

150
years

adelante



BBVA making the difference



José María García Meyer
General Manager BBVA USA

“BBVA´s Franchise in the Sunbelt”

BBVA making the difference



Disclaimer

This document is only provided for information purposes and does not constitute, nor must it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. Nobody who becomes aware of the information contained in this report must regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to miscellaneous aspects, including projections about the future earnings of the business. The statements contained herein are based on our current projections, although the said earnings may be substantially modified in the future by certain risks, uncertainty and others factors relevant that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could condition and result in actual events differing from the information and intentions stated, projected or forecast in this document and other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not exactly as described herein, or if such events lead to changes in the stated strategies and intentions.

The contents of this statement must be taken into account by any persons or entities that may have to make decisions or prepare or disseminate opinions about securities issued by BBVA and, in particular, by the analysts who handle this document. This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on form 20-F and information on form 6-K that are disclosed to the US Securities and Exchange Commission.

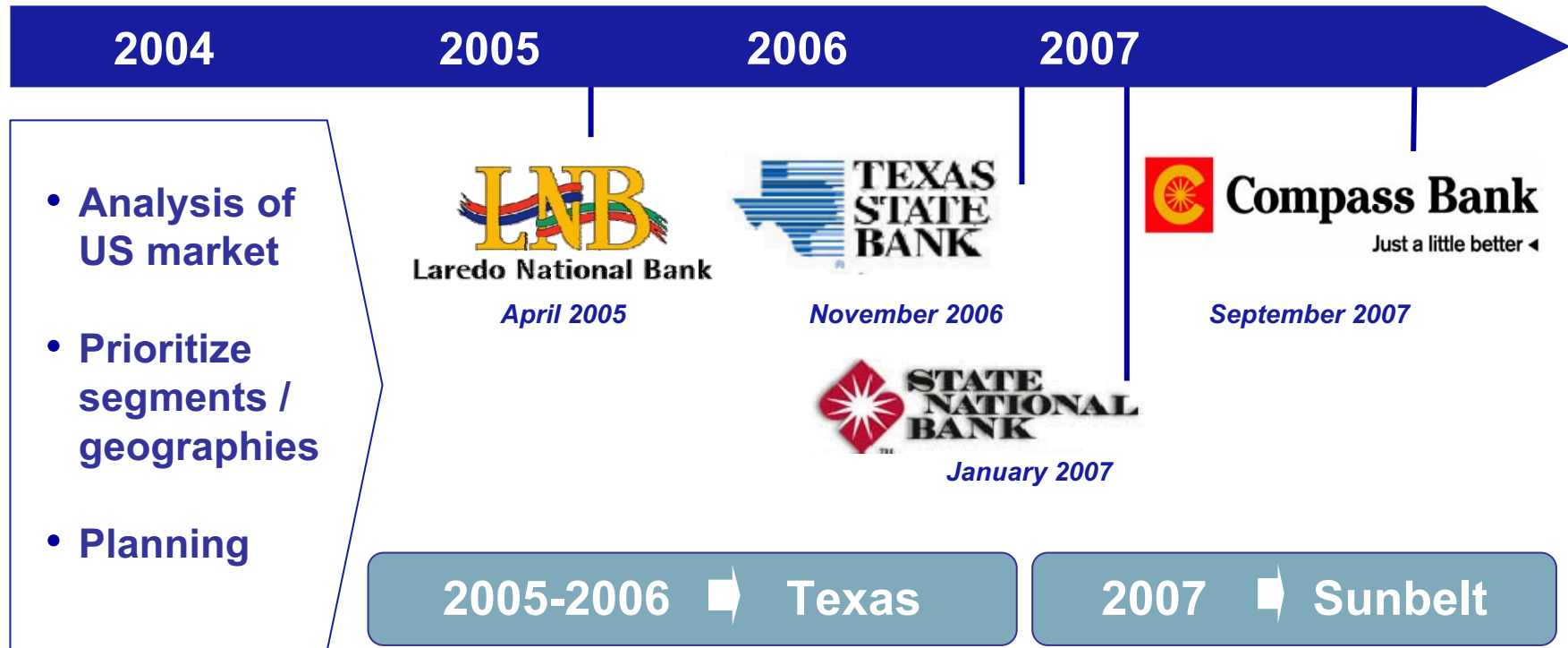
Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing Restrictions.



- Strategic overview
- BBVA's franchise in the Sunbelt
- The integration plan
- Looking ahead
- Conclusions



A deliberate strategy to enter high-growth markets in the US





Today BBVA USA is a focused business portfolio

Sep 30, 2007	Compass Bancshares ⁽¹⁾	Puerto Rico	BFH ⁽²⁾	BBVA USA
Assets <i>\$ billion</i>	57.3	6.6	0.3	64.1
Loans <i>\$ billion</i>	33.5	4.2	0.04	37.8
Deposits <i>\$ billion</i>	35.2	3.0	0.1	38.3
Employees <i>(000)</i>	12.2	1.1	0.3	13.7
Branches (#)	582	53	32	667




A leading franchise in the Sunbelt

- (1) *Compass Bancshares data are consolidated pro-forma and include Compass Bank, Laredo National Bank, State National Bank and Texas State Bank and affiliates*
- (2) *Bancomer Financial Holdings (BFH) includes former Valley Bank in California and Bancomer Transfer Services (BTS)*
- Source: Company Reports



Compass´ franchise is sizeable in high-growth markets ...

December 31, 2006

	Sunbelt ⁽¹⁾	Mexico	Spain
			
% of World GDP₂₀₀₆	3.7%	1.8%	2.5%
Real GDP pot. growth ₂₀₀₇₋₁₀	3.9%	3.6%	3.2%
Population _{mid-2007 (in millions)}	61	107	45
Population growth _{2007-10 CAGR}	1.9%	0.8%	1.0%

(1) Sunbelt refers to Compass Bancshares' footprint and includes Texas, Alabama, Arizona, Colorado, Florida and New Mexico
Sources: IMF, Census USA, Conapo, INE, Bureau of Economic Analysis



...for doing banking business

December 31, 2006

	Sunbelt ⁽¹⁾	Mexico	Spain ⁽²⁾
Commercial Banks (#)	1,150	31	142
Cost/Revenues	59%	59%	44%
Check transactions ⁽³⁾ <i>% number of total transactions</i>	37%	20%	5%
Revenues/employee ⁽³⁾ (\$000)	168	159	309

Potential for productivity and efficiency gains

(1) Sunbelt refers to Compass' Bancshares footprint and includes Banks with legal addresses in TX, AL, AZ, CO, FL & NM

(2) Banks only

(3) Mexico in June 2007, Spain in December 2003. Data for Sunbelt is the US average in 2005

Sources: FDIC, CNBV, Banco de España, BIS, Banxico, European Central Bank.



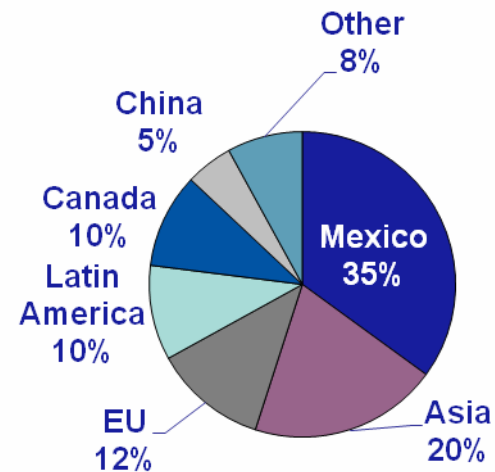
Texas dynamic economy is expected to continue outpacing the U.S....

Diverse and attractive

- 11th largest economy of the world
- 43% of Sunbelt GDP
- Outstanding demographics
- Solid business environment
- Well diversified economy:
 - Leading Industry Sectors
 - High Tech
 - Biomedical
 - Petrochemical

Export driven

2Q 07 Exports



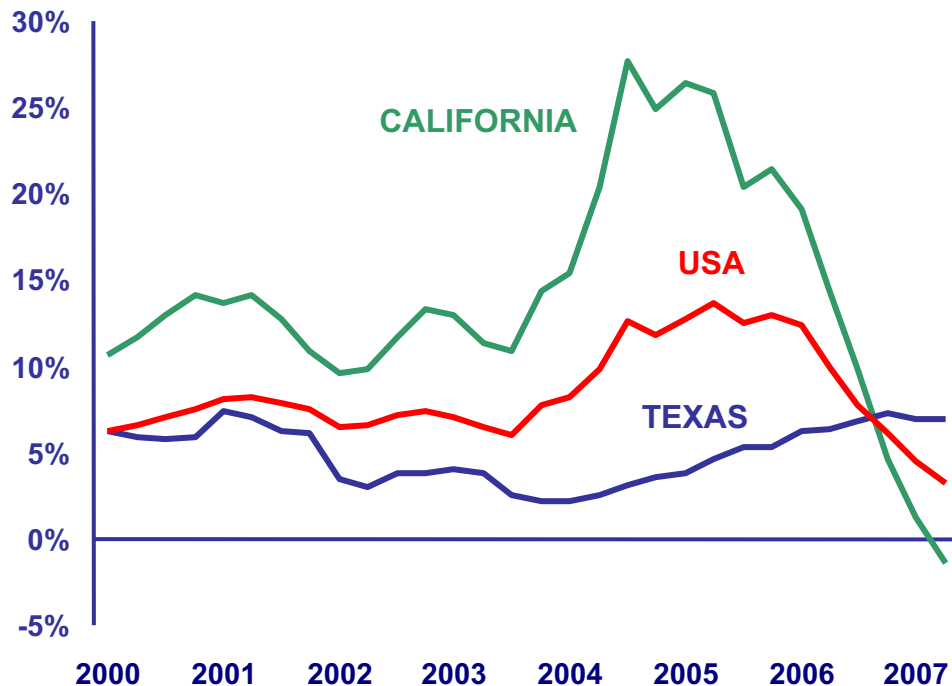
- 2006 exports: \$151 billion
- # 1 export state
- Mexico is the largest partner



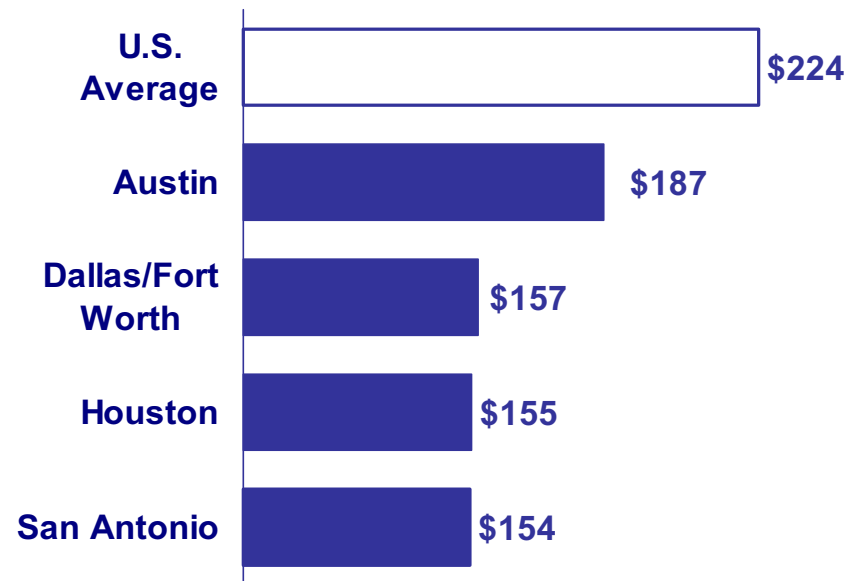
...and despite the slowdown in the U.S. housing market

Housing prices

Jan 00-Jun 07 Year on Year growth (%)



Median Home Prices



... the Texas real estate market has experienced rational price appreciation and is showing stability

Sources: ATM University, Standard & Poors, National Association of Realtors, August 15, 2007



- Strategic overview
- **BBVA's franchise in the Sunbelt**
- The integration plan
- Looking ahead
- Conclusions

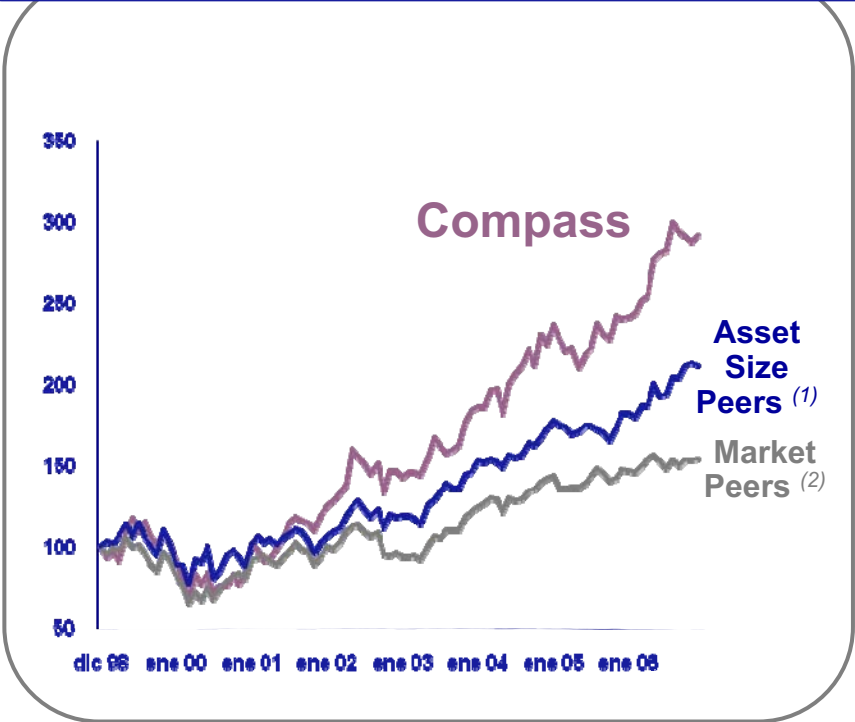


Compass Bank is the foundation of BBVA's franchise in the Sunbelt

EPS (\$)



Total shareholder return (%)



Compass has a proven track record of creating shareholder value through different economic cycles

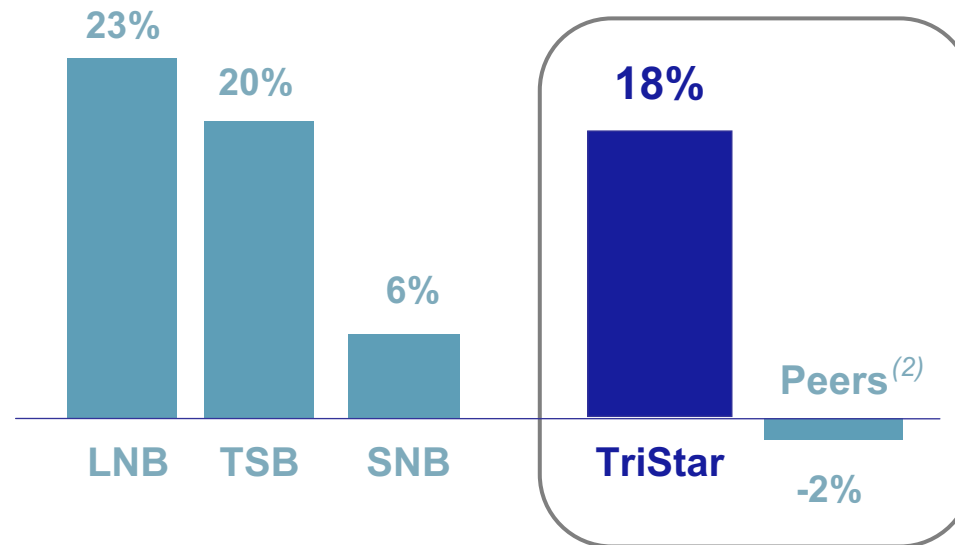
(1) Asset Size Peers: Associated Banc-Corp, BOK, Colonial, Comerica, Commerce, First Horizon, Huntington, Sky, Zions
 (2) Market Peers: Bank of America, KeyCorp, Regions, US Bancorp, Wachovia, Wells Fargo
 Source: company data, SNL



... as well as the TriStar Banks



Net Income YTD Sep 07 Change ⁽¹⁾



TriStar Banks are outperforming their peers

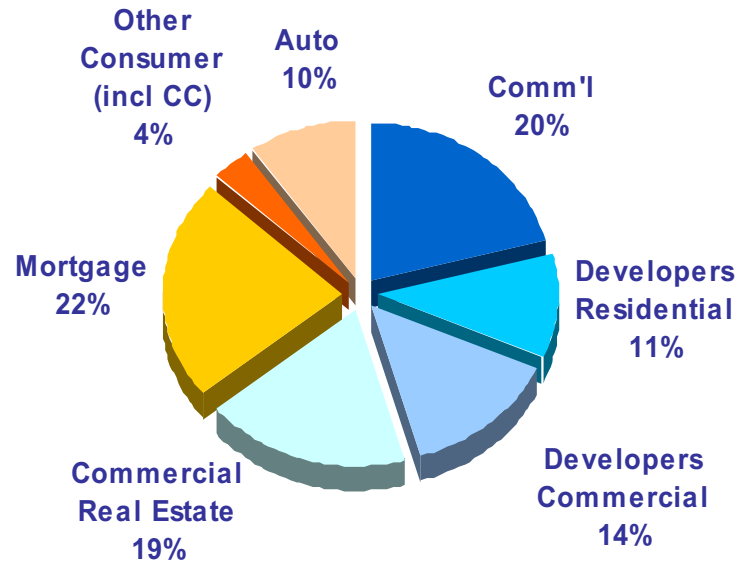
(1) Consolidated pro-forma. For LNB consolidated pro-forma banking business

(2) Peer group by asset size: Colonial, Associated BancCorp, BOK, Commerce, TCF, Cullen/ Frost

Source: company reports and SNL



A combined loan portfolio of \$ 33.5 billion



- Well-diversified portfolios with no significant industry concentrations or subprime assets
- More than 80% of loan portfolio is collateralized
- Company-wide low authority levels results in granularity across portfolios
- Strong credit culture and monitoring programs throughout the organization

September 30, 2007

Compass Bancshares Top 20 U.S. banks ⁽²⁾

NCOs /Avg Loans	0.32%	0.42%
Allowance to Loans	1.24%	1.13%
NPL to Loans ⁽¹⁾	0.66%	0.69%

(1) Non accrual loan ratio

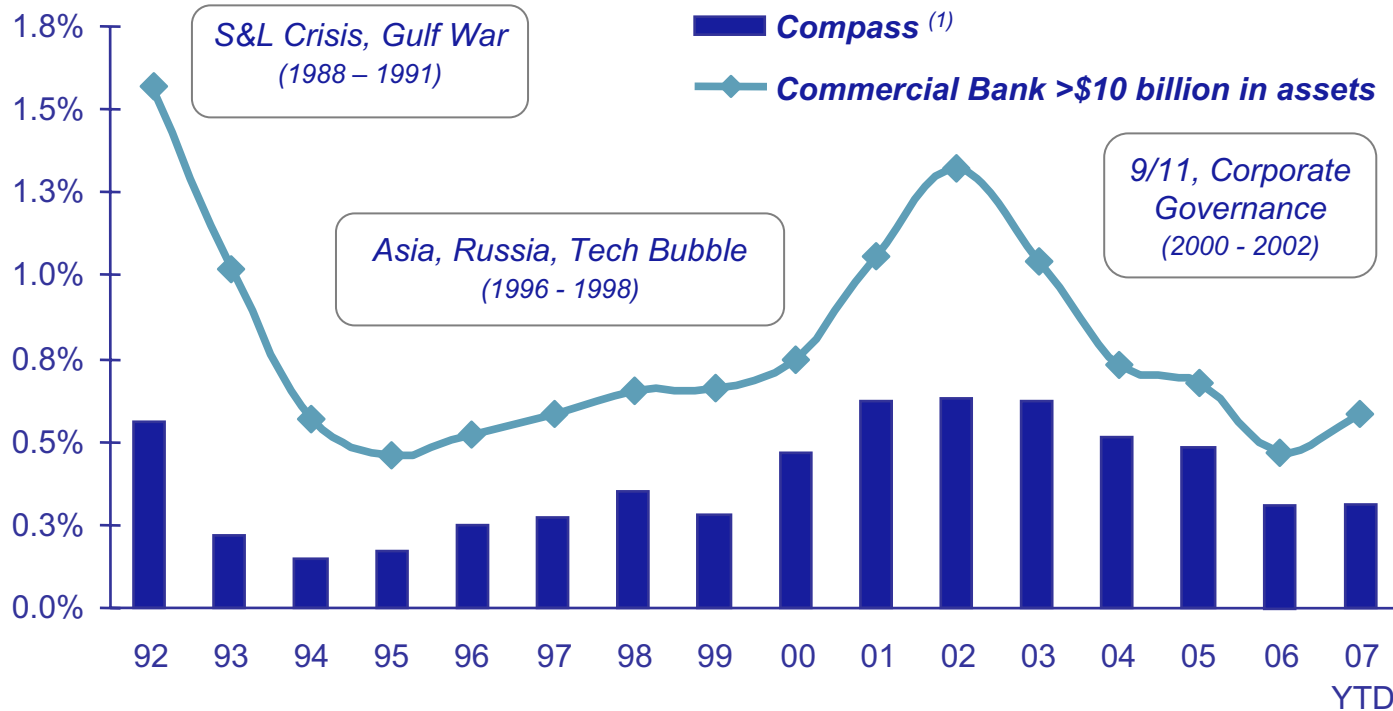
(2) Top 20 public banks by asset size

Source: Company Reports, SNL Financial



...that has historically outperformed the market...

Net Charge-Off Ratio



Compass has historically outperformed the industry and its peers during different business cycles

(1) Compass Bank

Source: Company Reports, FDIC SDI database, Lehman Brothers



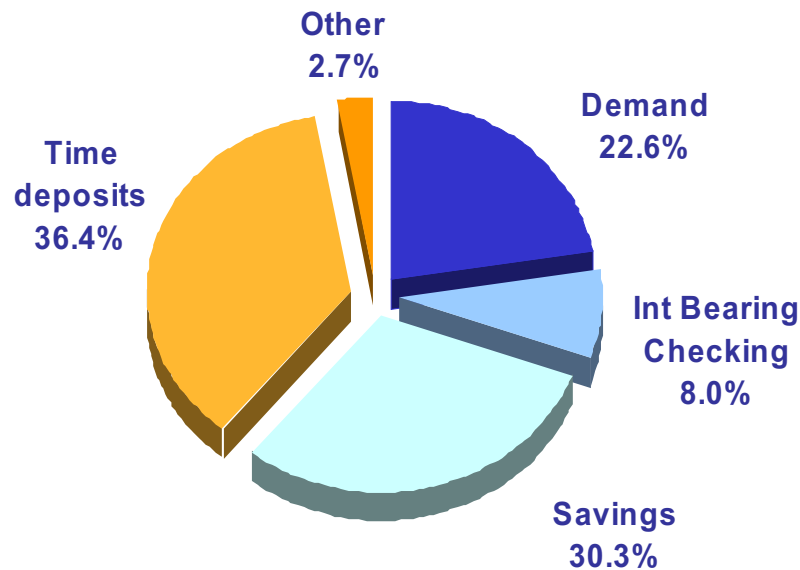
Net Charge-off ratio by Loan Portfolio

<u>Compass Bancshares</u>	As a % by Portfolio	
	YTD Sep 30 2007	YTD Sep 30 2006
Commercial	.49%	.67%
Developers	.11%	.01%
Commercial Real Estate	.01%	.09%
Mortgage	.05%	.09%
Auto	.73%	.71%
Consumer – Other	1.64%	1.38%
NCO ratio, ex Credit Cards	.26%	.30%
Credit Cards	5.12%	4.07%
Net Charge offs ratio	.32%	.36%

Source: Company Reports, FDIC SDI database



Funded by deposits of \$ 35.2 billion...



September 30, 2007

Compass Bancshares

Top 20 U.S. banks (1)

Trans. Accts/Deposits	61%	54%
Loan to Deposits	95%	104%

- Non interest bearing deposits represent nearly 23% of total deposits
- Transaction accounts:
 - 61% of total deposits
 - Stable funding source
 - Good provider of fee income
- Deposits fully fund loan portfolio
- Balance sheet growth is not reliant on wholesale funding

(1) Top 20 public banks by asset size
Source: Company Reports, SNL Financial



... And supported by a strong distribution network with...

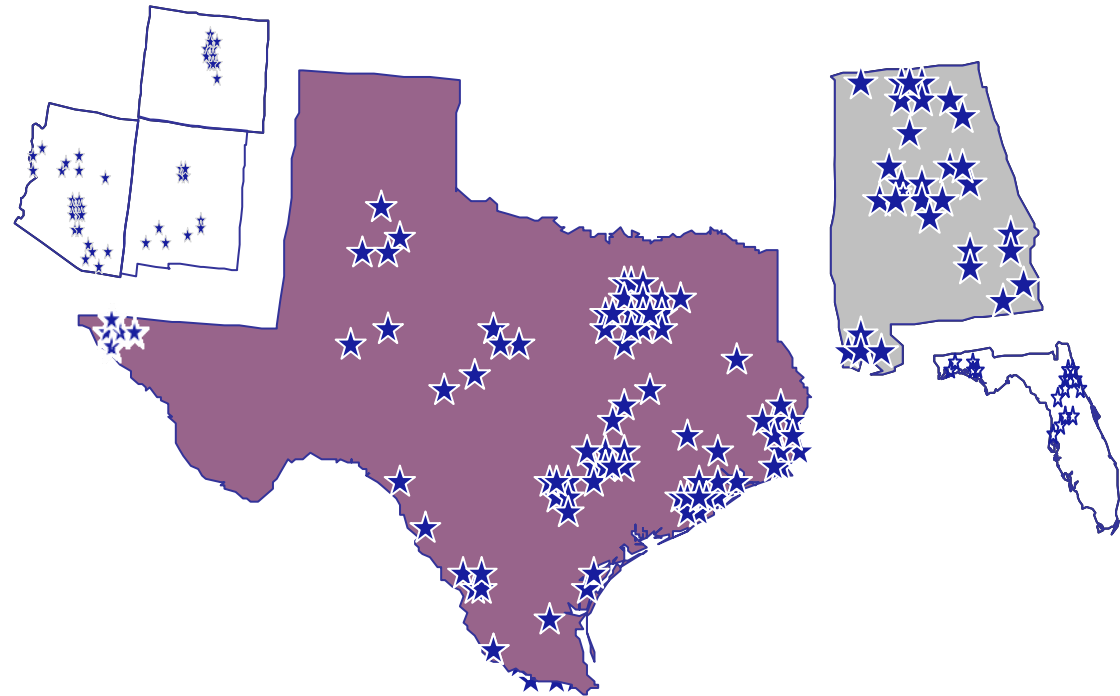
582 Branches in the Sunbelt



Texas
61% of Deposits

Alabama
20% of Deposits

	<u># of Branches</u>	<u>Mkt Share</u>
Texas	318	5.8%
Alabama	90	9.5%
Arizona	76	3.9%
Florida	44	0.5%
Colorado	33	1.0%
New Mexico	21	2.7%



... market share upside potential ...

Source: SNL Financial database. Company reports



...especially in Texas

**Strong
footprint in
metropolitan
areas**

	<u>Market share</u>
Dallas/FT	4.3%
Austin	6.1%
San Antonio	5.2%
Houston	5.1%

**Leadership
position on the
Border and
East Texas**

El Valle	27.3%
El Paso	7.0%
Laredo	38.3%
East Texas	23.4%

#4 in Texas with 5.8% market share by deposits

Source: SNL and company reports



And sound fundamentals

September 30, 2007

	Compass Bancshares	Top 20 U.S. Banks ⁽³⁾
NIM	3.71%	3.32%
Non-interest income / Revenues	35.9%	42.8%
Cost / Revenues ⁽¹⁾	56.7%	58.7%
NPL Ratio ⁽²⁾	0.66%	0.69%
ALLs/Loans	1.24%	1.13%
Loans / Deposits	95.3%	104%
Total Capital Ratio	12.9%	11.5%

(1) Normalized by excluding pre-closing charges and amortization of intangibles

(2) Non accrual loan ratio

(3) Top 20 public banks by asset size

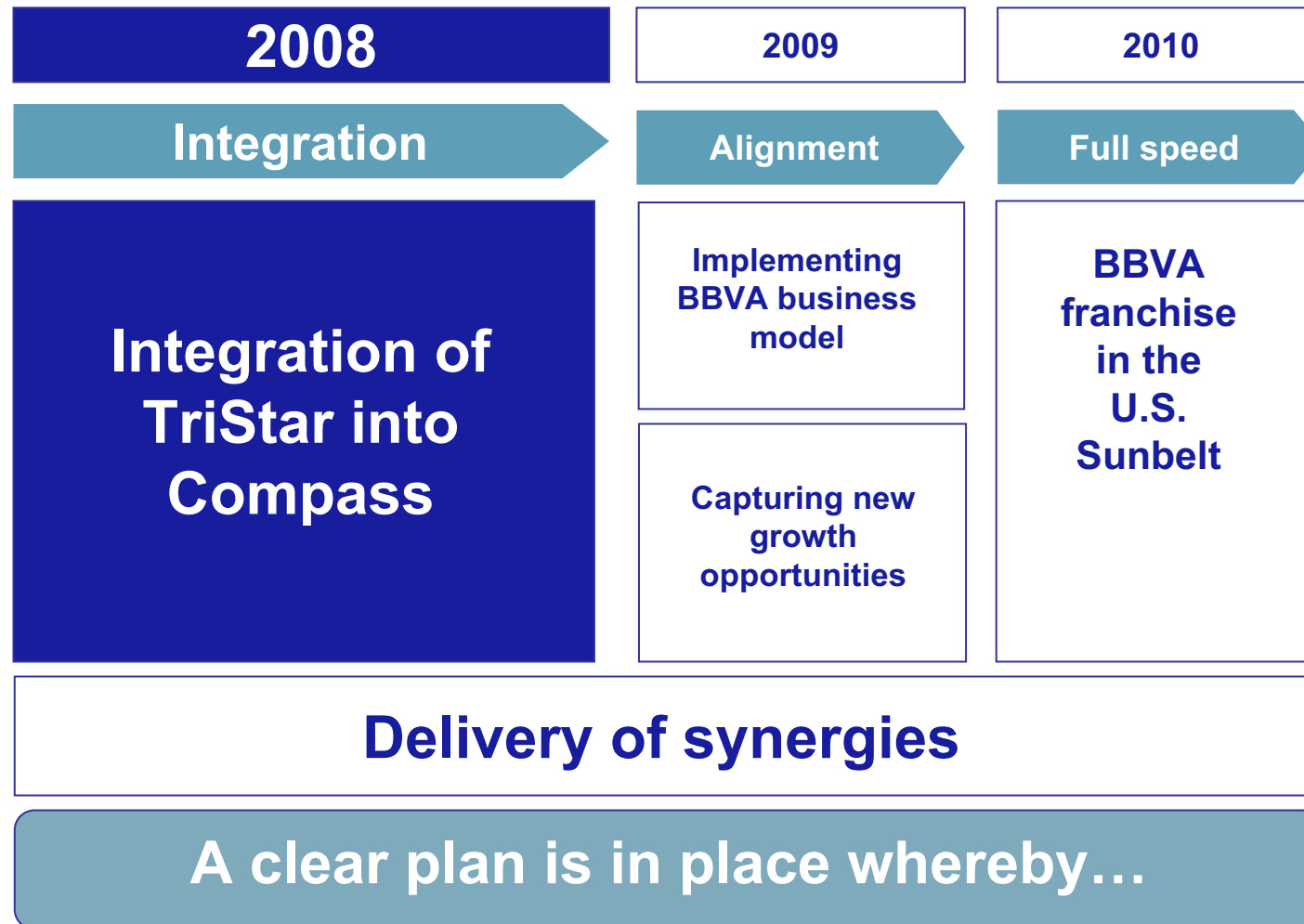
Sources: Company reports and SNL



- Strategic overview
- BBVA's franchise in the Sunbelt
- **The integration plan**
- Looking ahead
- Conclusions

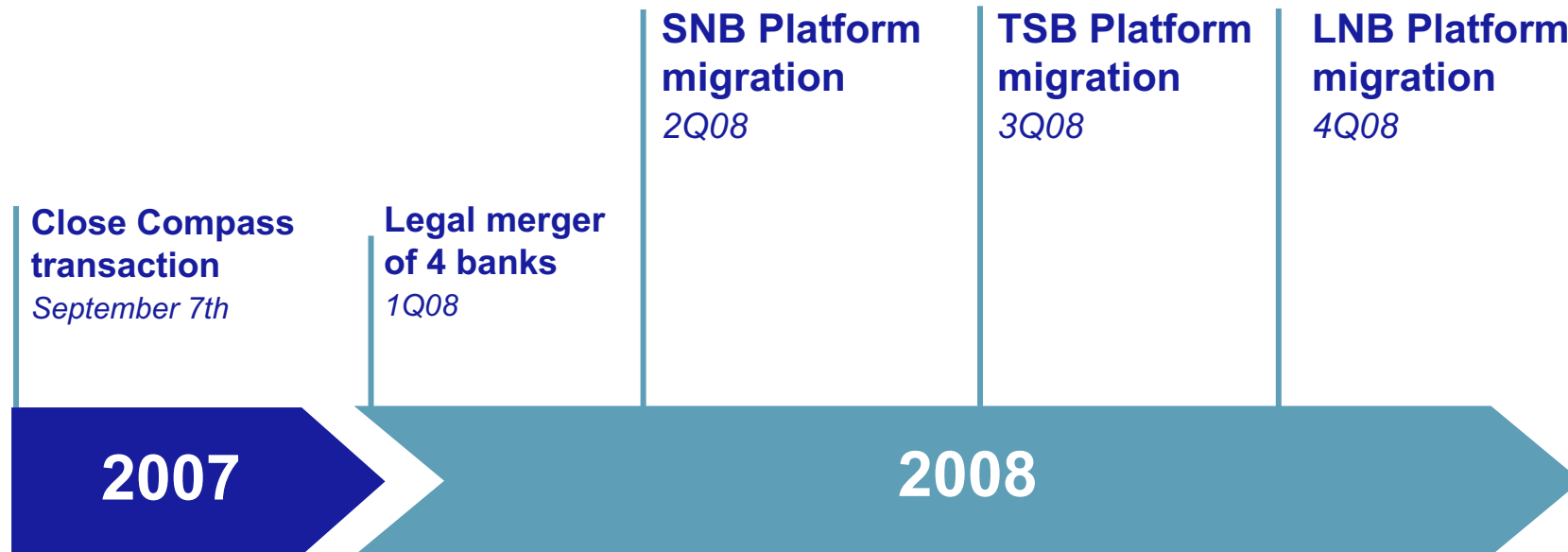


For 2008, the focus is on integration





Platform migration to be completed by 4Q08

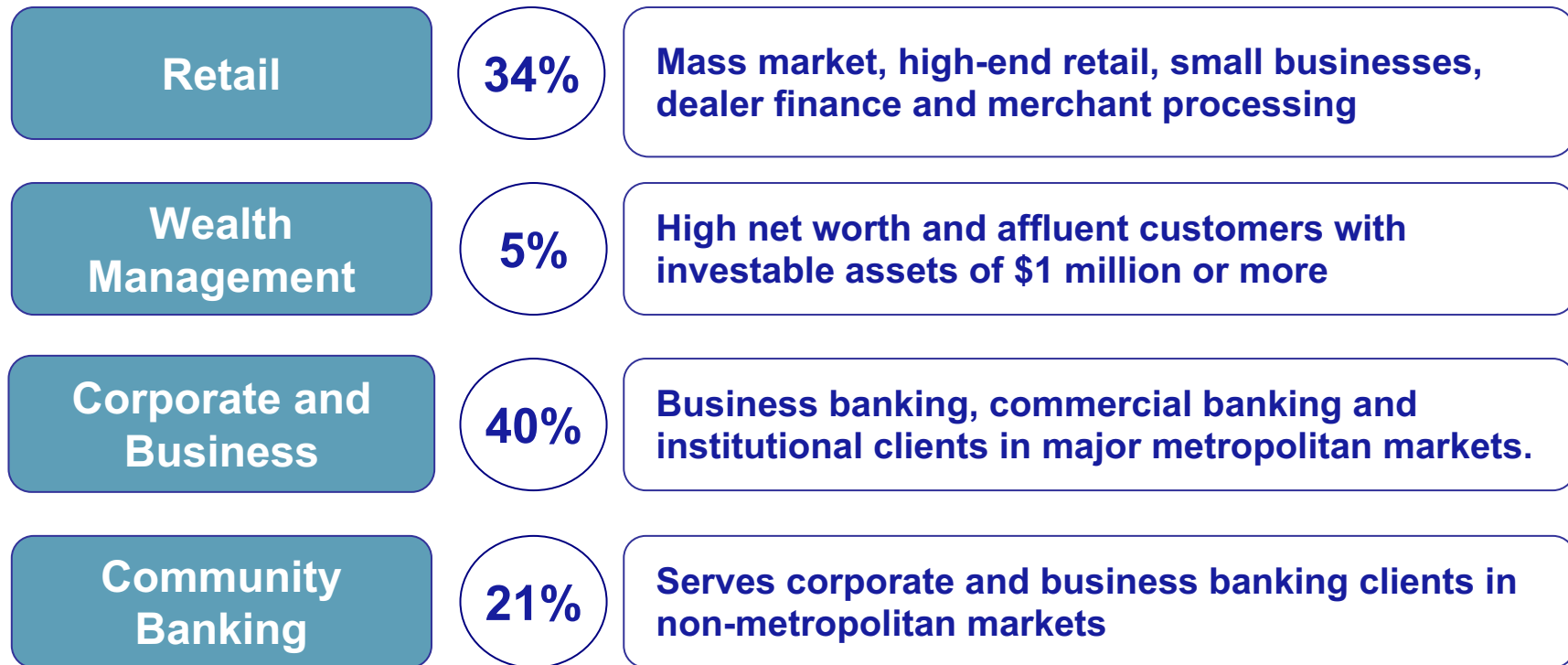


12 months to integrate 3 platforms into Compass



Four business lines for a universal banking model

Loans ⁽¹⁾



(1) Pro-forma as of September 30, 2007
Sources: Company reports



... led by proven management team...

José María García Meyer
General Manager BBVA USA
32 years of experience

D. Paul Jones, Jr.
Chairman & CEO COMPASS
29 Years

Business Areas

Jim Barri
Retail Banking
43 years

George Boltwood
Corporate & Business Banking
31 years

Manuel Sanchez
Community Banking
17 years

Bill Helms
Wealth Management
33 years

Support Areas

Lee Harris
Human Resources
33 years

Gary Hegel
Finance
23 years

Clayton Pledger
Operations & Technology
36 years

Ray Stone
Loan & Credit Administration
41 years

Control Areas

Greg Demming
Corporate Risk Management
24 years

Jerry Powell
Office of General Counsel
16 years

➔ More than 350 years of accumulated experience

➔ > 100 acquisitions and integrations since 1987



...to deliver more synergies than originally estimated

USD million pre-tax

	<u>Plan</u>	<u>Originally estimated</u>	<u>Increase</u>
Cost synergies	202	174	+16%
Revenue synergies	129	125	+3%
TOTAL	331	299	11%

Timing

2008	31%
2009	62%
2010	100%

Integration costs

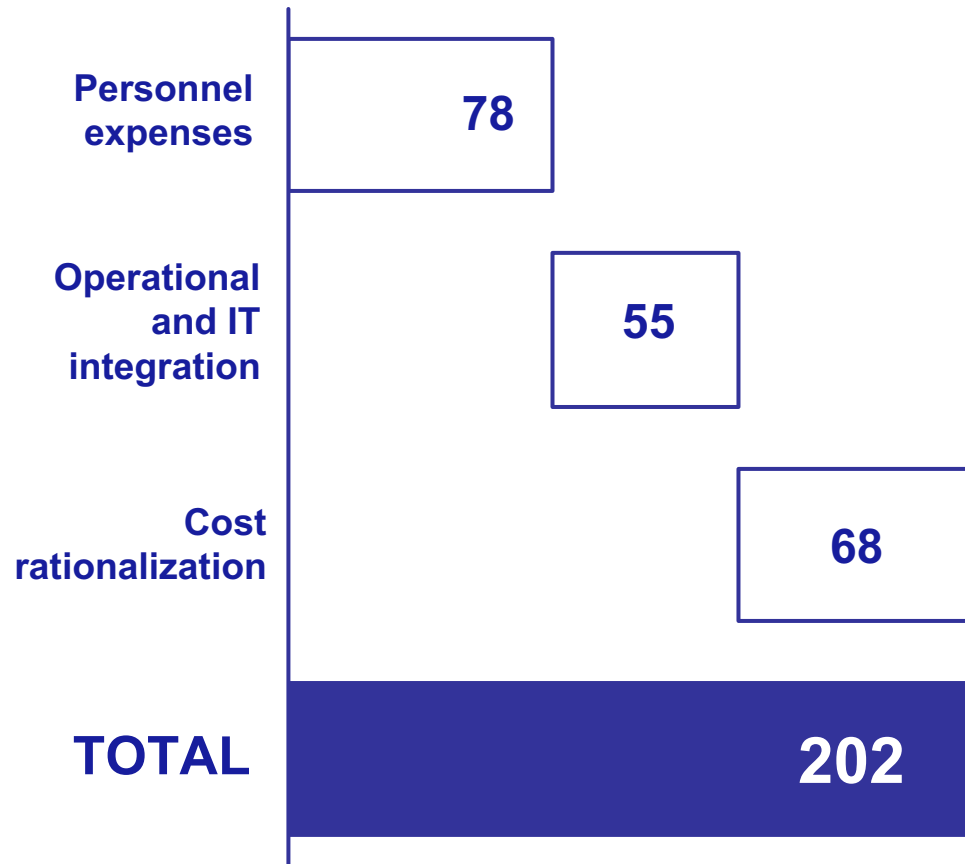
90-100



Larger cost synergies...

Earnings before taxes

USD million



Items

- Staff optimization
- TriStar IT conversion into Compass
- 12 Branch overlaps
- Other savings: vendors, utilities, funding, marketing expenses...

**14% of 2007 ⁽¹⁾
combined cost base**

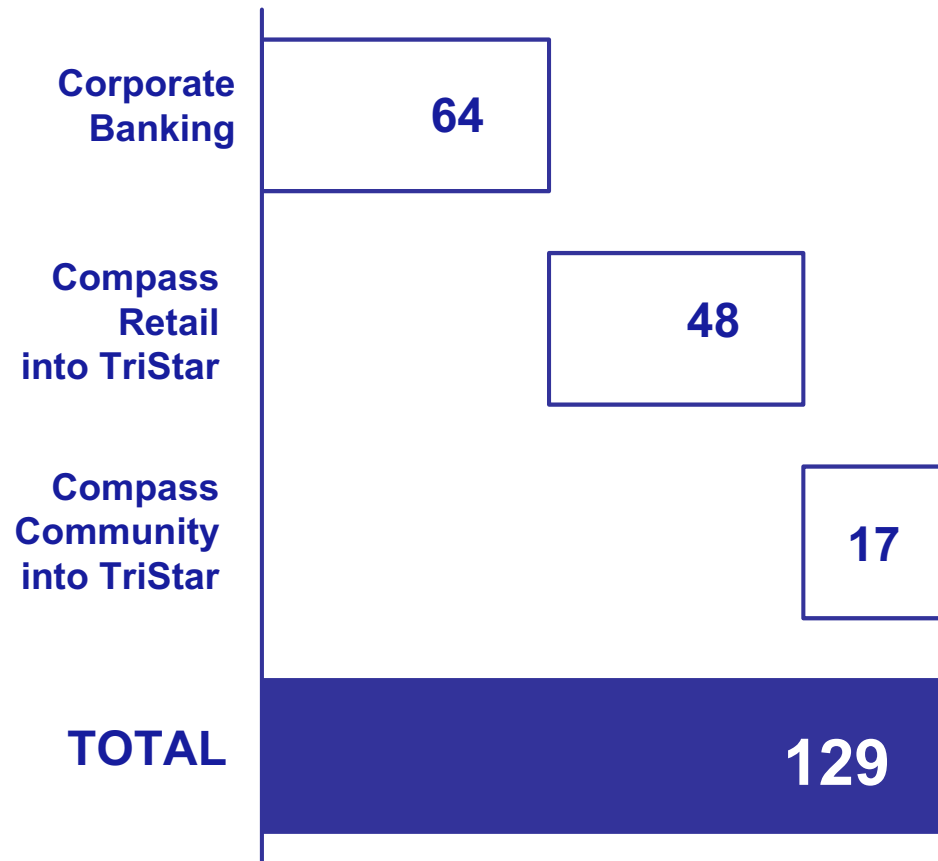
(1) Forecast as of December 31, 2007, normalized by excluding pre-closing charges and amortization of intangibles



... and reaffirmed revenue synergies

Earnings before taxes USD million

Items



- Access to big Corporations \$100m+
- Increase large loans holdings
- Energy Banking upgrade
- TriStar International Banking

- Introduce Compass product range: Credit Cards, Home Equity, Mortgages, retail brokerage...

- Structured Lending, SBA Lending & Business Leasing into TriStar
- Treasury Management uplift

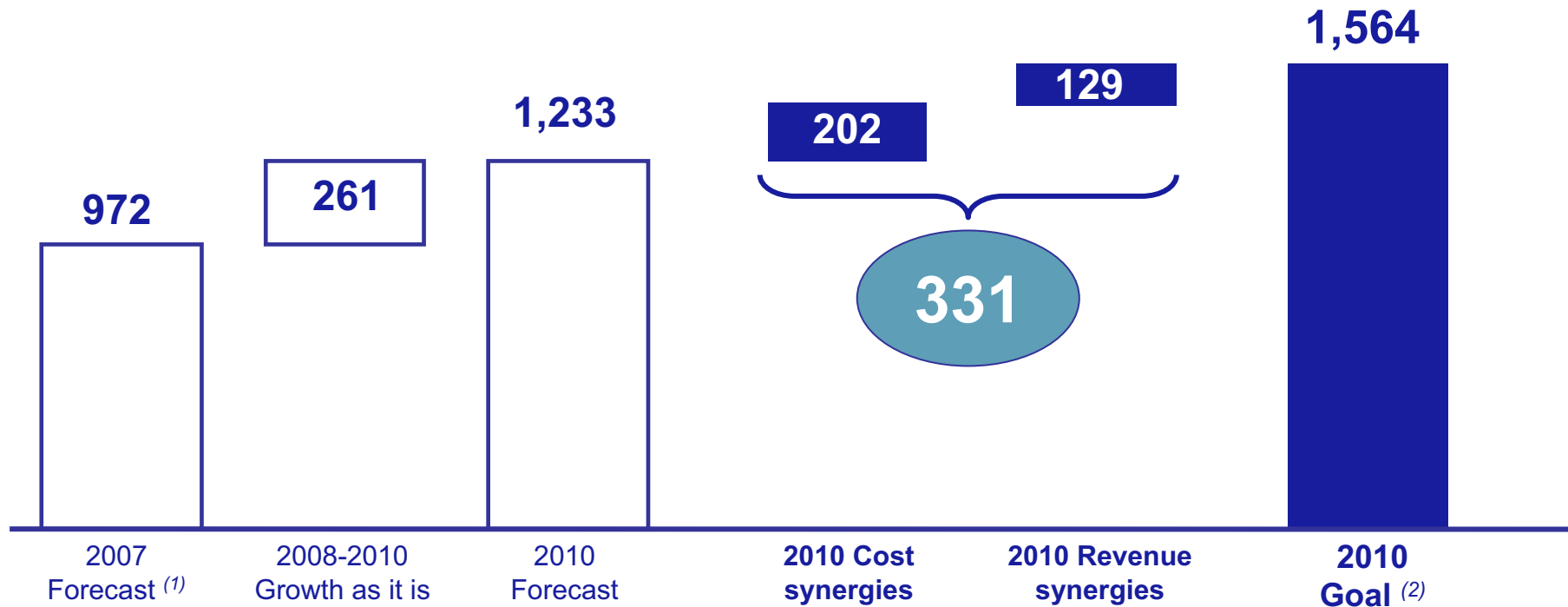
5% of 2007 ⁽¹⁾ combined revenues

(1) Forecast as of December 31, 2007



Attractive and achievable profit growth from the integration

Projected earnings before taxes USD million



(1) Normalized by excluding pre-closing charges and amortization of intangibles
 (2) Normalized by excluding integration costs and amortization of intangibles



Goals 2010 from integration

Pre- tax Synergies

(USD million)

331

Cost / Revenues ⁽¹⁾

48%

EBT 2008-10 CAGR ⁽²⁾

17%

(1) Normalized by excluding integration costs and amortization of intangibles

(2) Normalized by excluding pre-closing charges, integration costs and amortization of intangibles



- Strategic overview
- BBVA's franchise in the Sunbelt
- The integration plan
- Looking ahead
- Conclusions



Further opportunities looking ahead

1

Improve cross-sell and customer retention

2

Improve efficiency and productivity levels towards BBVA standards

3

Capture the potential of the U.S. Hispanic market

4

Compass as part of a Global Group

Opportunities not factored into prior goals

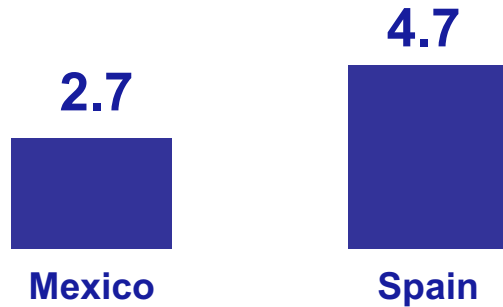


1

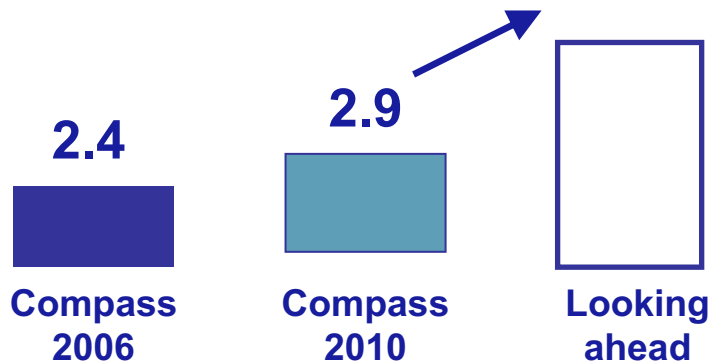
Improve cross-sell and customer retention

Consumer Cross-Sell ⁽¹⁾

BBVA Group



BBVA in the U.S.



Innovation and best practices

Enhanced online functions

Increased sales through remote channels

Improved customer intelligence

(1) Retail financial products per primary owner, except for Compass (per household). Mexico as of Sep 30 2007, Spain as of May 31, 2007, Compass 2006 as of Sep 30, 2006

Source: company reports

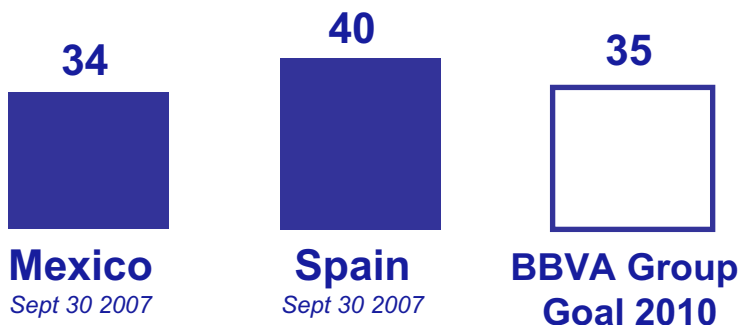


2

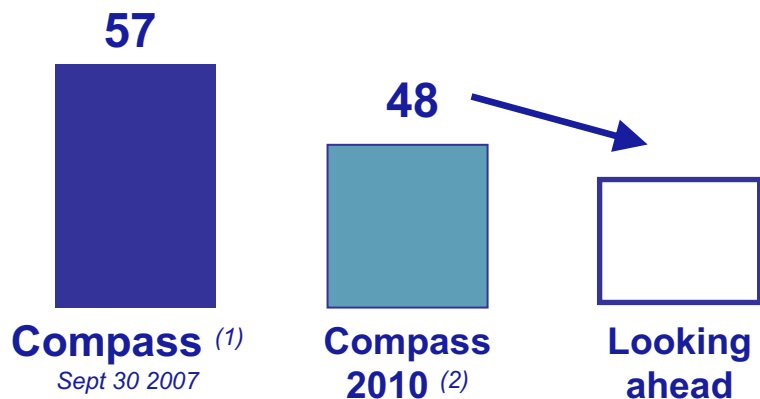
Improve efficiency levels towards BBVA standards

Cost / Revenues Ratio (%)

BBVA Group



BBVA in the U.S.



(1) Normalized by excluding pre-closing charges and amortization of intangibles

(2) Normalized by excluding integration costs and amortization of intangibles

Source: company reports

BBVA Global Transformation Plan

Improved IT systems

Automation

Operational optimization



3

Capture the potential of the U.S. Hispanic market

The Sunbelt ⁽¹⁾ concentrates 66% of the Hispanic Population in the U.S....

	Sunbelt ⁽¹⁾	U.S.
Hispanic Population <i>(million)</i>	30	46
Hispanics / Total Population	31%	15%

1st Generation

BBVA Bancomer USA

Bancomer Transfer Services

... and it is expected to continue growing faster

Population Growth in the Sunbelt

	Hispanics	Total Population
2000-07 CAGR	3.9%	1.9%
2007-12 CAGR	3.5%	1.8%

Hispanic market

Distinctive marketing approach

Sunbelt footprint

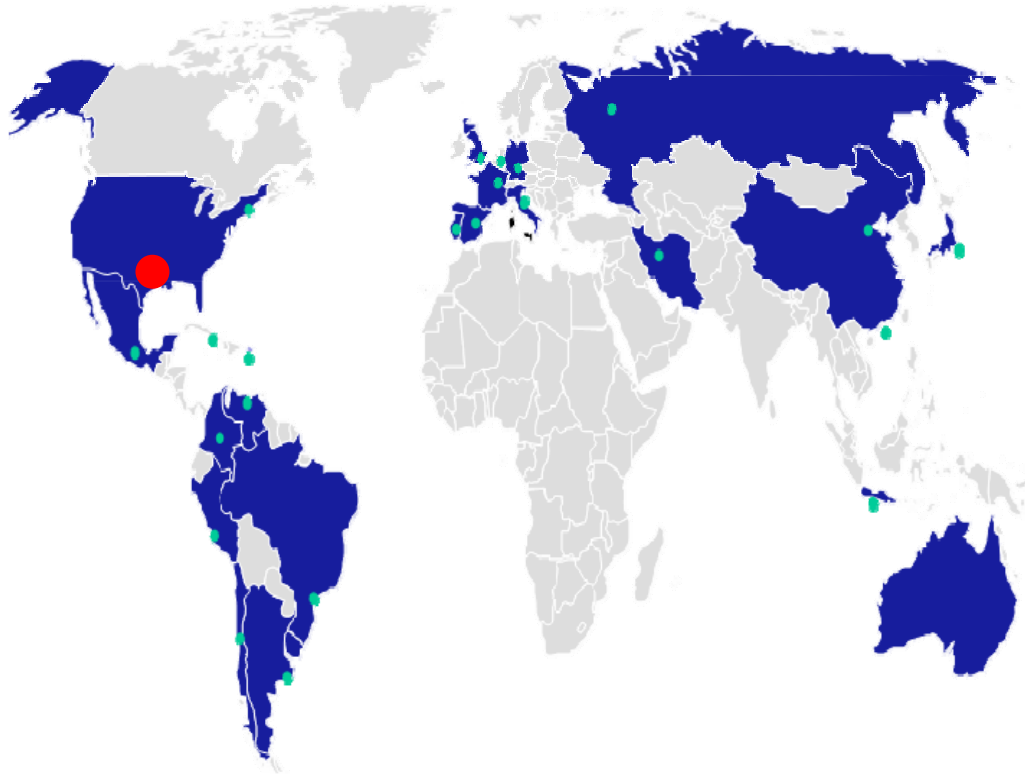
(1) Sunbelt refers to BBVA USA footprint and includes Banks with legal address in TX, AL, AZ, CO, FL, NM & CA
Source: SNL



4

Compass as part of an International Group

Compass new international scope



Global Businesses

Global Markets

Corporate and Investment Banking

Asset Management

Cross-border opportunities with Mexico

Global Vision



- Strategic Overview
- BBVA's franchise in the Sunbelt
- The integration plan
- Looking ahead
- **Conclusions**



Key takeaways

- 1 BBVA has built an attractive franchise in the U.S. Sunbelt, a region that is projected to continue outperforming the U.S. market
- 2 The focus in 2008 is on the integration, which is progressing on schedule
- 3 Cost synergies are larger than expected and revenue synergies are reaffirmed and achievable
- 4 Additional opportunities exist beyond those factored into current expectations

150
years

adelante



BBVA making the difference