

## 2007 Goldman Sachs European Financial Conference

*“Reaping the rewards of an international strategy”*

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Lisbon, June 14<sup>th</sup> 2007

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# Disclaimer



## Forward-Looking Statements

This document may include “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”), Compass Bancshares, Inc. (“Compass”) and the combined group after completion of the proposed transaction are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, the following risks and uncertainties: those set forth in BBVA’s and Compass’s filings with the Securities and Exchange Commission (“SEC”), the failure to obtain and retain expected synergies from the proposed transaction, failure of Compass stockholders to approve the transaction, failure of BBVA stockholders to approve the related capital increase, delays in obtaining, or adverse conditions contained in, any required regulatory approvals, failure to consummate or delay in consummating the transaction for other reasons, changes in laws or regulations and other similar factors. Readers are referred to BBVA’s and Compass’s most recent reports filed with the SEC. BBVA and Compass are under no obligation to (and expressly disclaim any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events or otherwise.

## Additional Information and Where to Find It

This filing may be deemed to be solicitation material in respect of the proposed transaction involving BBVA and Compass. In connection with the proposed transaction, BBVA has filed with the SEC a registration statement on Form F-4 (File no. 333-141813) (the “Registration Statement”) to register the BBVA ordinary shares to be issued in the proposed transaction and that includes a proxy statement of Compass that also constitutes a prospectus of BBVA. BBVA and Compass have also filed, and intend to continue to file, additional relevant materials with the SEC. The Registration Statement and the related proxy statement/prospectus contain and will contain important information about BBVA, Compass, the proposed transaction and related matters. SHAREHOLDERS OF COMPASS ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The final proxy statement/prospectus will be mailed to shareholders of Compass. Investors and security holders may obtain a free copy of the disclosure documents (including the Registration Statement) and other documents filed by BBVA and Compass with the SEC at the SEC’s website at [www.sec.gov](http://www.sec.gov), from BBVA’s Investor Relations department or from Compass’s Investor Relations department. BBVA will also file certain documents with the Spanish Comisión Nacional del Mercado de Valores in connection with its shareholders’ meeting to be held in connection with the proposed transaction, which will be available on the CNMV’s website at [www.cnmv.es](http://www.cnmv.es).

## Participants in the Transaction

BBVA, Compass and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information regarding BBVA’s directors and executive officers is available in BBVA’s annual report on Form 20-F, which was filed with the SEC on March 30, 2007, and information regarding Compass’s directors and executive officers is available in Compass’s proxy statement for its 2006 annual meeting of shareholders, which was filed with the SEC on March 17, 2006. Additional information regarding the interests of such potential participants is also included in the Registration Statement (and will be included in the definitive proxy statement/prospectus for the proposed transaction) and the other relevant documents filed with the SEC.

# The world is changing at high speed, in a environment where competition is fierce

**Greater  
competition**



**Globalization**

**Changes in  
society**



**Emergence of  
new demand**

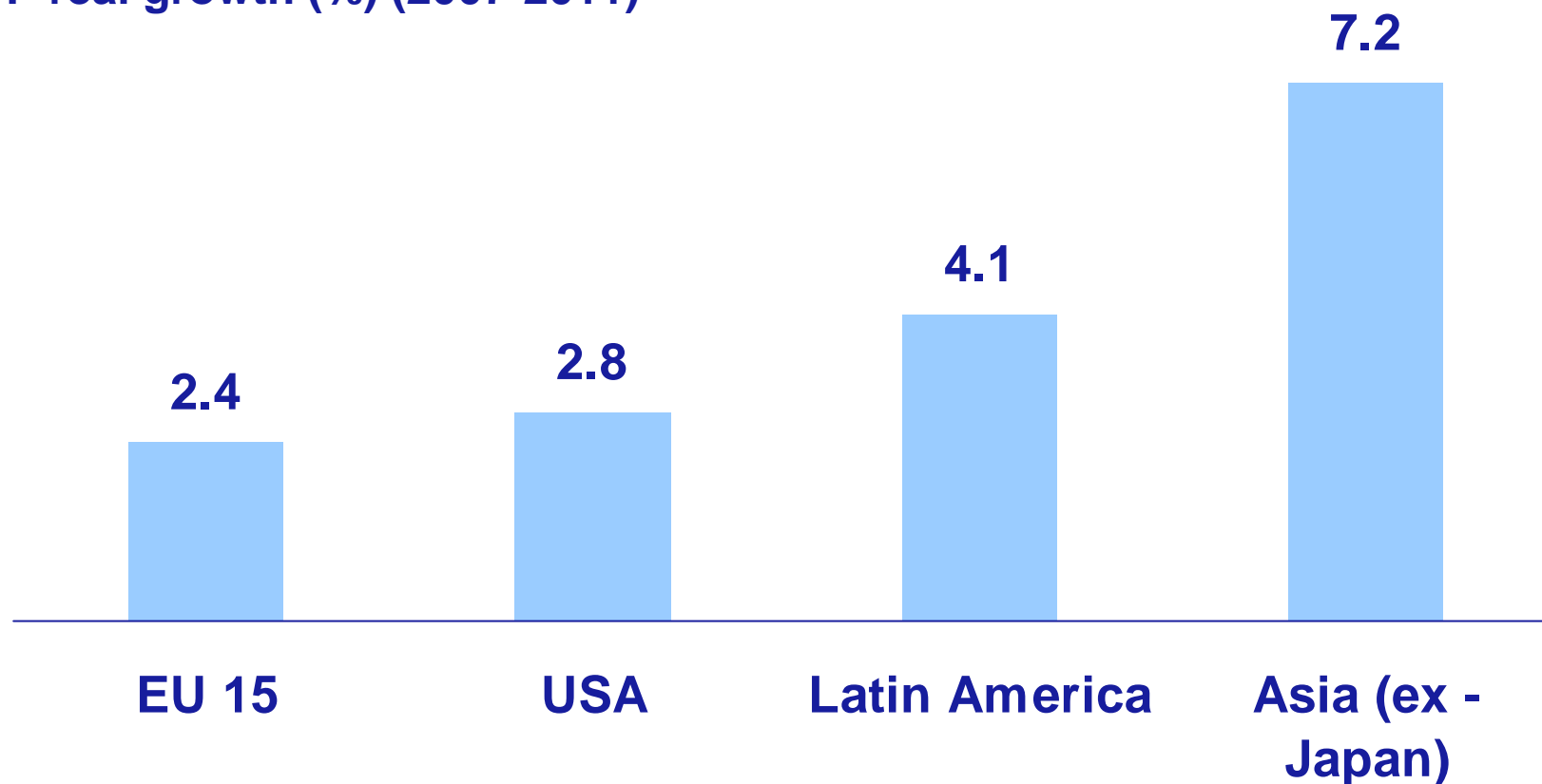
**Technology /  
Information**



**Customer  
power**

# While the world economy is set to grow...

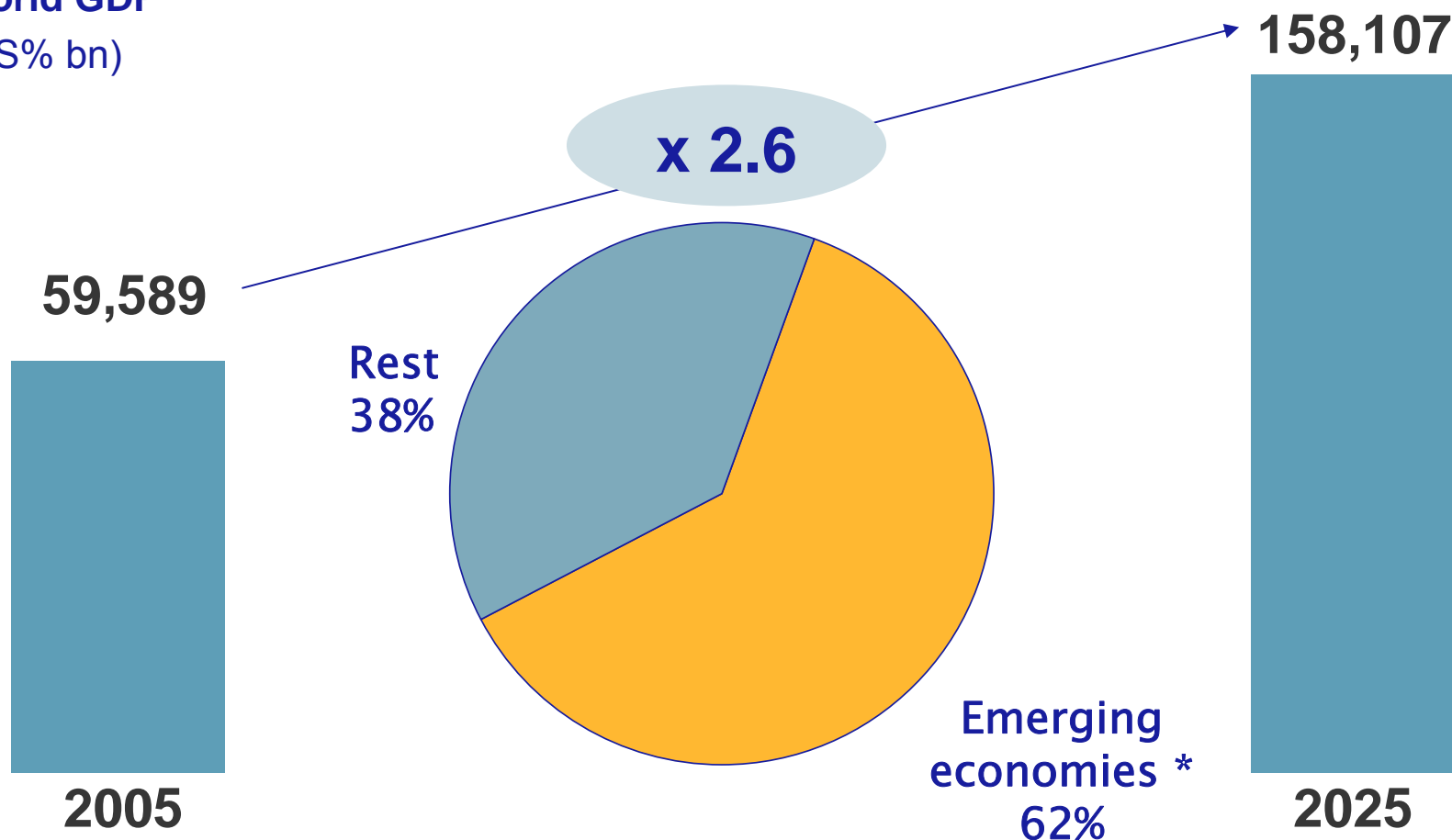
GDP real growth (%) (2007-2011)



\*Source: IMF, BBVA Research Department

# ... the emerging economies will gain in importance

World GDP  
(US\$ bn)

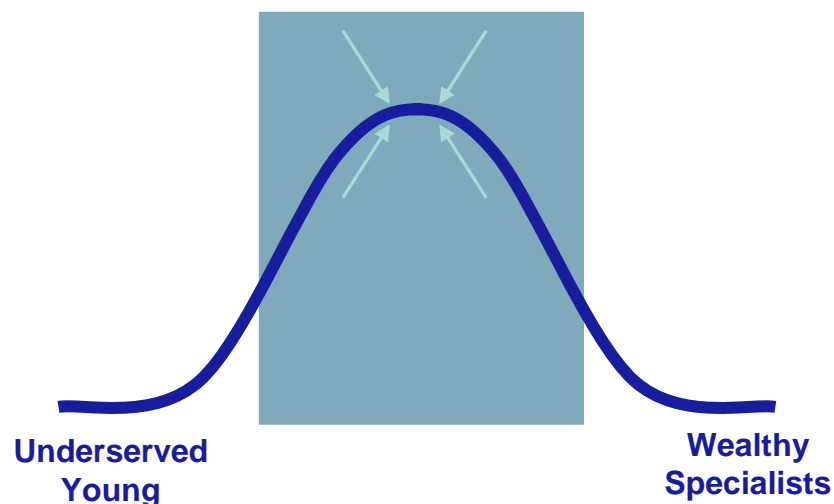


\*Emergents: China, India, Mexico, Brazil, Turkey, Russia

Source: IMF, BBVA Research Department

# Additionally, consumer behaviour is also changing

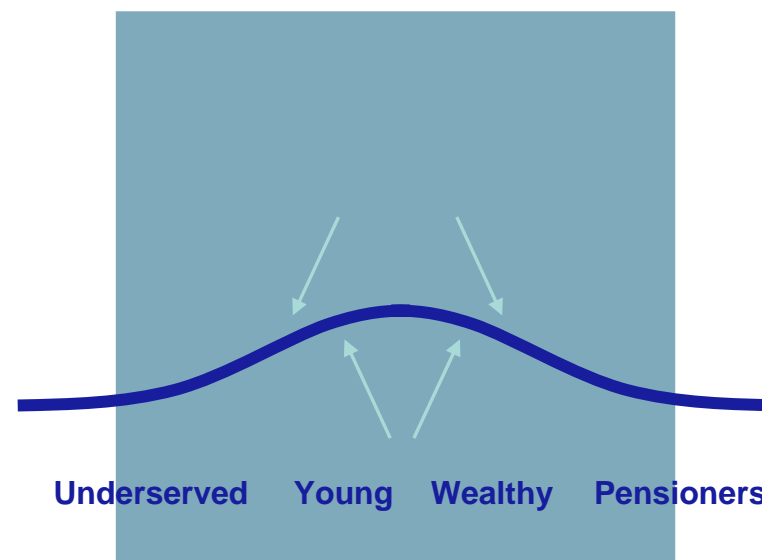
## Yesterday



Requirements were similar

Basic distribution channel: branches

## Today

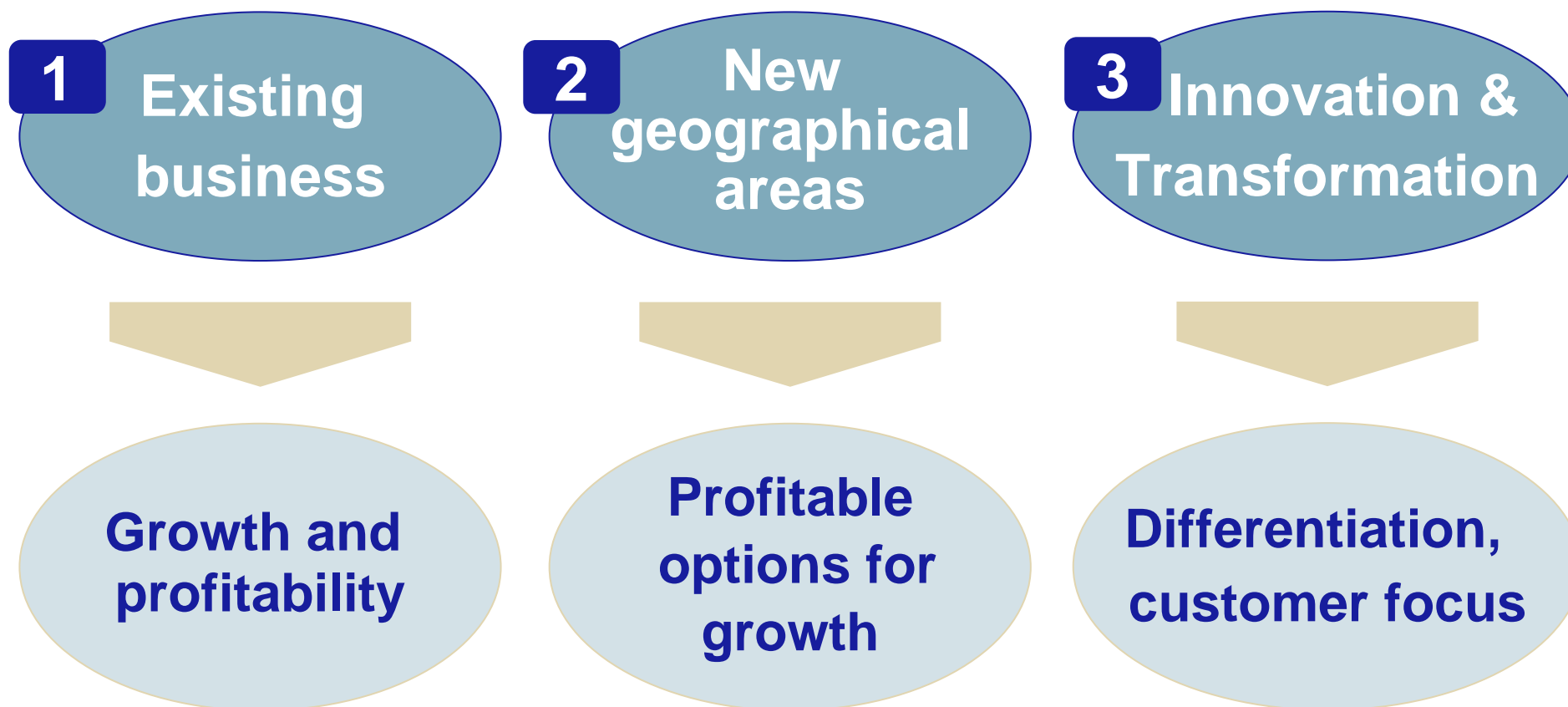


Need to develop new customer-channel combinations

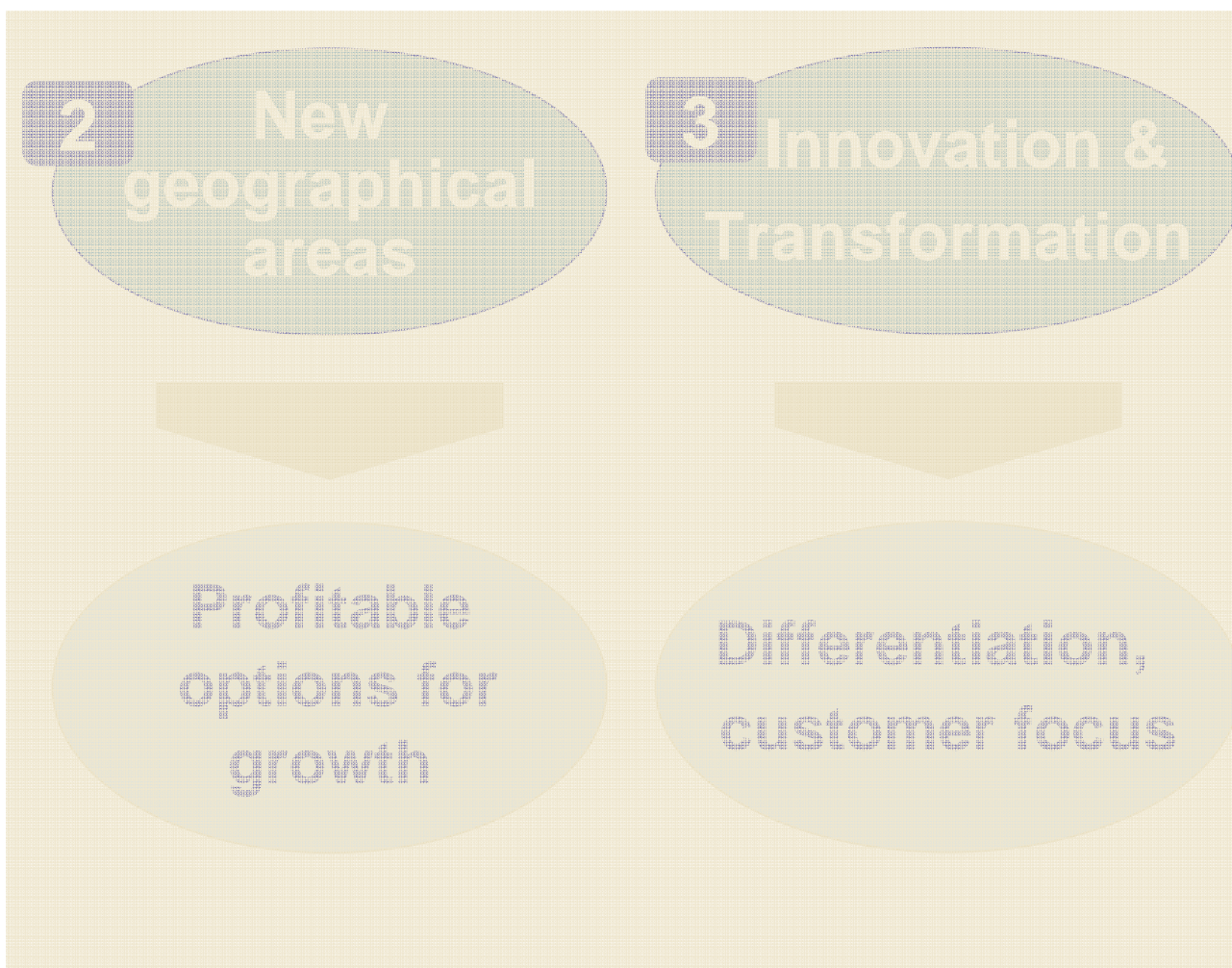
The link between the customer and the channel is crucial

- More people are seeking financial services
- Wider range of consumer choice
- Consumers become more demanding

# BBVA is ready to grasp the opportunities offered by this changing environment



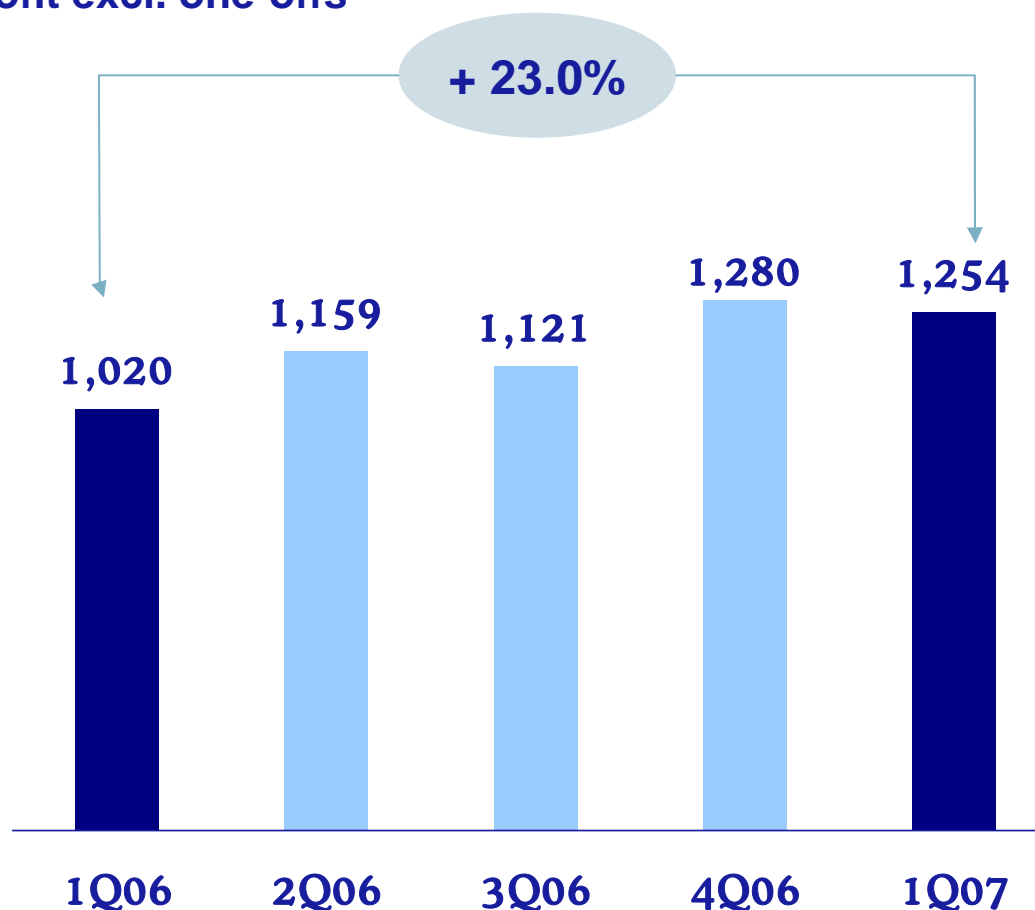
# BBVA is ready to grasp the opportunities offered by this changing environment





# 2007 has started on a strong note

Net attributable profit excl. one-offs  
(€m)

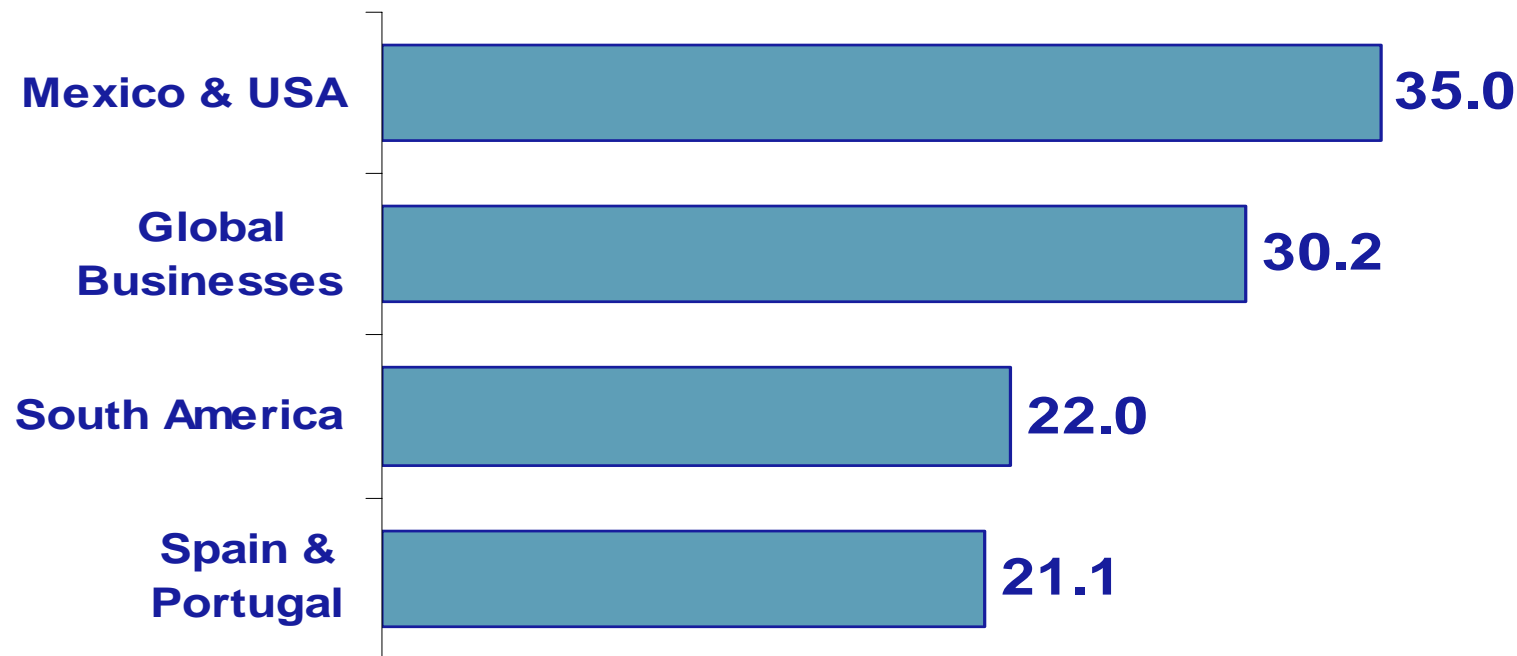


**+31.1% in constant euros**

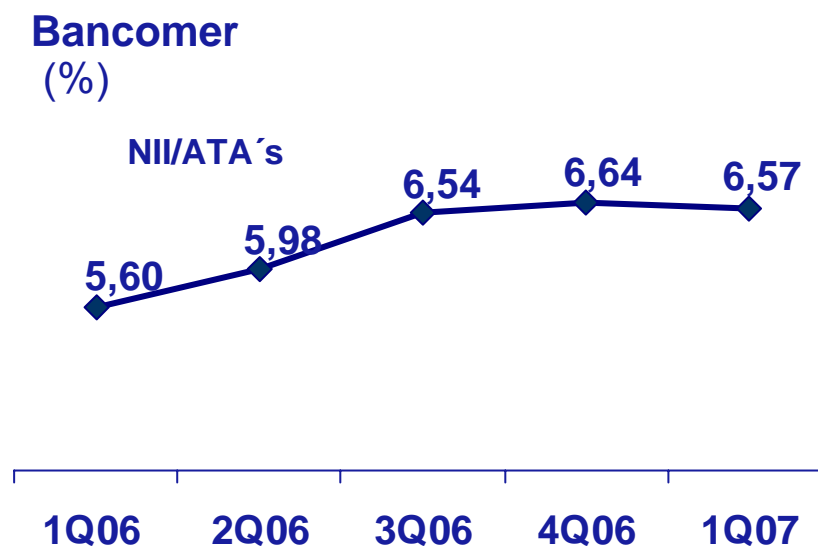
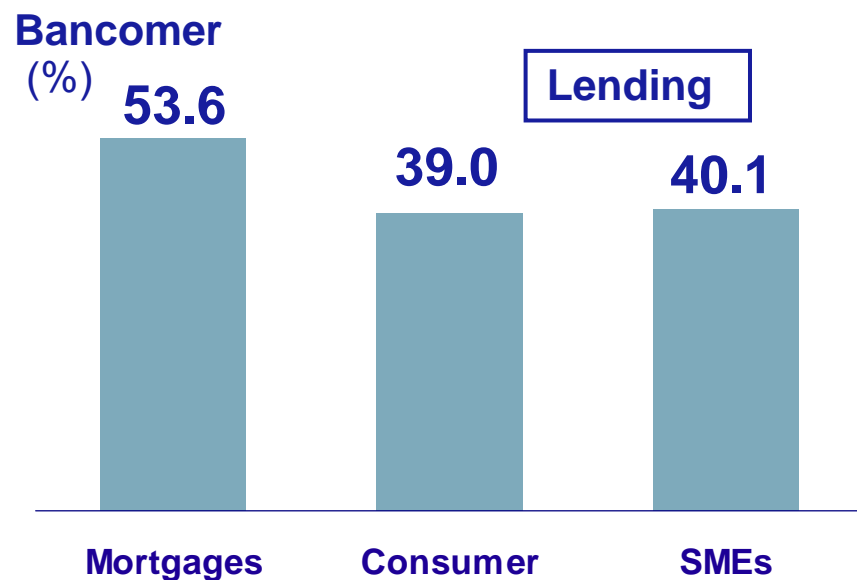
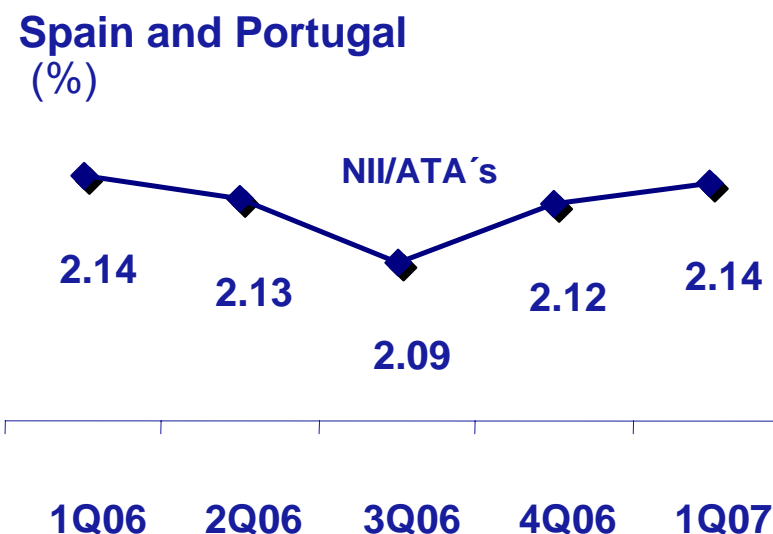
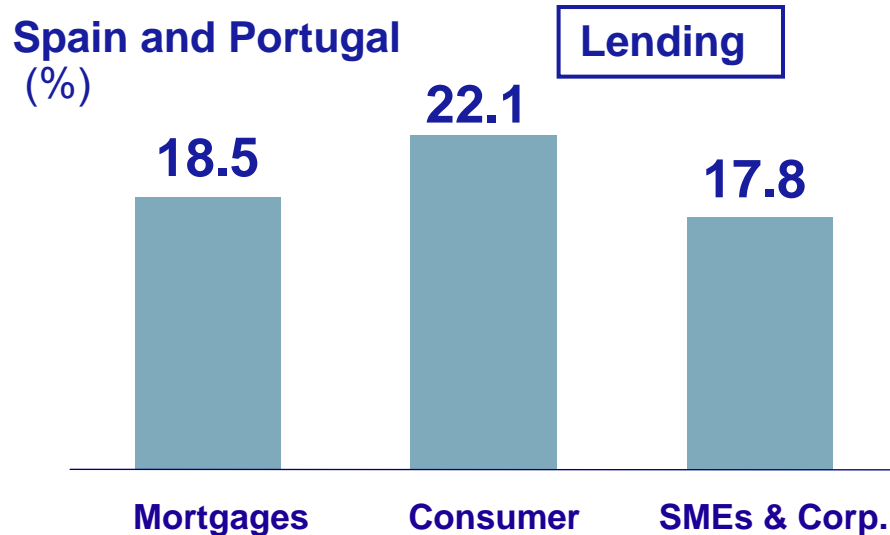
# All Business Areas grow above 20% at the operating profit level



**1Q07 Operating profit**  
Cum. change (% , € constant)

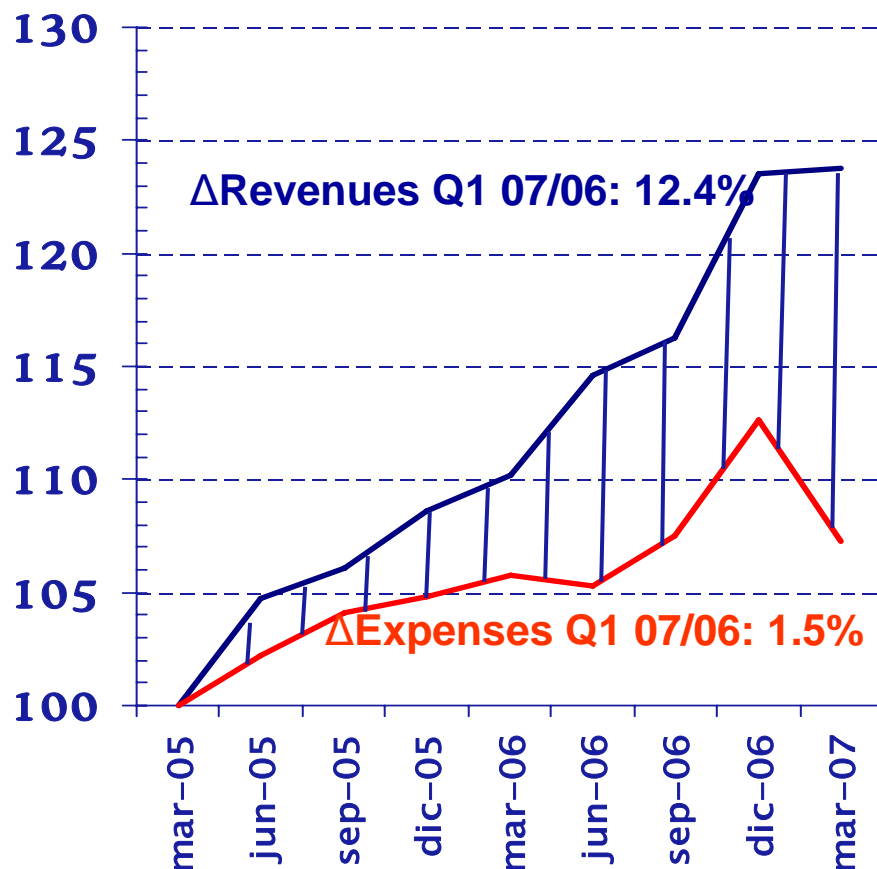


# 1Q07: strong business activity and margins



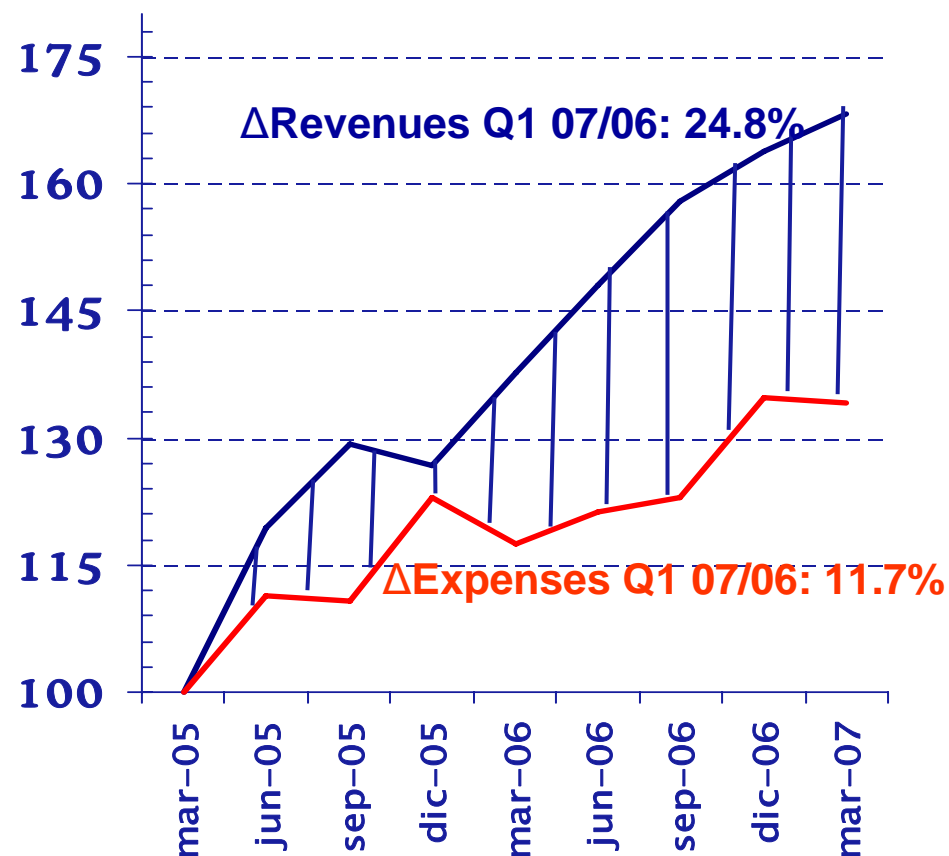
# Positive operating jaws deliver efficiency improvements

Spain and Portugal (re-based to 100)



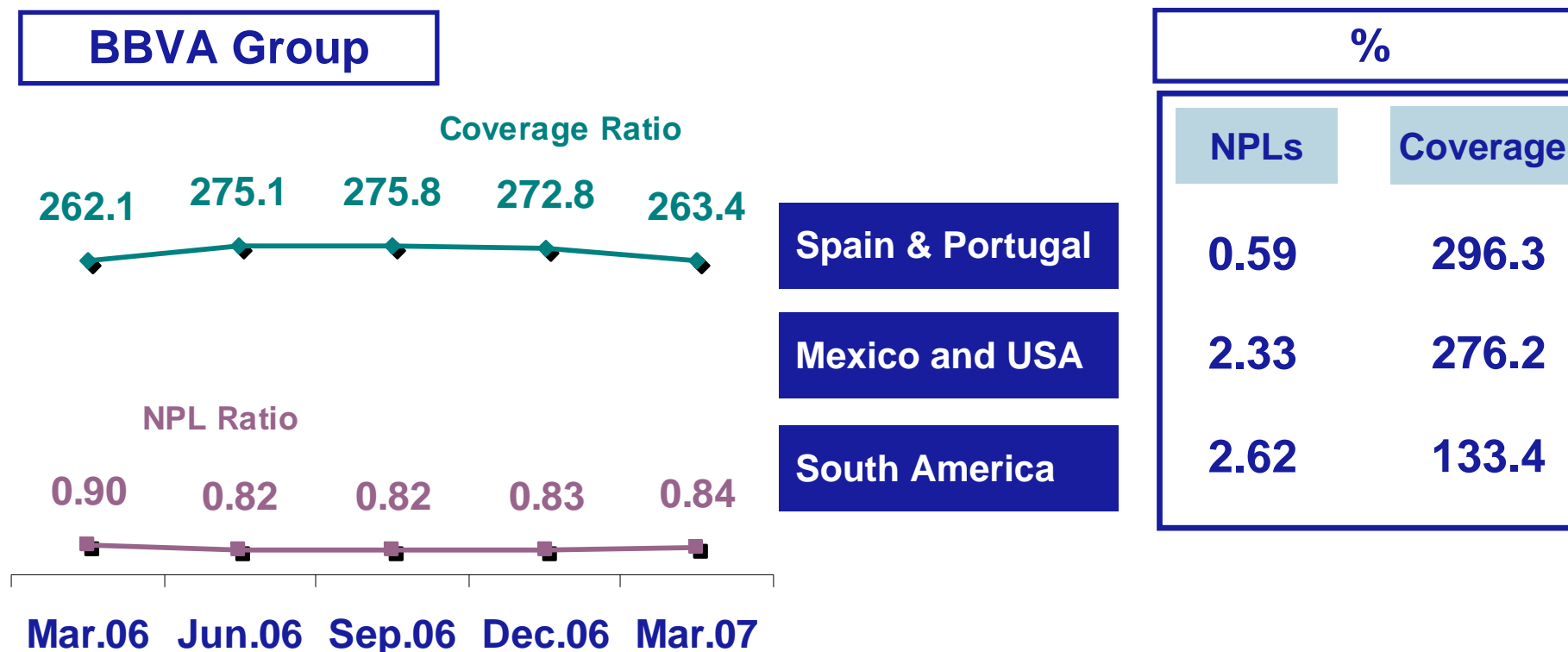
**▲ Op. profit: +21.1% Q1 07/06**

Bancomer (re-based to 100, €constant)



**▲ Op. Profit: +33.5% Q1 07/06**

# Excellent asset quality and coverage ratio



# Positive economy prospects for 2007-08

(%) GDP growth

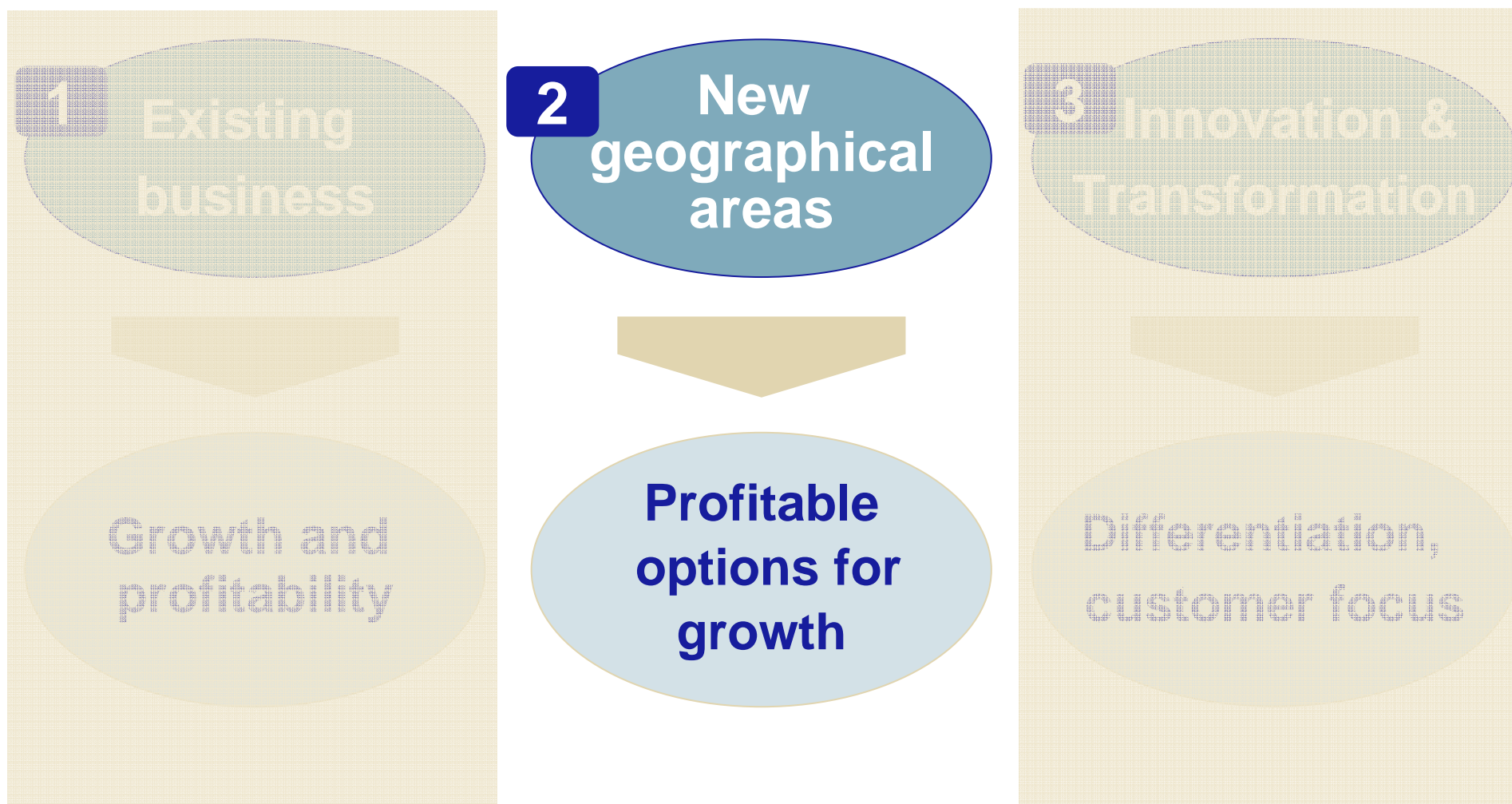
**The Spanish economy maintains better prospects than Europe**

	2006	2007e	2008e
<b>Spain</b>	4.2	3.7	3.4
<b>France</b>	2.1	2.2	2.1
<b>Germany</b>	2.9	2.0	2.0
<b>Italy</b>	1.9	2.0	1.8
<b>U.K.</b>	2.8	2.6	2.5
<b>Europe</b>	3.0	2.9	2.7

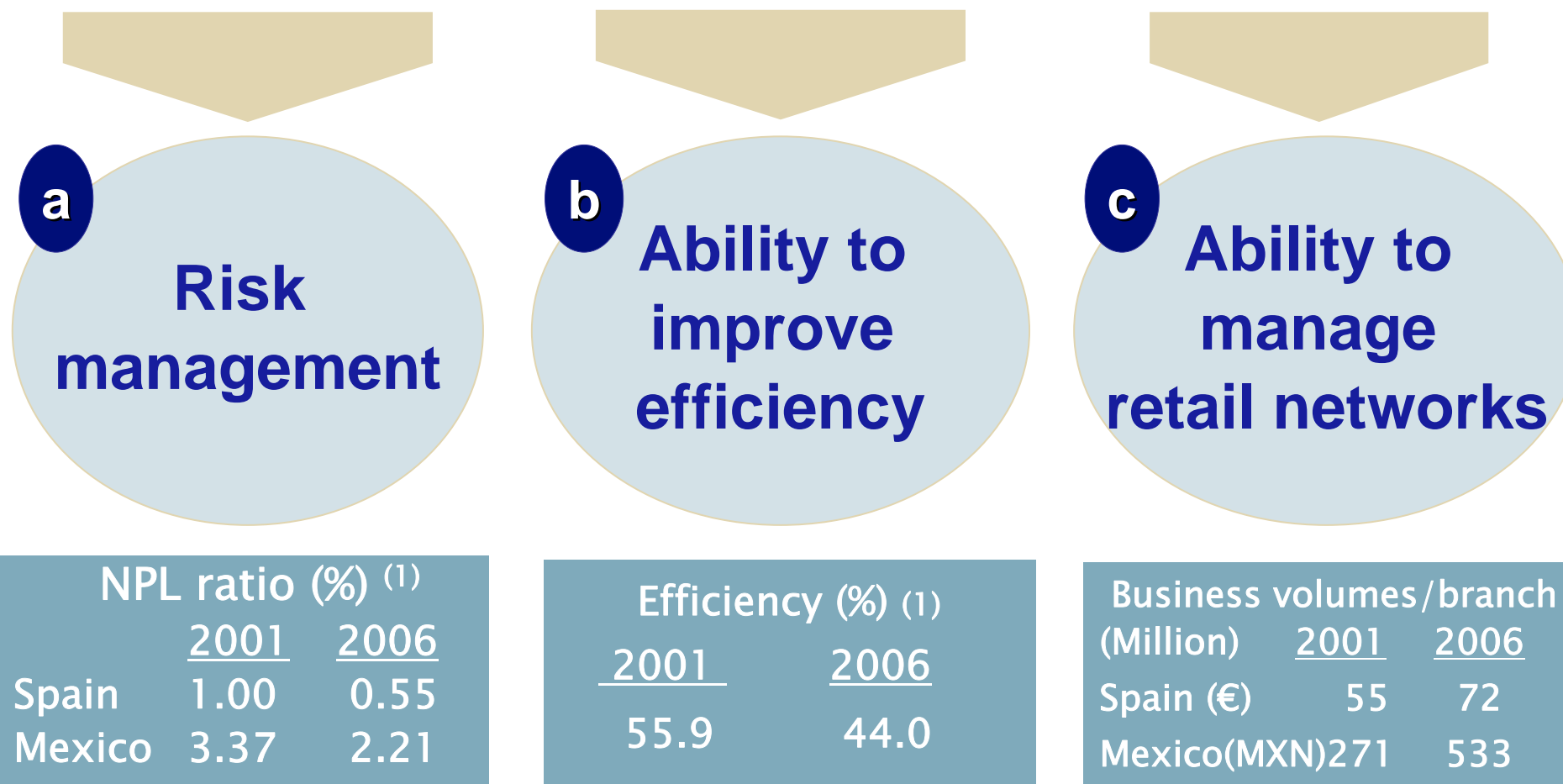
**...with a sound macroeconomic environment in Mexico and South America**

	2006	2007e	2008e
<b>Mexico</b>	4.8	3.2	3.9
<b>South America</b>	7.2	6.3	5.2

# BBVA is ready to grasp the opportunities offered by this changing environment



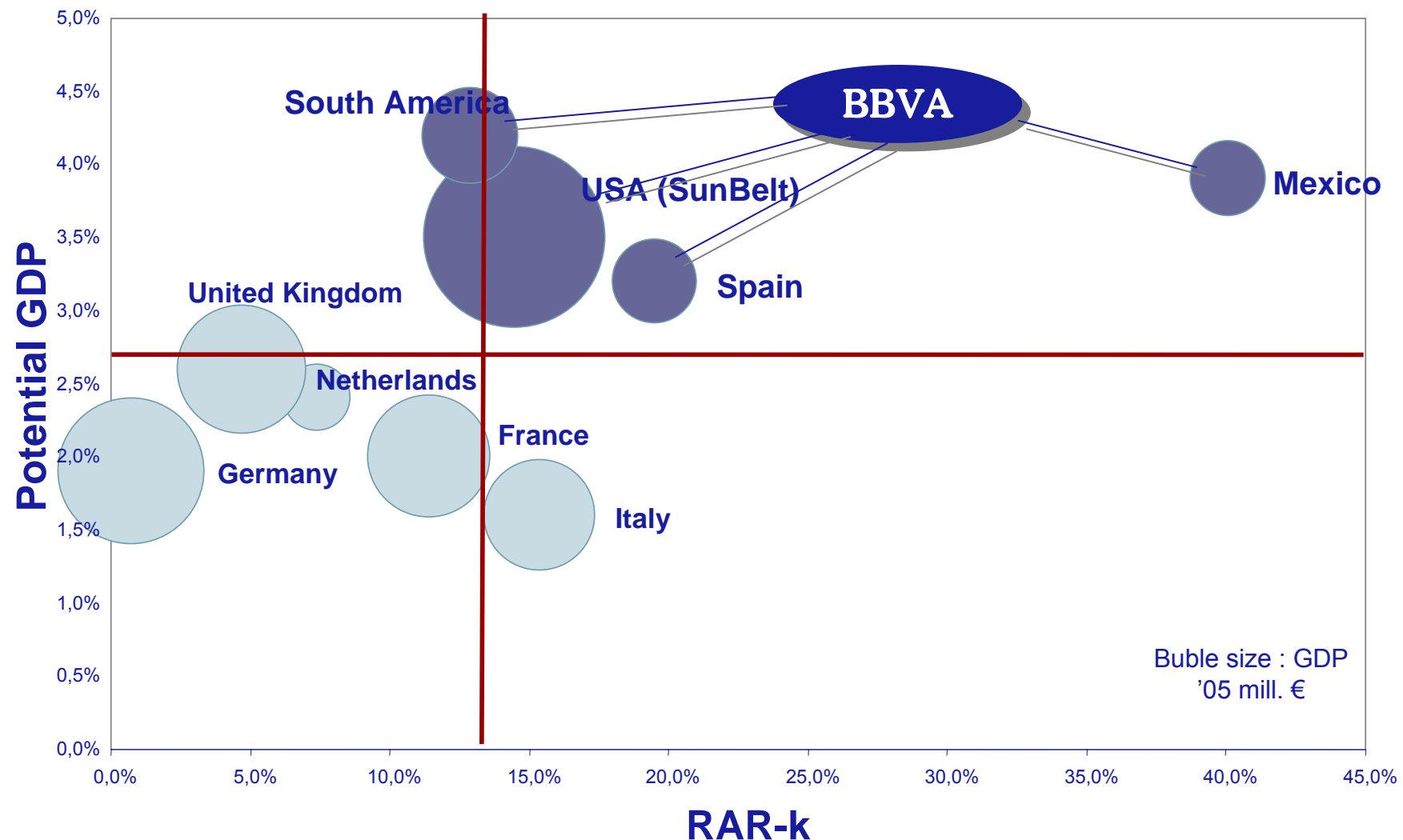
# BBVA's international growth strategy leverages our core competences



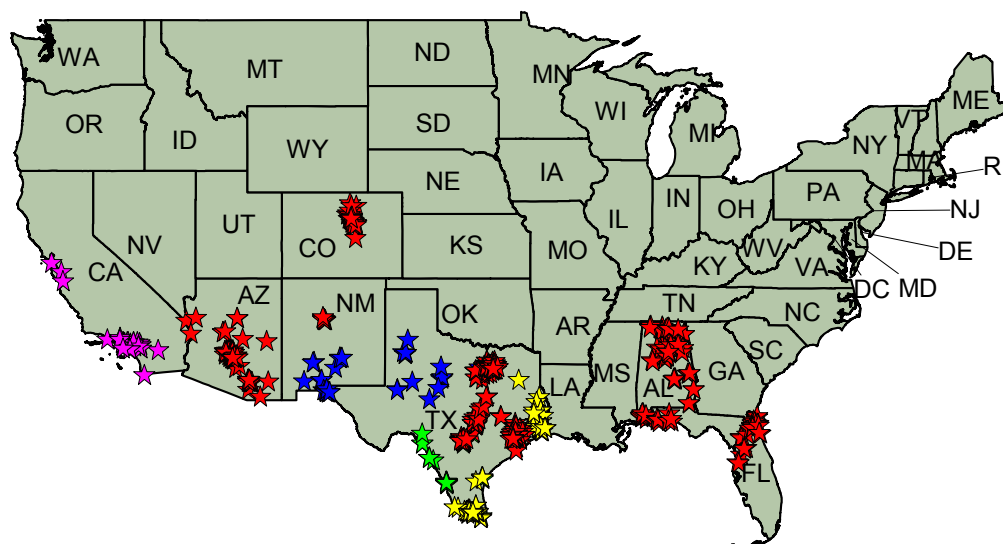
(1) 2001 Pre-dating IFRS



# BBVA's consistent strategy of investing in growing economies



# We are building a unique platform in the USA



★ Compass   ★ Texas Regional   ★ Laredo National   ★ State National   ★ BBVA USA

**BBVA USA**

**\$47,000m assets**

**\$33,000m deposits**

**662 branches**

**Serving a more than 100m potential market**

**Largest regional bank in US Sunbelt**

**2006-2011 average population growth +11.7% (US average +6.7%)**

# Compass, an excellent franchise



Unique growth positioning

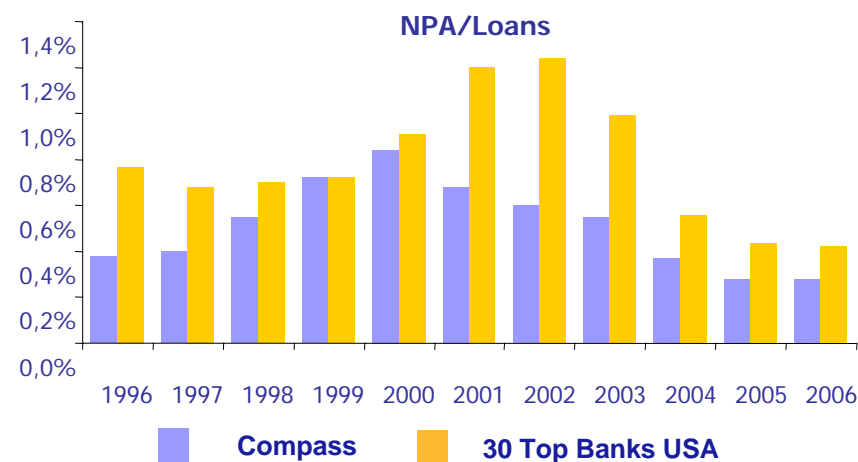
Universal banking model

High network productivity

## Better fundamentals than peers

	Compass	Peers (1)
Net Interest Income / Average Assets (%)	3.40	3.62
Total Revenues / Average Assets (%)	5.60	5.25
ROA (%)	1.39	1.32
ROE (%)	17.7	13.3

## A track record for asset quality



Source: SNL

(1) Comparable Banks: Cullen/Frost Bankers, First Financial Bankshares, First Horizon National Corporation, International Bancshares Corporation, Marshall & Ilsley Corporation, Prosperity Bancshares, Regions Financial Corporation, Sterling Bancshares, Synovus Financial Corp., Zions Bancorporation, First State Bancorporation, SunTrust Banks

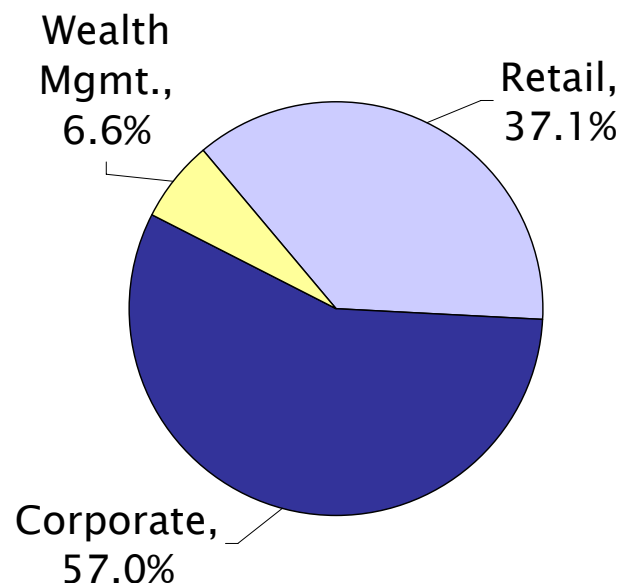
# Compass, a universal banking model with 3 product lines

## Retail Banking (Personal Services)

## Corporate Banking (Business Services)

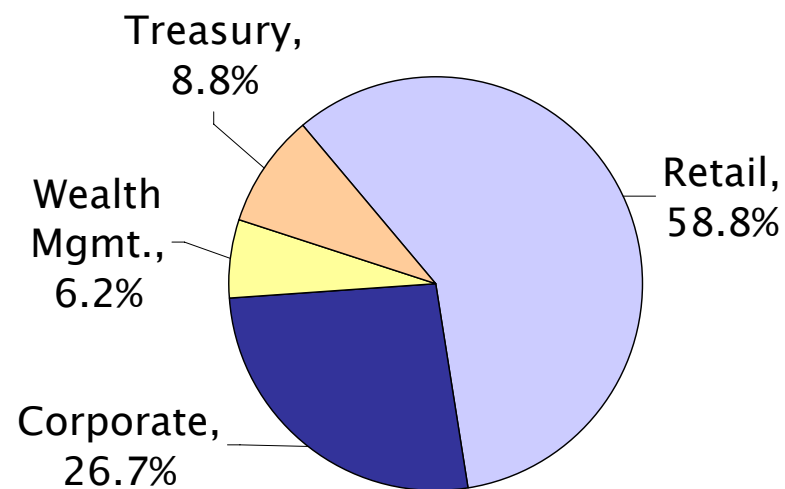
## Wealth Management (Private Client Services)

Loans-Dec.06  
(%)



**\$24.4Bn**

Deposits-Dec.06  
(%)



**\$23.04Bn**

# Alliance with Citic Group: China, an important milestone in BBVA's strategy in global businesses

**China**

**5% CNCB**

**13,485 employees**

**416 branches**

**€62,239m assets**

**7th largest Chinese bank by assets**



**Hong Kong**

**15% CIFH**

**1,711 employees**

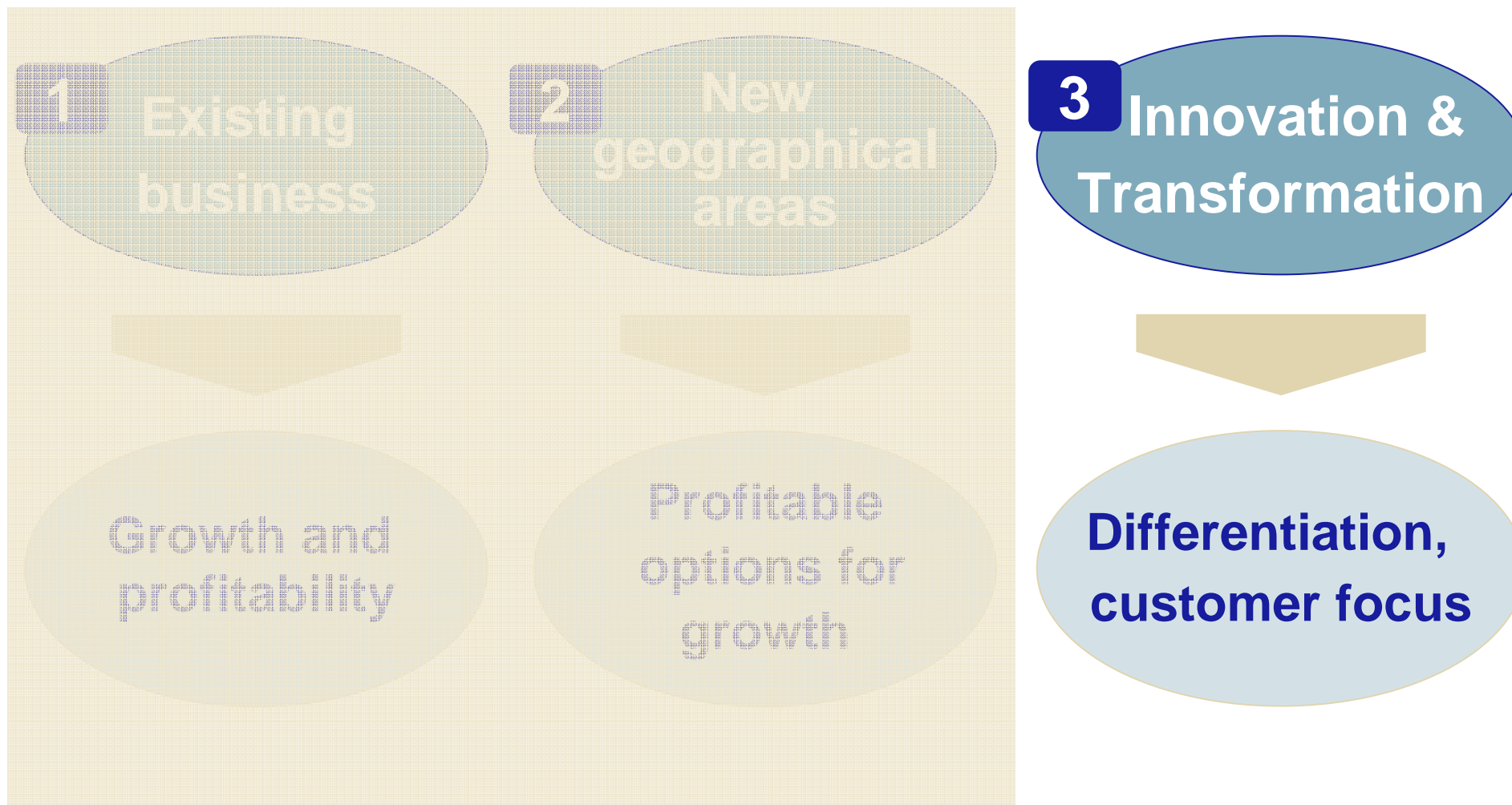
**36 branches**

**Presence in HK, mainland China, Macao and USA**

**€9,267m assets**

**High increase in trade flows between China and Latin America: +36% CAGR 2001-2006**

# BBVA is ready to grasp the opportunities offered by this changing environment



# Looking for ways to improve customer reach and new sources of efficiency

**Innovation**



**Transformation**

**Products**

**Organization**

**Segments**

**Distribution**

**... to maintain our competitive advantage and  
to boost growth**

# Enhancing customer focus through innovation

**a) Driving  
“bancarisation”**

**b) Making high-  
value products  
accessible to  
new segments**

**c) Low cost  
distribution:  
maximizing  
sales  
opportunities**

**d) Wider customer  
relationship:  
non-financial  
services**



... with ambitious business targets

## 2010 business targets

### Mexico

- # customers: from 14 to 18 m
- Business volumes:
  - x 2.5 consumer loans
  - x 3 home loans

### South America

- # customers: from 8.7 to 12 m
- Business volumes:
  - x 3 consumer & credit card loans

### Spain & Portugal

- 1 m young customers
- 0.5 m immigrants customers
- 25% operating profit from the Innovation Plan

# Re-engineering the “productive model” to deliver latent synergies

## Transformation Plan: 4 strategic lines

**Reconfiguring our customer-servicing model**



- **Emphasis on self service, automating transactions**
- **Separating servicing from selling**

**Boosting commercial productivity**



**Enhance quality and efficiency in sales activities**

**Developing best-in-class production model**



**Extensive use of technology**

**Improving efficiency in support services and corporate centre**



**Scale and scope economies**

# Business and financial Group objectives to 2010



- 20% increase in the number of customers
- Improving marketing productivity by 15%
- Improving efficiency from 44% to 35%



**To deliver superior earnings growth**

## **In short, BBVA an attractive investment case**



**Growth and profitability in the existing business**

**Executing profitable options for growth**

**Generating value through customer focus and innovation**

**Efficiency drive to generate latent synergies**

**And a strong commitment to value creation**

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