentina
- Bolivia
- Mexico
- Brazil
- Salvador
- Honduras
- Guatemala
- Nicaragua

Eastern Europe and North African countries to be added soon

## Payment network

- **20 banks**
- **6500 payment outlets**

## Features of our transfers

- **On-line transfer:** available in less than 15 sec
- **In cash:** no account needed in Spain or in the destination country
- **Payment network:** the biggest payment network in Latam
- **Business hours:** From 10am to 10pm (continuous) Open Saturdays and Sundays
- **Charges:** attractive and transp. Constant special offers
- **Guarantee:** BBVA Group

## Zone automatic services with ATM

- Transfers to country of origin
- Cash dispenser and deposits
- Payment of bills
- Account transactions

## Zone Retail service

- Order products via the Internet
- Customer information

## Zone Internet

- Access to financial and non-financial services

## Zone Phone outlets

- Phone booths
- Waiting area with vending machines

- Automatic **systems** and use of **new technologies**

- Transactions are made via the **ATM**

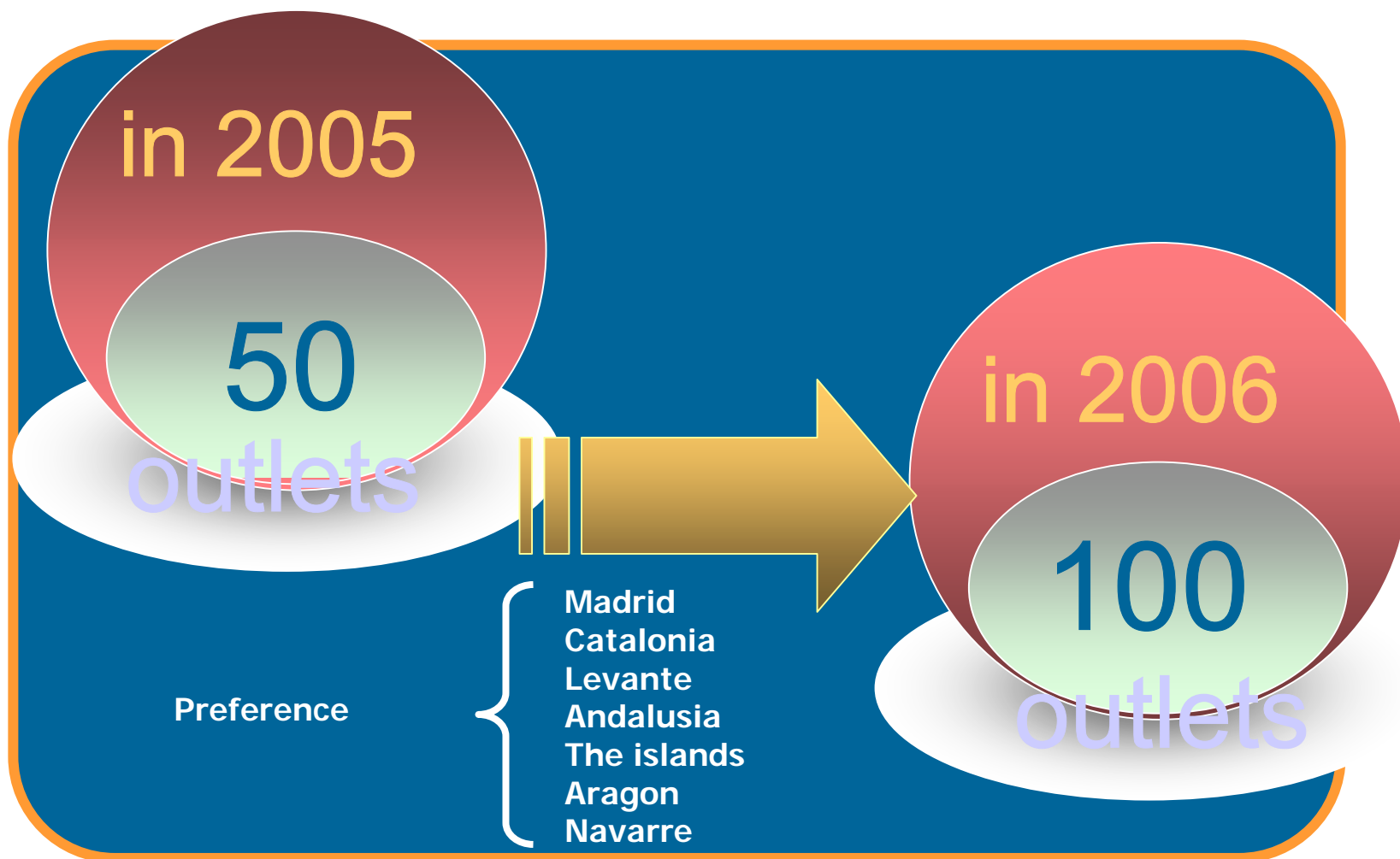
- Sales-oriented**

Minimum operations on site

(processes centralised in Back Office)

- Opening hours to suit immigrants, every day of the week until 10pm**





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# Dinero Express: A NEW MODEL THAT ADDS VALUE in the market

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## REMITTANCE AND PHONE OUTLETS

-Money  
transfers

-Phone  
booths

- Extended hours

Money transfers  
Phone booths  
Financial products  
Non-financial services

**dineroexpress**

Extended hours  
every day of the week  
(including holidays) till 10pm

Employees from other countries

## BANKS

- Money  
transfers

- Financial  
products

- Restricted hours  
- Traditional network

# Fundamentals of the DINERO EXPRESS model



## **SPECIALISATION and DIFFERENTIATION**

**Exclusively for immigrants**



## **CONVENIENCE**

**One-Stop Shop  
Financial and non-financial  
products and services**



## **ACCESSIBLE and FAST**

**Money transfers in 15 seconds  
Personal loans: immediate response**



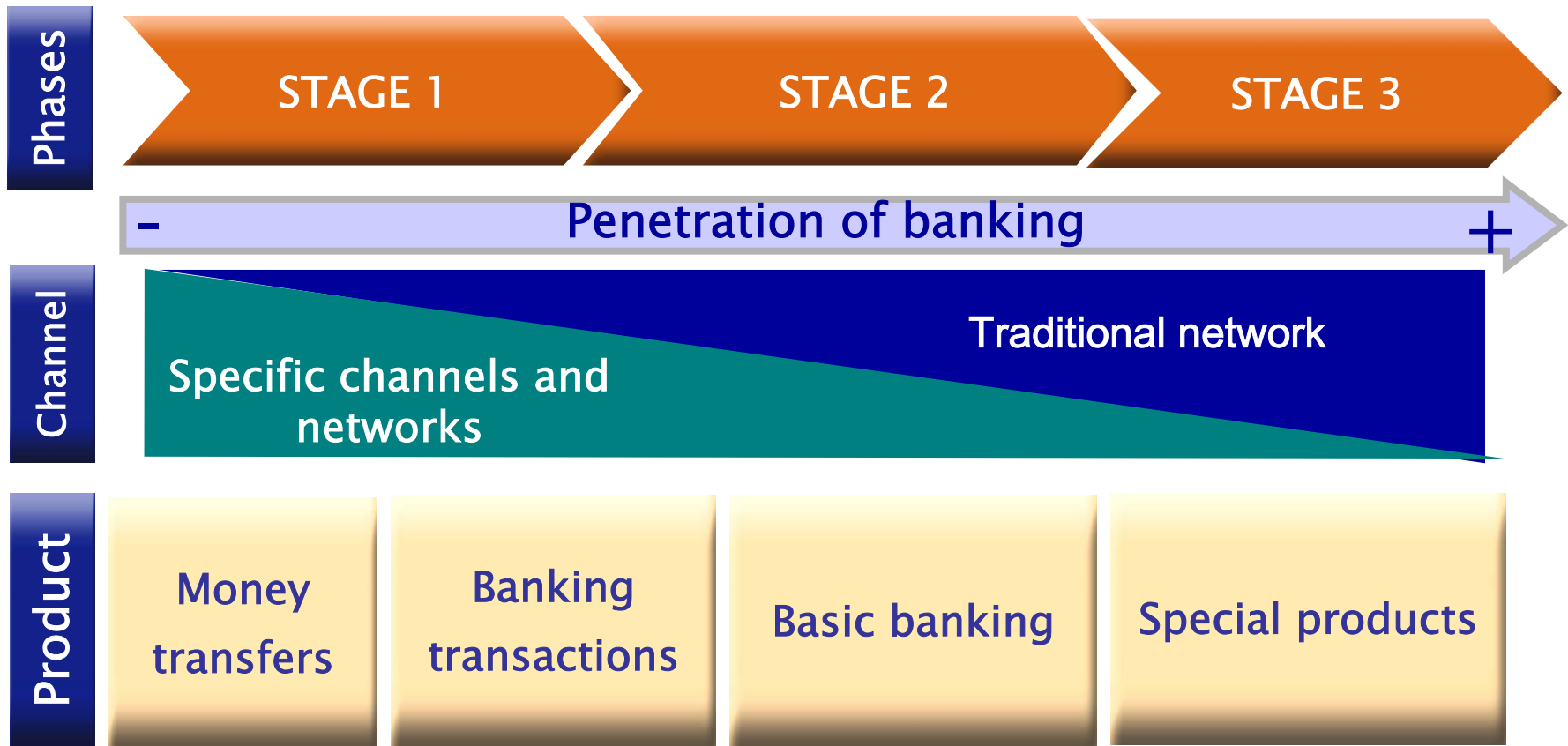
## **ADVANTAGES**

**Promos and discounts**

# **Facilitating integration**

# With a distinctive group strategy, comprehensive and innovative

4



A model that adapts perfectly to the needs of customers and their periods of residence

**dineroexpress**

- New in-house network model adapted to the segment
- Financial and non-financial products
- Different marketing

**BBVA**

Retail branch network

- More advanced financial requirements
- Business adapted to customers' needs



BBVA has set itself  
the goal of  
becoming the top  
Spanish bank in  
immigrant services



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