



Acquisition of a 20% stake



## Investment case

- Strategic alliance to develop retail banking in Mexico and build a platform for expansion in America, through a 20% stake acquisition in GFI :
  - GFI will bring its franchise infrastructure and Mexican market knowledge to build a banking products “cross-selling” strategy
  - Criteria will become the exclusive financial-industrial partner bringing its experience and know-how to develop the retail banking business line

## Inbursa

- Mexican financial and insurance group with presence in corporate and retail banking, life/non-life insurance, asset management and market brokerage
- Controlling shareholder: Slim family, 66%
- Market cap: €6,400M
- One of the most important financial group in Mexico: total assets €8,266 M; 6.7 million clients and a net profit of €316M in 2007
- 91 branches/corporate offices, 226 sales force offices, 578 ATM, 3,000 service points and 16,000 agents

## Deal

- 38.5 MXN per share (€ 1,500 MM approx.)
- 20% stake: 10% primary shares + 10% secondary shares
- Adjusted P/BV 07: 2.0x (Latam trades at 3.0x P/BV)
- Involvement in the Corporate Governance bodies

## Next steps

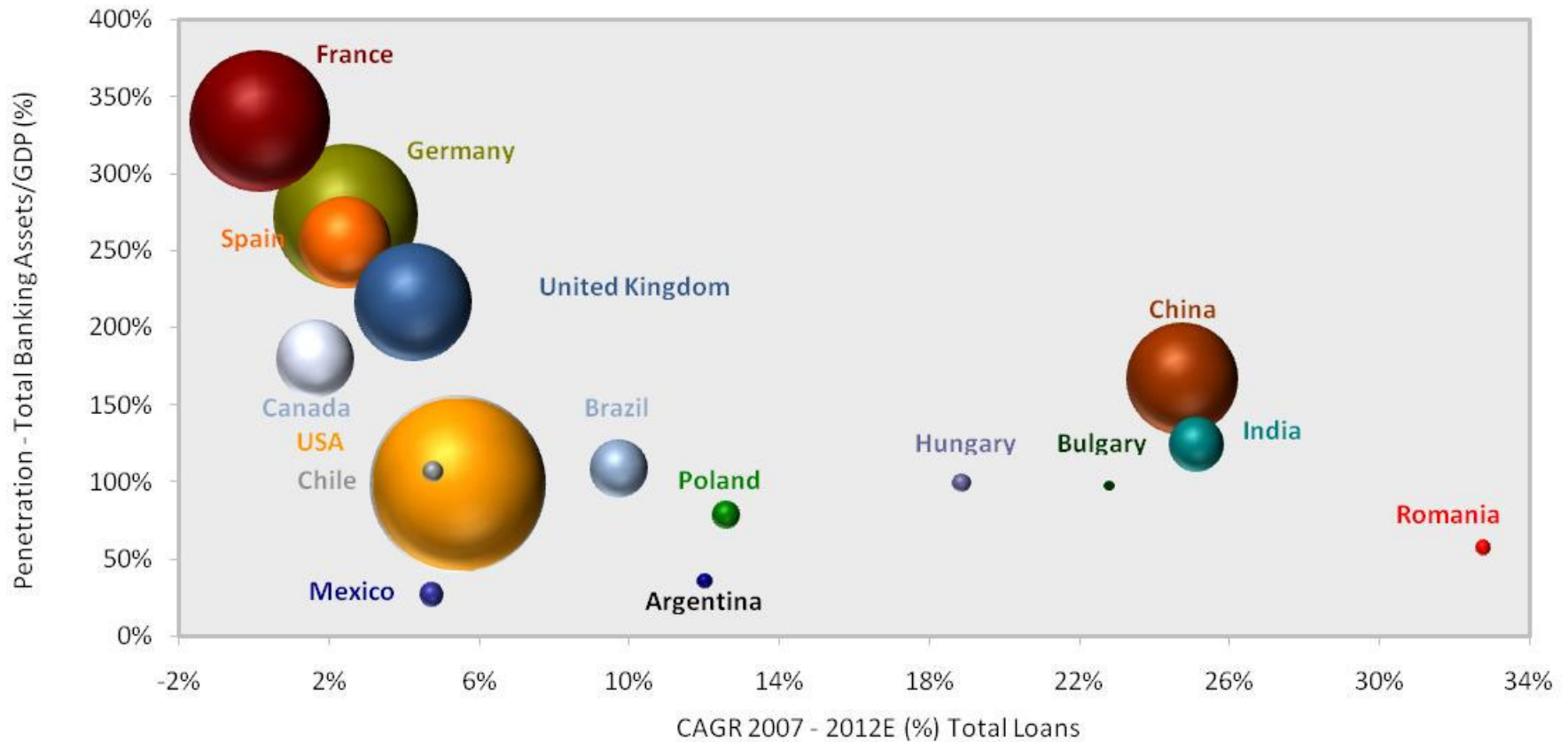
- Negotiation of final documentation (Shareholders Agreement)
- Obtain the clearance from banking regulators (Spain & Mexico)
- Subscription of new shares (capital increase) and launch the public bid (2H08)

## Macro environment

- One of the most solid economies :
  - Linked to the USA (Nafta)
  - 12<sup>th</sup> in World (2<sup>nd</sup> in Latam) and member of the OECD
- GDP growth: 3%
  - GDP: \$ 900 bn approx.
  - GDP / capita has increased during recent years: +3.6% (07/06)
- Stability:
  - Oil exporter
  - Inflation and interest rates in its lower levels
  - Foreign investments: 20% of the GDP
- Inhabitants: 110 MM. Unemployment'07: 3.7%.

## Banking System

- Low banking penetration
  - 0.9 branches/10,000 inhabitants vs. 10 in Spain
- Important growth potential:
  - Latam largest markets lowest rate in GDP% of credits, deposits and mortgages
  - Loans growth in 2007 (+31%)
- Sound banking system and professionally managed

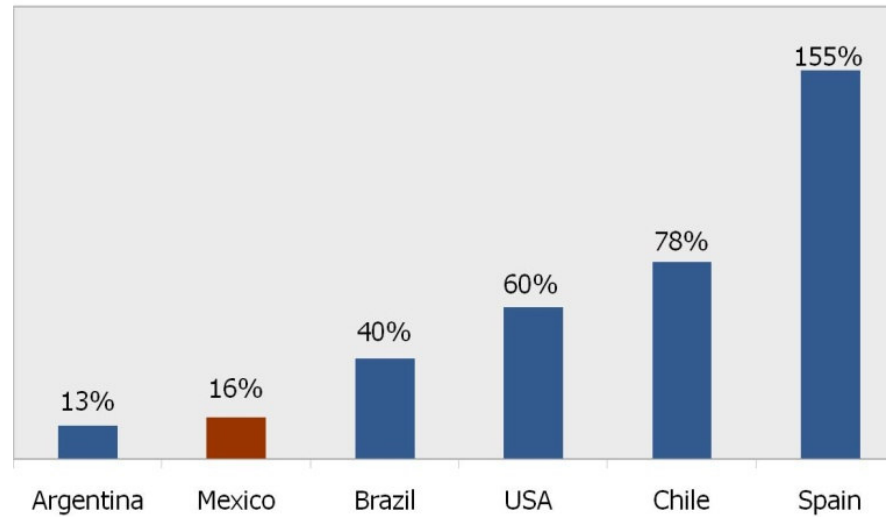


 Size indicates total banking assets

Source: Economist Intelligence Unit

**Low penetration**

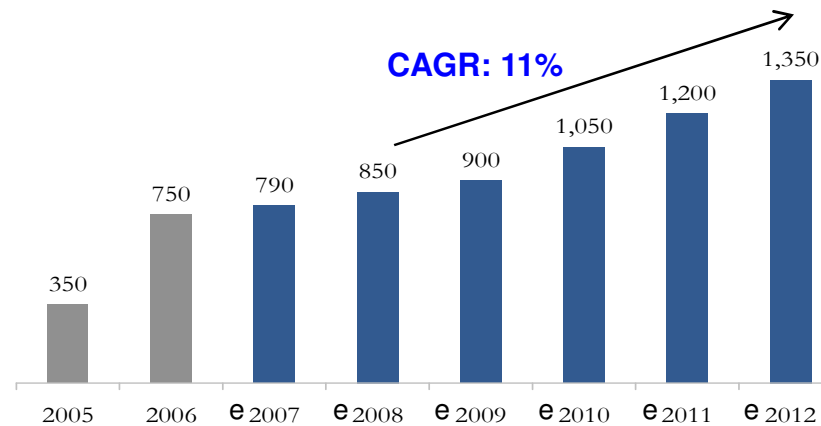
Loans / GDP (2007)



Source: EIU

**Growth prospective**

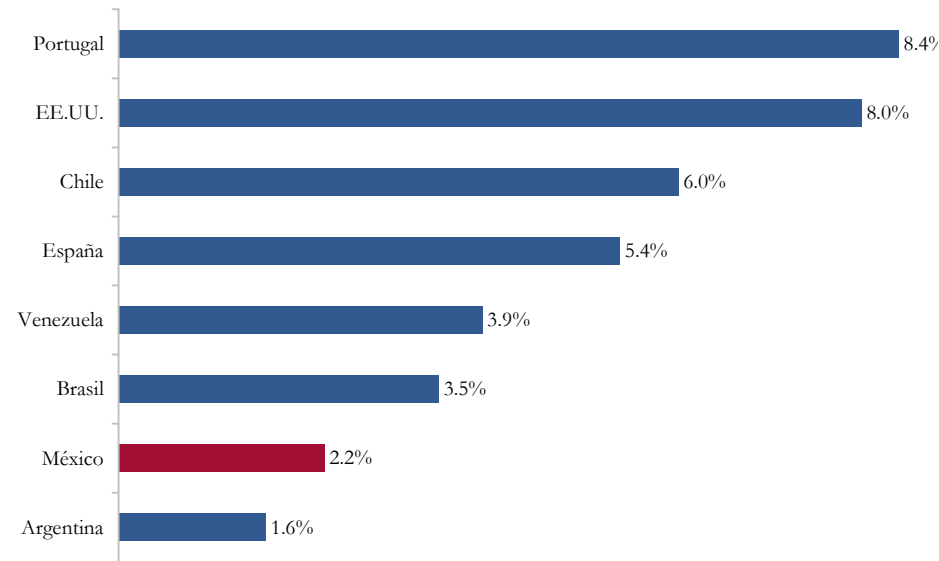
Mortgages (thousands)



Source: Banamex

**Low penetration**

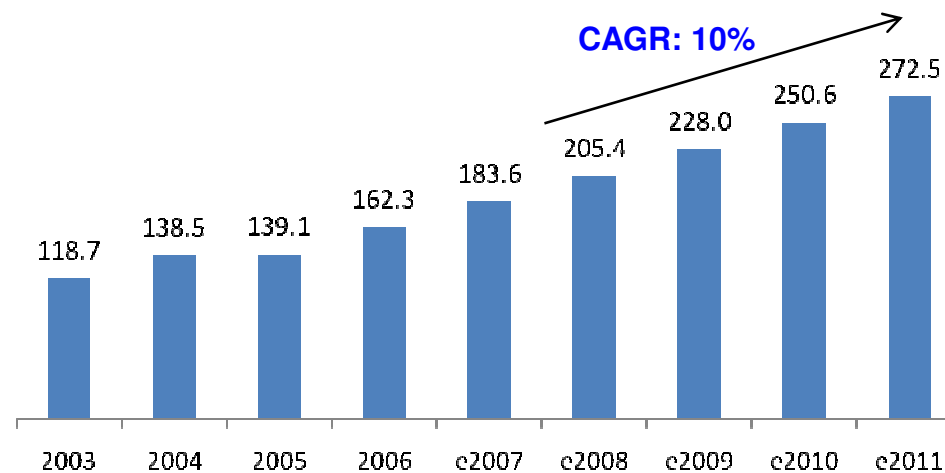
**Premiums / GDP (2006)**



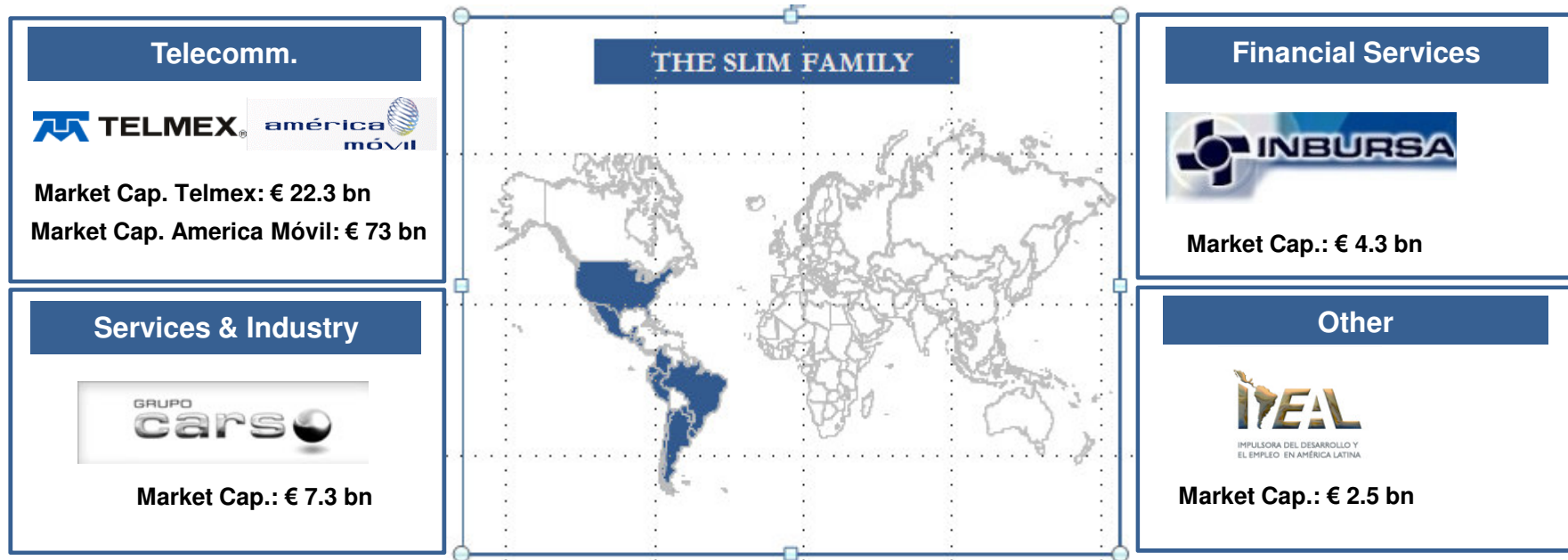
Source: Rims

**Growth prospective**

**Issued premiums (MXN M)**

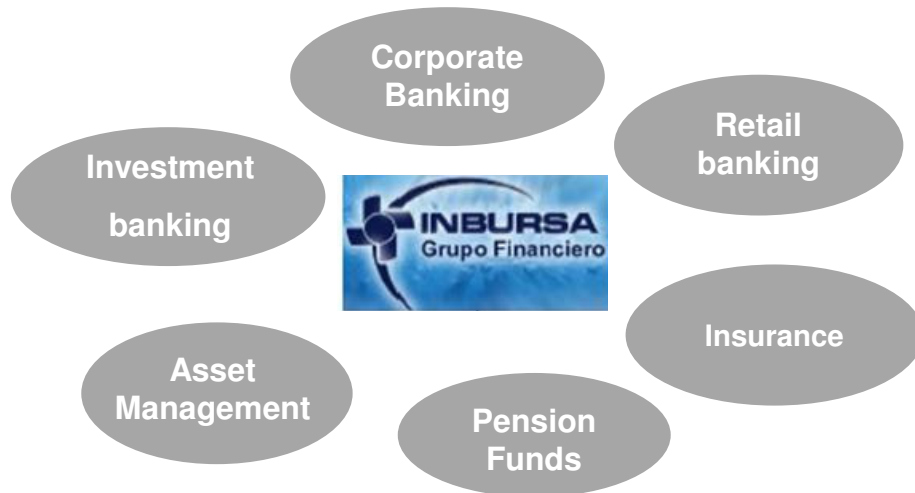


Source: Rims

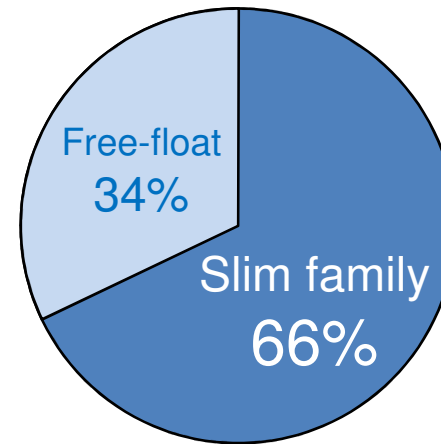


- The Slim family owns an important conglomerate with an aggregated marked capitalization of over € 110 bn
- The Slim family has a privileged network of contacts in Mexico and all over the world

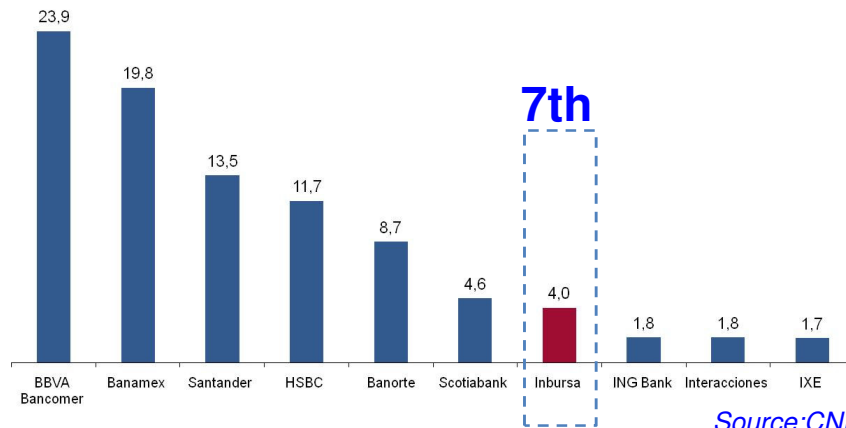
## Business Lines



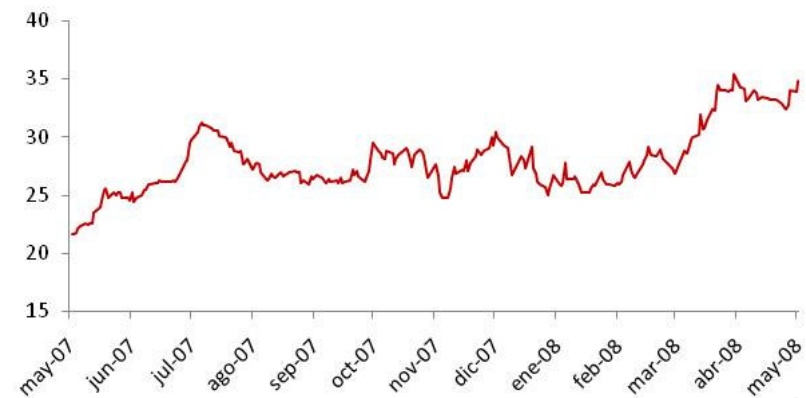
## Shareholder Base



## Competitors (ranking by % of total assets; 2007)



## Market performance





## Financial Ratios

	Dec 06	Dec 07
€M (Exchange Rate 16,35 MXN/€ at 20-May-08)		
Net loans	3,525	4,477
Deposits	3,102	4,318
Net Profit	161	316
NIM	3.7%	3.4%
Cost/Income Ratio	40%	28%
ROE	7.5%	13.5%
NPL Ratio	0.9%	1.8%
Solvency Ratio	29.6%	19.6%

## Income Statement

(€ million)	2006	2007	1Q08
Net interest income	213	237	91
Gross income	445	705	109
Net operating income	267	510	63
Profit Before Taxes	171	391	17
<b>Net Profit</b>	<b>161</b>	<b>316</b>	<b>27</b>
Swap impact	-39	94	-71

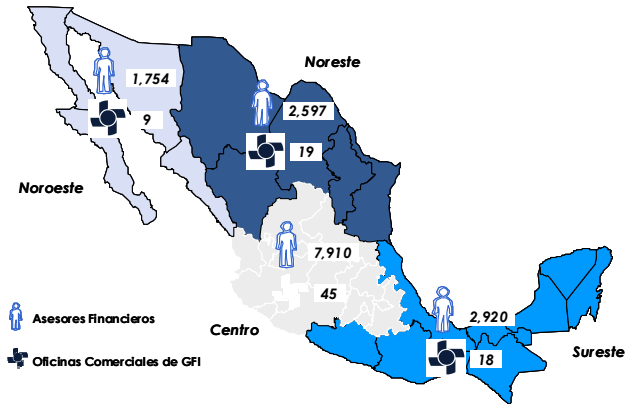
## Breakdown by business line (2007, US GAAP)

(€ million)	% Net Income	% Equity	ROE
Corporate banking	41%	57%	12%
Insurance and pensions	40%	31%	20%
Investment banking	8%	6%	21%
Asset management	2%	2%	22%
Other (includes retail)	8%	4%	29%

## Balance Sheet

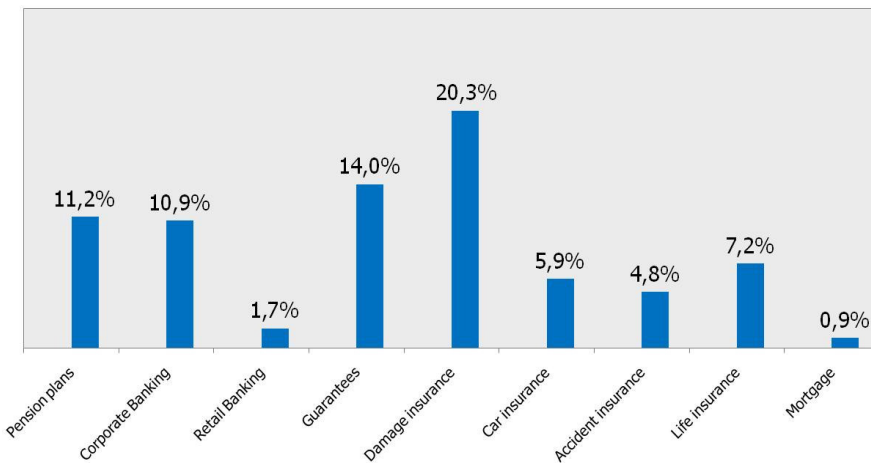
(€ million)	2006	2007	1Q08
Net total loans	3,525	4,477	5,361
Deposits	3,102	4,318	5,367
Asset management	7,776	8,558	9,132
Equity	2,230	2,477	2,505

## Infrastructure

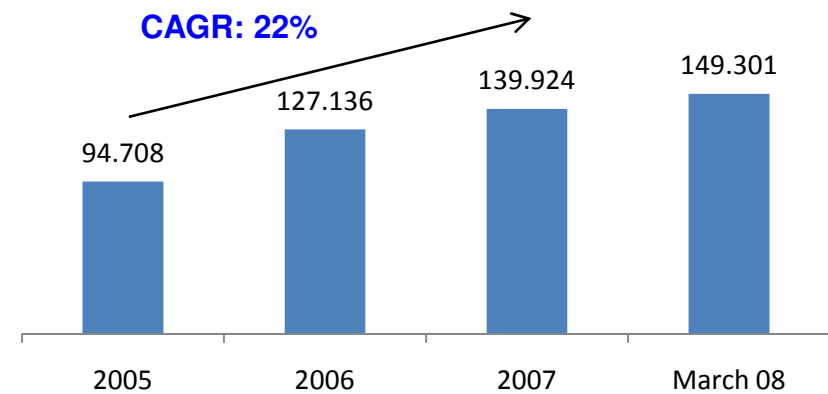


	1995	2000	2006	2007
Sales Offices	75	84	90	91
ATMs	150	620	594	578
Employees	2,007	3,062	4,993	5,332
Agents	4,195	6,828	13,638	15,825

## % value market share by business line (2007)



## Banking Business – Assets (in '000 MXN)



## Adjustments to P/BV

- Based on fair current trading price supported by internal dividend discount model valuation
- Conservative approach to risk (Provisions policy)
- Additional value creation sources (Unrealized capital gains)

## Multiples comparison

	2007		2008e <small>Not including any capital increase</small>	
	P/BV	PER	P/BV	PER
<b>GFI</b>	2.6	19.9	2.4	18.4
<b>GFI</b> adjusted	2.0	17.6	1.9	16.2
<b>Peers</b>	3.7	14.9	3.3	13.2
<small>- MEXICO: Banorte, Compartamos - BRAZIL: Itaú, Bradesco, Unibanco</small>				

*Source: Analyst's reports, Datastream, Bloomberg and Annual Reports*

## Premium over price

- 8% premium over price at May 23th (35.5 MXN / share)
- Banking industry comparable transactions in Latam since 2002: 19% - 34%

*Source: Bloomberg*

### Significant Influence

- Criteria will participate in the governance and management bodies, also in the most important strategic decisions (Slim family will retain control and management of the entity)
- 2 members of the BoD of GFI and 1 member in each BoD of the main subsidiary companies
- 1 member of the Executive Committee (to be created) and participation in the Credit and Audit Commissions

### Develop the retail banking business

- Develop and enhance business channels
- Complete the product portfolio (e.g. credit cards and mortgages)
- Cross-selling in the existing customer base
- Broaden the customer base
- Develop a multi-channel client approach

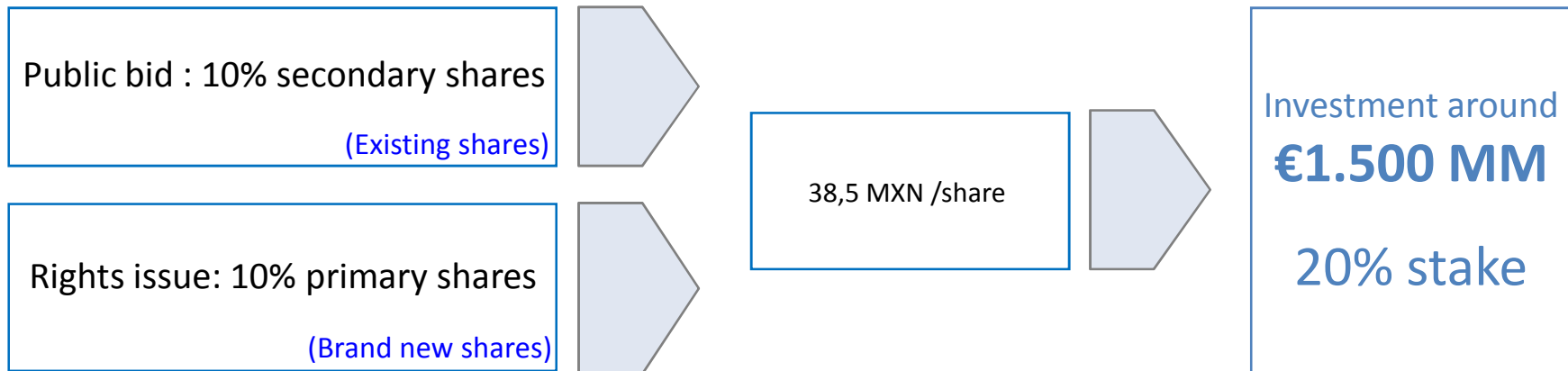
### Strengthen the Alliance

- Maximise the potential of GFI franchise and the relationship with the Slim group accelerating the growth of the banking business both domestic and abroad
- Criteria will be the exclusive financial-industrial partner and will bring experience, technology and know-how in retail banking

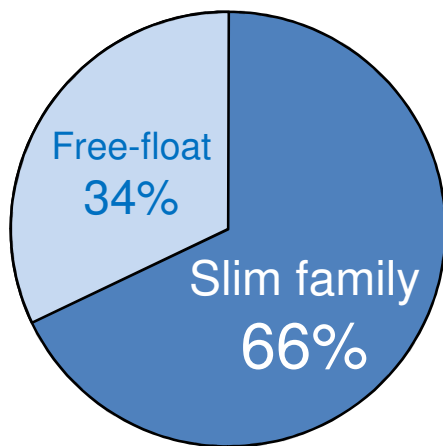
### Growth and expansion

- Target area: the Americas
- USA: ROFR. Criteria continues focused

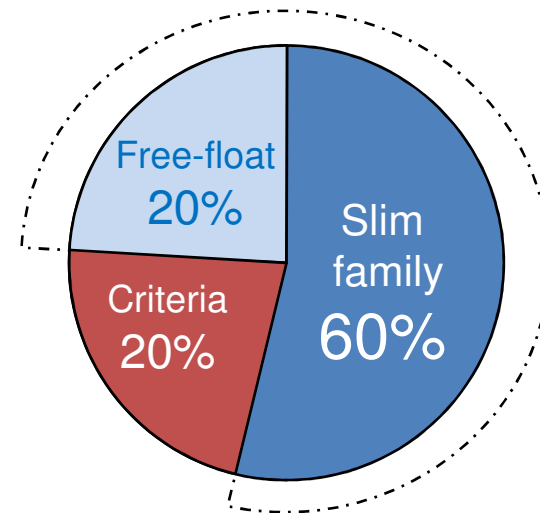
## ACQUISITION



## SHAREHOLDERS BASE PRE-TRANSACTION



## SHAREHOLDERS BASE POST-TRANSACTION



**Assumption:**  
Slim family  
does not sell  
any share

## **IMPORTANT NOTE**

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