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BBVA; Migrants to drive growth in key markets

Spanish financial group BBVA (NYSE: BBV) sees

unbanked communities in Spain, the United States and Latin America as its main growth drivers in the medium term.

"BBVA has entered a new phase of its strategy of profitable growth in order to continue creating value through differentiation," BBVA director Jose Ignacio Goirigolzarri said in a statement.

In Spain, the group is targeting migrants with remittance services through its Banco Comercial subsidiary and Dinero Express money wire service.

BBVA has segmented its US franchise into three markets: remittance services through Bancomer Transfer Services; basic banking products for immigrants through Bancomer Financial Services and Valley Bank; and general banking services for second generation immigrants and small businesses, mainly through Laredo National Bancshares.

In 2004, BBVA bought Valley Bank in southern California for US\$16.7mn in May and then went on to buy a majority stake in Texas based Laredo National Bancshares for US\$850mn.

The Spanish banking giant also consolidated its presence in Mexico last year with a US\$4.3bn tender offer for minority shareholders in its BBVA Bancomer unit, Mexico's top bank, and the US\$375mn acquisition of leading home finance company Hipotecaria Nacional.

"BBVA also wants to be a player in Latin America, offering products and services

to an important part of the **unbanked** population," he said.

The group has chosen Chile and Mexico as test markets for this new strategy based on consumer loans and other banking services.