

2012 Corporate Responsibility

Annual Report



This is BBVA Compass' fifth Corporate Responsibility annual report, and it contains information on the organization's related performance during calendar year 2012. This report, as was the case in our 2011, 2010 and 2009 reports, includes only BBVA Compass content – which is in contrast to the 2008 report's inclusion of significant amounts of data introducing the BBVA Group (BBVA). Its focus is on issues deemed significant by our stakeholders in light of the current global economic environment. Our approach transparently displays the nature of BBVA Compass' main commitments and operations, both as a financial services institution in the United State and as a member of the BBVA Group, a premier global financial services institution.

This report has been prepared at Global Reporting Initiative G3 (GRI) Application level B and was also independently reviewed to achieve level B+. The 2012 report is available as a single electronic document to reduce paper consumption and to be aligned with the bank's commitment to the environment, however a limited print run of the report will be produced. A printed Executive Summary of this report is available upon request.

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Letter from the U.S. Country Manager and BBVA Compass President and CEO

Dear Reader,

In an uncertain world, change is the only constant. And while society demands more from financial institutions than ever before, at BBVA Compass we work hard for one thing to always stay the same: our commitment to building a better future for people — people with bills to pay, children to raise, businesses to run and dreams to realize.

The years following the apex of the financial crisis have forced many financial institutions to reflect, reevaluate and revamp their business models and the way they interact with customers. Coupled with technological advancements that allow consumers to buy, sell and invest with a click of a button — anytime, anywhere in the world — our industry is entering a brave new world where competition is fierce and innovation is key.

At BBVA Compass, we are proud to say that we were not burdened by many of the financial hardships of the economic crisis; we didn't accept any bailout money from the government, so there were no debts to repay to the American taxpayer. Instead, we spent the last three years investing in our infrastructure, reinforcing our risk and control framework, strengthening our foundation through technological advancements, diversifying our portfolio, and reducing the amount of our nonperforming loans.

This intense internal focus has proven successful: we launched a state-of-the-art core banking platform, which allowed us to implement real-time transaction processing, and moved from 16th (2010) to third place (2012) on the American Banker's Corporate Reputation Index. And during this time we continued to increase our brand awareness in unconventional ways: as an official bank of the NBA; with the naming of the BBVA Compass Stadium — home of the Houston Dynamo; and through our support of the arts — including the outstanding Prado exhibition at The Museum of Fine Arts, Houston.

With this strong foundation in place, our primary goal remains to serve the client, which is the first of our guiding principles: "The client as the center of our business." As we look to the future, we are setting an ambitious course — to grow, by introducing products and services that will expand our reach beyond the bank's current seven-state footprint; to innovate, by transforming our existing channel structure to offer even more in the way of mobile and online banking; and to differentiate, by becoming more flexible, more transparent in our business practices, and more responsive to our customers' needs.

At the same time, we recognize that we have our own challenges to address, which include improving the customer experience, encouraging a healthy work/life balance for our employees while still maintaining high levels of productivity, and achieving organizational efficiencies. These concerns are top-of-mind for our Executive Management Team as we progress into 2013 and beyond.

Corporate responsibility continues to be at the core of our business practices — guiding every aspect of our work. From the branch associate to top executives, we believe that the client is at the heart of everything we do. And as we continue to build our brand here in the U.S., we are dedicated to our promise of building a better future for people.

Thank you for taking the time to learn more about BBVA Compass — our organization, our people and our principles. We appreciate your interest and look forward to introducing you to our responsible banking practices and our simple, straightforward way of doing business.

Manolo Sánchez
U.S. Country Manager and BBVA Compass President and CEO



BBVA Compass Profile

BBVA Compass Profile

Compass Bank, operating under the brand name BBVA Compass, is a leading U.S. banking franchise with operations throughout the Sunbelt Region and ranks among the 20 largest U.S. commercial banks based on deposit market share. BBVA Compass ranks as the second largest bank in Alabama, fourth largest bank in Texas, and fifth largest bank in Arizona. Headquartered in Birmingham, Alabama, it operates 708 branches throughout Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas and employs 11,228 people.

Through four major business units — Retail Banking, Commercial Banking, Corporate Investment Banking and Wealth Management — BBVA Compass and its affiliates offer customers innovative, industry-leading products and services that provide financial solutions to meet their needs. Examples include mortgages, home equity lines and loans, credit and debit cards, deposit accounts, insurance products, mutual funds and brokerage services, small business loans, treasury management services, leasing, accounts receivable purchasing, asset-based lending, international services, interest rate protection and investments products, investment portfolio management, traditional trust and estate services and financial counseling.

BBVA Compass is a subsidiary of BBVA Compass Bancshares, Inc., a wholly-owned subsidiary of BBVA (NYSE: BBVA) (MAD: BBVA). BBVA is a financial services group with more than \$830 billion in total assets, 53 million clients, 7,978 branches and approximately 116,000 employees in 32 countries. BBVA provides its customers around the world with a full range of financial services, including commercial and wholesale banking, retail banking services, consumer loans, mortgages, credit cards, securities brokerage, wealth management, pension plan management and insurance. The BBVA Group maintains a leadership position in Spain, Mexico, Latin America and the U.S. Sunbelt region, as well as operations in China, France, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland, Turkey and the United Kingdom.

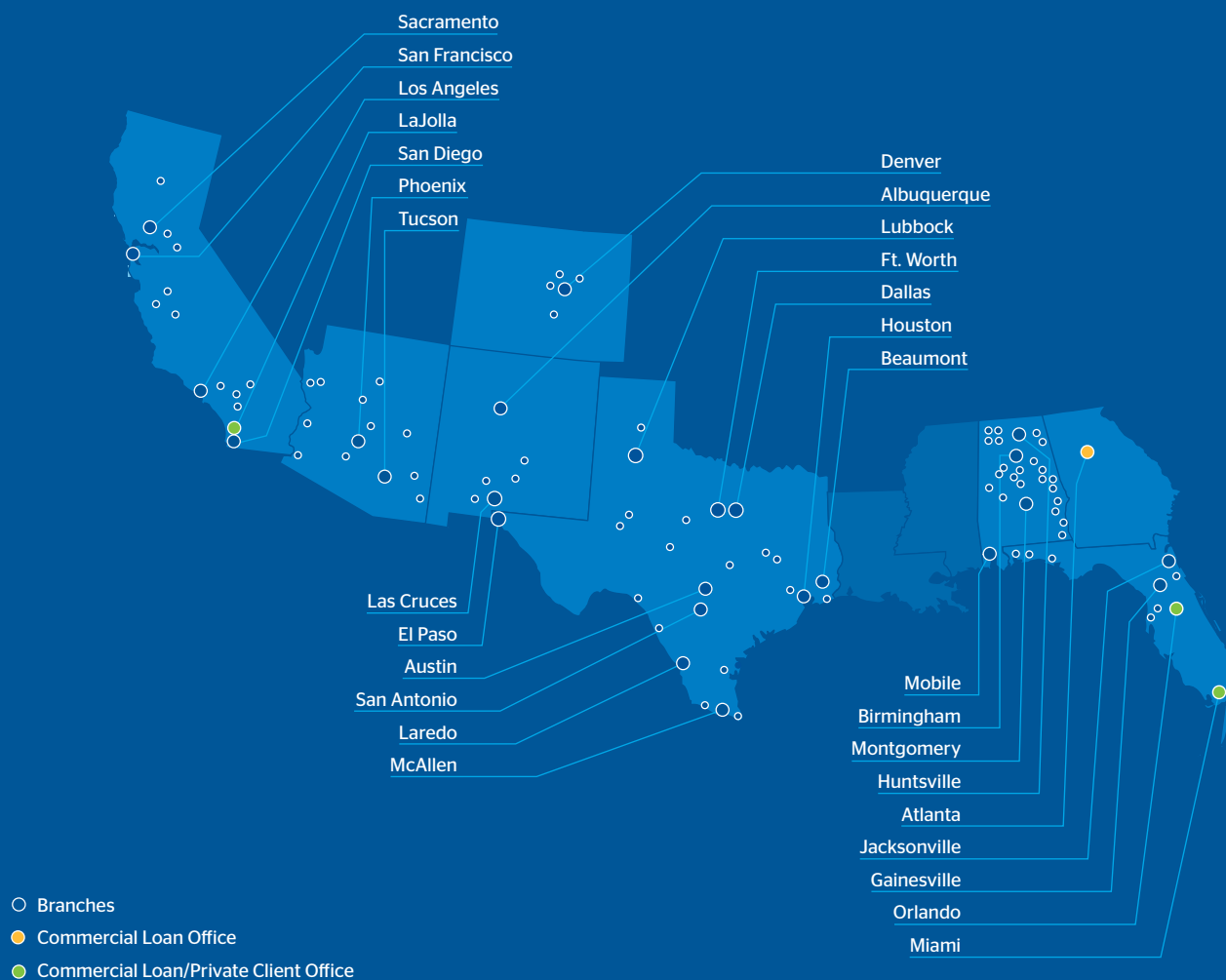
In 2012, BBVA Compass experienced very few transformative changes in its organizational structure. Chief Control Officer and BBVA Compass Management Committee member José Luis Blanco was promoted within the BBVA Group to Director of Internal Control and Validation and returned to Spain for this new assignment in early 2012. Following his departure, BBVA Compass' Office of

Control was dissolved and its Compliance department, led by Mauricio García de Luca, and Regulatory Oversight and Relations department, headed by Rita Eads-Milazzo, now report to General Counsel Shane Clanton. Additionally, Operational Risk and Internal Control, led by Mónica Quintela, now reports to Chief Risk Officer Javier Hernandez.

Amid these organizational structure changes, BBVA Compass continued to garner industry-wide recognition for its business model, executive leadership and commitment to community service.

BBVA Compass climbed two spots from fifth to third place in *American Banker's* 2012 report on the reputation of the 30 leading banks in the U.S. In the three years that *American Banker* has conducted the survey, BBVA Compass' ranking has risen from 16th to fifth and finally to third place, reflecting the bank's commitment to become a standard-bearer for outstanding corporate reputation. The Reputation Institute tool used by both BBVA Compass and *American Banker* in their annual rankings measures corporate citizenship, workplace environment, products and services, innovation, governance, leadership and financial performance. BBVA Compass ranked in the top five of three of the categories — performance, innovation and workplace.

The Financial Services Roundtable (FSR) — an advocacy group representing 100 of the largest integrated financial services companies, including BBVA Compass, that provide banking insurance and investment products and services to the U.S. consumer — recognized us for our 2011 community service. We were one of 21 businesses given this honor, which recognizes member companies for their commitment to community service and volunteerism. Member companies were judged on various criteria, including the depth and breadth of employee involvement, commitment at the executive level, and their efforts to improve financial literacy and serve people in need. This was the third consecutive year BBVA Compass was recognized by the group for its community involvement efforts. In addition, U.S. Country Manager and BBVA Compass President and CEO Manolo Sánchez served as chairperson of FSR's Community Service Initiative during 2012.



BBVA Compass Data	
Revenues	\$3,048,554,000
Operating costs	\$1,236,320,000
Employee wages and benefits	\$972,128,000
Payments to providers of capital	\$66,552,000
Payments to government	\$303,666,000
Total workforce	11,228
Number of branches	708
Number of suppliers	3,666
Community investments	\$5,029,440
Employee donations	\$1,473,232
Employee volunteer hours	68,739

The data in the adjoining table is intended to be an at-a-glance snapshot of the BBVA Compass organization's activity during calendar year 2012.

Branches by State		
	Employees	Branches
Alabama	4,114	93
Arizona	877	79
California	485	65
Colorado	349	38
Florida	447	45
New Mexico	132	21
Texas	4,783	367
Other*	41	—

Other includes employees located in states where BBVA Compass does not have a retail branch network.

A tall, modern skyscraper with a grid-like facade of windows, many of which are illuminated from within, creating a warm glow against the dark blue night sky. The building's name, "BBVA Compass", is displayed in white at the top. In the foreground, there are streetlights and a modern structure with a blue roof. The bottom of the image is partially obscured by a blue overlay containing text.

BBVA Compass

Corporate Responsibility Principles and Policy

The vision statement for the BBVA Group and BBVA Compass is one in the same: We work for a better future for people. BBVA Compass' goal is to deliver outstanding corporate responsibility programs and, through its actions, establish the bank as an industry leader with an unmatched reputation among its stakeholders in the communities where we have a presence.

Corporate Responsibility and Reputation

During 2012, BBVA Compass continued to pursue its three-year strategic plan for corporate responsibility, which is intended to build and maintain a best-in-class reputation among financial institutions in the U.S. At the core of the strategic plan, which is in its final year, is the commitment to corporate responsibility as an intrinsic part of the enterprise, instilled in employees at all levels, in our corporate goals and philosophy, and in the products and services we offer. The primary commitments of the BBVA Compass corporate responsibility policy are to:

- Uphold excellence at all times in our core business operations.
- Minimize the negative impacts caused by our business activity.
- Create "social business opportunities" to generate both social and economic value for BBVA Compass.
- Invest in the communities where we operate by supporting the work of nonprofit and other organizations – especially those involving education and community development.

Managing and Governing Corporate Responsibility

Corporate responsibility policy at BBVA Compass is approved by the Management Committee, and the Corporate Responsibility and Reputation (CRR) department is responsible for managing and coordinating that policy. In 2012, the CRR department maintained its role in managing corporate responsibility through the following offices:

- Office of Community Giving
- Office of Employee Involvement
- Office of Financial Education
- Office of Environment and Natural Resources
- Office of Diversity and Inclusion
- Office of Responsible Practices

This framework was instrumental in the transformation outlined in our strategic plan, which included the restructuring of our organization's foundation, volunteer program, employee charitable giving program, and more – work that began in 2010 and continued through 2012.

CRR continues to make quarterly presentations to the Management Committee on the transformation of CRR policies and programs and launched BBVA Compass' formal Corporate Responsibility and Reputation Committee in January 2012.

The CRR Committee is charged with directing CRR policy at BBVA Compass and with driving the integration of CRR criteria, activities and policies throughout the company's business and support areas. It is composed of BBVA Compass Management Committee members, and is chaired by the U.S. Country Manager and BBVA Compass President and CEO. As Chairman of the CRR Committee and as a member of the BBVA Compass Board of Directors, the U.S. Country Manager and BBVA Compass President and CEO provides updates to the BBVA Compass Board of Directors on CRR policy and programs on an as-needed basis.

Additionally, in May 2012 the BBVA Compass Foundation hosted its annual board of trustees meeting, which included the appointment of three new trustees and the reappointment of Foundation officers from the previous year. BBVA Compass' CRR Director, who also serves as the Foundation Executive Director, reviewed the Foundation's charitable grant guidelines, reported on 2011 and to-date 2012 giving, and highlighted the committee makeup for local giving. Additionally, the committee reviewed the Foundation's financial report and two proposed large grant requests that required board of trustees approval.

Compliance System and Procedures

The BBVA Group's Compliance System continues to be the framework under which BBVA Compass operates, and it provides the institutional oversight at the global and local level. BBVA Compass thus conducts all operations and businesses in accordance with strict codes of ethical conduct embodied in the BBVA Group Code of Conduct. The Compliance team at BBVA Compass manages compliance risks that affect the following issues, among others:

- Conduct in the markets
- Treatment of conflicts of interest
- Prevention of money laundering and of financing terrorist activities
- Protection of personal data

Key Impacts, Risks and Opportunities

The BBVA Group releases an annual financial report that addresses the key impacts, risks and opportunities for each of its business areas and for its corporate activities (which are defined as any activities not included within the business areas). In addition, many of the BBVA Group's individual country units likewise choose to release their own annual financial reports which also address any key impacts, risks and opportunities affecting that country unit. Because BBVA Compass does not produce an individual annual financial report, the key impacts, risks and opportunities affecting BBVA Compass may be found in the BBVA Group's integrated annual report by visiting the following website: <http://shareholdersandinvestors.bbva.com/TLBB/micros/informes2012/en/ManagementReport/UnitedStates.html>.

Corporate Governance

BBVA Compass is governed by a board of directors that consists of both executive and non-executive ("Outside, Independent") directors.

BBVA Compass Board of Directors

Lawrence Uhlick (Chairman)

Manolo Sánchez

Eduardo Aguirre, Jr.*

Shelaghmichael Brown

José María García Meyer

Charles E. McMahan*

Glen Roney

Raúl Santoro*

J. Terry Strange*

Guillermo F. Treviño*

Max Yzaguirre*

* Outside, Independent Directors

Six of BBVA Compass' 11 directors are "Outside, Independent directors." At BBVA Compass, an outside director is defined as a director who is not, and within the preceding fiscal year has not been, an officer or employee of BBVA Compass or any affiliate of BBVA Compass. It is not possible to anticipate all circumstances that might signal whether an outside director should be deemed "independent of management." When assessing an outside director's relationship with the bank, the board considers the issue not merely from the standpoint of the director himself or herself, but also from the standpoint of persons or organizations with which the director has an affiliation. These relationships may include, but are not limited to, commercial, banking, consulting, charitable, and family relationships.

The qualifications and expertise of the directors of BBVA Compass are important to ensuring fulfillment of its goals. Selection of directors is determined in accordance with BBVA Group guidelines, BBVA Compass' bylaws, and laws and regulations governing Alabama state-chartered banks and Federal Reserve System member banks. In addition, the charter for the board's Audit & Compliance Committee provides that the committee must consist of three or more members of the board, each of whom is determined by the board to be an outside director who is "independent of management" of the bank under 12 CFR Part 363. All members of the committee must have banking or related financial management expertise at the time of their appointment.

Each year, performance goals are established for BBVA Compass that consist of both financial measures (e.g., net income, operating profit, etc.) and other business indicators (e.g., efficiency ratio). In addition, personal or divisional performance goals are set for executives and senior managers. Incentive compensation for an individual executive or senior manager is determined both by the performance of BBVA Compass as it relates to the financial and business goals and the performance of the individual executive or senior manager, or the performance of the division in which he or she works, as it relates to personal or divisional goals. Members of the BBVA Compass board of directors do not participate in any incentive compensation program. Currently there is no linkage between compensation of BBVA Compass' highest governance body, senior managers, and executives (including departure arrangements) and the organization's social and environmental performance.

The BBVA Compass Code of Conduct and related governance materials discussed in the Code of Conduct section of this chapter address issues related to ethical conduct and operating guidelines designed to ensure the avoidance of conflicts of interest. In addition, the BBVA Group Policy on Conduct in the Securities Markets and the Capital Markets Code of Conduct for BBVA in the U.S. establish a series of guidelines aimed at ensuring that the actions carried out by professionals of the BBVA Group promote fair dealing and correct price formation and, at all times, place stakeholders' interests first. These rules are set principally for employees of the BBVA Group's companies engaged in the securities markets, but portions of them also apply to members of the boards of directors of U.S. subsidiaries of the BBVA Group, including BBVA Compass. Board members are advised to discuss all potential conflicts of interest with the bank's General Counsel.

Code of Conduct

The BBVA Compass Code of Conduct defines the fundamentals of ethical conduct and the operating guidelines for preserving one of the principal sources of value creation for the organization: corporate and personal integrity. The Code of Conduct is applicable to all entities and employees. It publicly reflects the sum of pledges made by BBVA Compass to our direct stakeholders groups and to the communities in which we operate. As a condition of employment, all active BBVA Compass employees are required annually to acknowledge that they have read and understand the Code of Conduct.

In addition to the Code of Conduct for BBVA Compass employees, we have other important policies in place for managing commitments in various operating areas with regard to ethical conduct and controls (as follows):

- BBVA Group Code of Conduct
- Capital Markets Code of Conduct for BBVA in the U.S.
- BBVA Group Policy on Conduct in the Securities Markets
- Audit & Compliance Committee Charter
- BBVA Compass Audit Committee Independence Policy
- BBVA Compass Board Policy
- Principles applicable to parties involved in the BBVA Compass procurement process

National Memberships

During 2012, BBVA Compass maintained memberships in the following national industry and advocacy organizations:

- Financial Services Roundtable (FSR): www.fsround.org
- American Bankers Association (ABA): www.aba.com
- Consumer Bankers Association (CBA): www.cbanet.org
- Mortgage Bankers Association (MBA): www.mortgagebankers.org
- National Association of Government Guaranteed Lenders (NAGGL): www.naggl.org
- Bank Administration Institute (BAI): www.bai.org



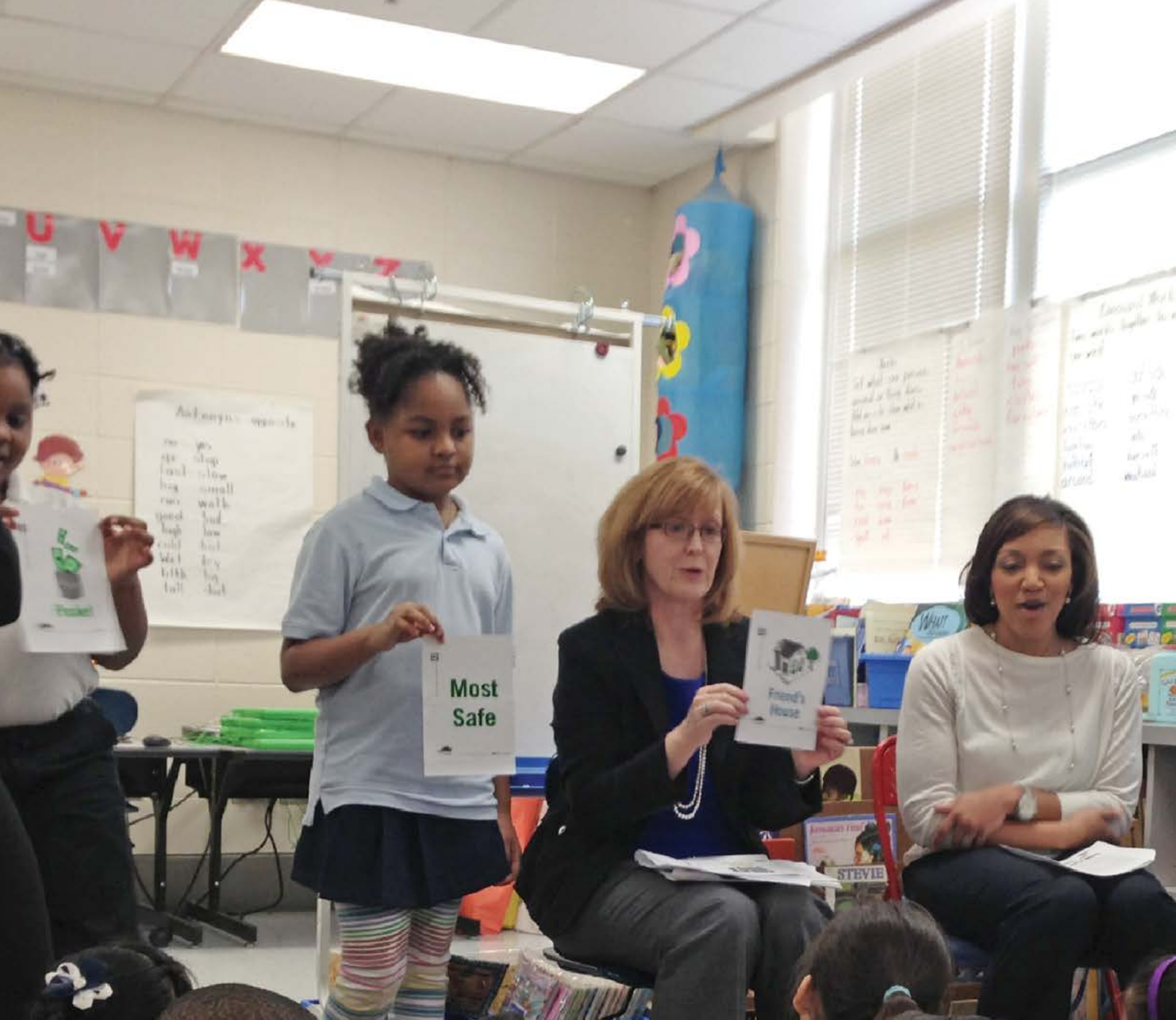
International Agreements

Although BBVA Compass itself is not a signatory on any of the following international initiatives and protocols, we monitor the BBVA Group's commitment and participation:

- United Nations Global Compact: www.globalcompact.org
- United Nations Millennium Development Goals (MDG): www.un.org/
- Millennium goals
- United Nations Environmental Program: www.unepfi.org
- Equator Principles: www.equator-principles.com
- United Nations Principles for Responsible Investment: www.unpri.org

In 2010, the BBVA Group signed the United Nations declaration of principles for the empowerment of women, "Equality is Good Business," developed by the Global Compact and the United Nations Development Fund for Women (UNIFEM) and pursues the third MDG "Promote gender equality and empower women." Additionally, the BBVA Group in 2011 became an inaugural participant of United Nations Global Compact LEAD — a platform for corporate sustainability leadership where organizations are committed to leading new efforts to raise sustainability issues.

In addition, the BBVA Group respects the United Nations' Universal Declaration of Human Rights (www.un.org), the basic employment legislation of the International Labour Organization (www.ilo.org) and the OECD Guidelines for Multinational Enterprises (www.oecd.org).



Financial Inclusion

At BBVA Compass, we strive to be a financially inclusive organization in the model of the global BBVA Group. As such, financial inclusion is a pillar of our corporate responsibility and community reinvestment programs. We facilitate access to and our employees teach financial education in our communities. Our organization's Community Reinvestment team works hard to promote accessibility to responsible products and services – as well as fair lending practices – to traditionally underserved populations.

Financial Education

FDIC Partnership: Money Smart

In 2012, BBVA Compass continued its partnership with the Federal Deposit Insurance Corporation (FDIC) to utilize its financial education program for adults called Money Smart. This program is designed to help individuals – even those with no prior banking experience – build financial knowledge, develop financial confidence, use banking services effectively, and create positive banking relationships. This partnership with FDIC allows BBVA Compass employees and our nonprofit community partners to teach the Money Smart curriculum to adults – helping to ensure that the people in our communities are educated and exposed to how they can effectively manage their finances. Over the course of 2012, BBVA Compass employees and our nonprofit community partners together impacted more than 5,487 adults with these Money Smart presentations.

BBVA Compass also requires that all applicants of its First Time Home Buyer Mortgage product complete Money Smart's "Own Your Own Home" (Module 10) online course. In 2012, 828 homebuyers completed this online course and closed on their first homes – totaling \$160.5 million in loan production for BBVA Compass (an increase of 49 percent over 2011).

Every year, partnerships are created with nonprofit organizations to deliver financial education presentations on the bank's behalf. These nonprofit partners also received charitable grants from the BBVA Compass Foundation, as well as printed Money Smart materials to use when delivering their financial literacy seminars. Some of our partners include the Women's Resource of Greater Houston, FrameWorks CDC in Austin, Texas, Neighborhood Housing Services of Phoenix and other community development organizations.

American Bankers Association Education Foundation (ABAEF) Partnership

For the fourth consecutive year, BBVA Compass partnered with the American Bankers Association Education Foundation (ABAEF), allowing our employees to connect with K-12 students and young adults and help them develop a stronger

understanding of the importance of savings and how to use credit responsibly. BBVA Compass employees had the opportunity to volunteer for "Teach Children to Save" and "Get Smart About Credit" events in April and October.

During our "Teach Children to Save" event, 5,227 elementary school students learned from our 76 employee volunteers how to count money, make a deposit, save and earn interest on the money they deposited. In October, 45 employees across our footprint* reached 960 high school and college students through our "Get Smart About Credit" event. This program is designed to teach high school students how to use credit wisely.

* "Footprint," a term found throughout this report, refers to BBVA Compass' market presence across the seven states of Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas.

Financial Education Program	2012 Beneficiaries
Money Smart	5,487
Teach Children to Save	5,227
Get Smart About Credit	960

Junior Achievement Partnership

In 2012, BBVA Compass partnered with 16 Junior Achievement affiliates throughout the U.S. footprint. Junior Achievement Worldwide is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. Its programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace.

The overall charitable contribution for 2012 to support Junior Achievement affiliates was \$132,800. This partnership allows our employees to volunteer and provide financial education to students of all ages. BBVA Compass plans to continue to expand on its partnership with Junior Achievement so that students can put these financial education life-lessons into action and learn the value of contributing to their communities.

Business of Sports

BBVA Compass introduced a new component to its financial education initiative in 2012 with its Business of Sports program. Nearly 200 Houston high school students benefited from this program, which was presented in conjunction with Major League Soccer's Houston Dynamo, Dynamo Charities and Junior Achievement of Southeast Texas. The first part of the program was a financial literacy course presented by bank volunteers that featured Junior Achievement's personal finance program and also incorporated elements of the ABAEF's Get Smart About Credit curriculum.



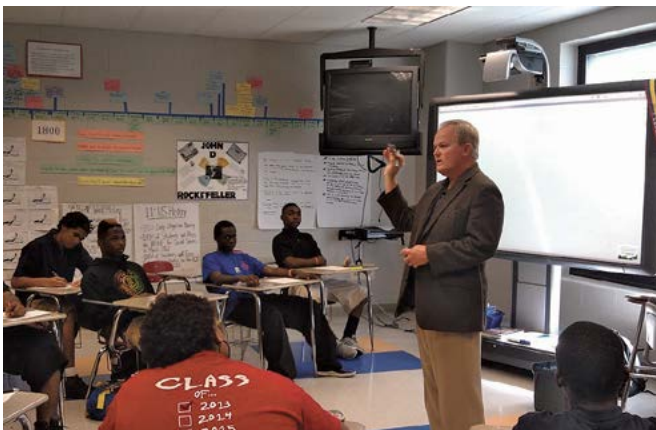
Then in October, students received a back-stage pass to pursuing careers in the sports management and financial services industries — learning about everything from selling game-day tickets to managing professional athletes' money. They heard from BBVA Compass and Houston Dynamo executives who specialize in sports marketing, managing a professional sports team and financing arenas such as BBVA Compass Stadium. After a day of learning about the business side of sports, the students got the chance to enjoy a Houston Dynamo match at BBVA Compass Stadium.

Community Reinvestment



BBVA Compass is committed to the communities it serves — including traditionally underserved individuals and those who live and work in low- and moderate-income neighborhoods. We believe in extending credit to, investing in, and actively providing accessible financial products and services to these populations.

BBVA Compass abides by the tenets of the U.S. Community Reinvestment Act (CRA) of 1977, which encourages depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations.



As such, BBVA Compass is subject to periodic CRA examinations by its prudential regulator the Federal Reserve Bank of Atlanta (Fed). The Fed evaluates our record of helping meet the credit needs of our communities, especially our low-to-moderate income communities and individuals. Our most recent CRA exam is dated February 1, 2011. BBVA Compass received an overall "Satisfactory" CRA rating with the following test ratings: Lending Test — High Satisfactory, Investment Test — Outstanding, and Service Test — Low Satisfactory. Our performance on these examinations influence our organization's future growth, as it determines whether applications for future deposit facilities — including mergers and acquisitions — will be approved. Therefore, our organization's accordance with CRA requirements has a direct impact on BBVA Compass' ability to enter, operate in, and exit the communities we serve.

CRA Lending and Investments

During 2012, grant relationships were established or expanded with Community Development Financial Institutions (CDFIs) to enhance opportunities for access to capital in low- to moderate-income communities within the BBVA Compass footprint.

As of December 31, 2012, BBVA Compass had accounted for \$266,902,151 in CRA-qualified investments in its portfolio (which includes \$71 million in Low-income Housing Tax Credits). The majority of the qualified investments were categorized as affordable housing initiatives, which include Low-Income Housing Tax Credit investments. The remainder were categorized as small business initiatives, community development projects or investments that otherwise help meet the needs of low- or moderate-income people and/or low- or moderate-income communities.

During 2012, BBVA Compass had a positive impact in numerous communities throughout our footprint by originating 41 Community Development Loans that totaled \$328,517,000. In addition, BBVA Compass originated 21,007 CRA-qualified Small Business Loans totaling \$1,028,522,000. BBVA Compass also made 2,548 mortgage loans to low- to moderate-income borrowers for a total \$288,509,000, and 1,502 mortgage loans in low- to moderate-income geographies for a total of \$236,069,000 – continuing our commitment to compliance both with CRA and with the Home Mortgage Disclosure Act (HMDA).

2012 BBVA Compass CRA Loans		
	Number of Loans	Total Loan Amount
Community Development Loans	41	\$328,517,000
CRA-qualified Small Business Loans	21,007	\$1,028,522,000
Loans to LMI Borrowers	2,548	\$288,509,000
Loans made in LMI Geographies	1,502	\$236,069,000

BBVA Compass continues its long-standing participation in the U.S. Small Business Administration's (SBA) capital access programs, and is committed to assisting small businesses through the SBA's various loan initiatives, including 7(a), SBA Express, and the 504 real estate program. In 2012, the SBA recognized the bank as the sixth most active lender in its 7(a) loan program, providing more than \$252 million in SBA loans to America's small business owners. BBVA Compass was also recognized by numerous SBA districts throughout the year for its loan volume and lending activity.

Access Points in Low-populated or Economically Disadvantaged Areas

BBVA Compass' systems for delivering retail banking services are accessible to essentially all segments of the bank's CRA assessment areas and meet the convenience needs of residents and businesses. As of December 31, 2012, 29 percent of BBVA Compass retail branches were located in low- to moderate-income areas, and 30 percent of BBVA Compass' ATMs were located in low- to moderate-income areas.

Initiatives to Improve Access to Financial Services for the Disadvantaged

BBVA Compass makes use of flexible lending practices in servicing the credit needs of its markets and offers affordable housing loan programs. The bank regularly explores ways to ensure creditworthy borrowers are able to obtain loans either through flexibility in underwriting or specific programs. The following items represent some of the current programs offered by the bank:

Individual Development Accounts (IDAs): BBVA Compass participates with nonprofit organizations in two of its markets (United Way of Central Alabama – Birmingham, Ala., and the YWCA – Dallas) to offer IDA accounts to qualified individuals. An IDA is an Individual Development Account – matched-fund savings account individuals can use to purchase a first home, fund post-secondary education, or start a small business.

Matrícula Card Acceptance: To facilitate financial inclusion, BBVA Compass accepts the Mexican Matrícula Consular Card as a primary form of ID, in conjunction with the ITIN (Individual Tax Identification Number), to open checking accounts. This policy helps many Mexican nationals participate in the U.S. financial system. Without it, many Mexican nationals would not open bank accounts and instead would pay large sums to check cashing outlets, thereby making themselves theft targets by carrying large amounts of cash.

BBVA Compass Optimizer CardSM: The Optimizer Credit Card is a secured credit card, which means a customer's credit line is secured by a collateral savings account. Designed for people who need to build or improve their credit history, this card gives BBVA Compass customers the financial flexibility and convenience they need for today's world. Features of the card include:

- Looks and works like a regular credit card;
- Credit line is secured by an interest-bearing collateral savings account;
- Credit line can be increased anytime with deposits to savings account;
- Accepted at more than 28 million locations worldwide that accept Visa.[®]

Bank On Program: Bank On programs are voluntary, public/private partnerships between local or state government, financial institutions, and community based organizations that provide low-income, unbanked, and under-banked people with free or low-cost starter or “second chance” bank accounts and access to financial education. BBVA Compass participates in four Bank On programs — Bank On Central Florida, Bank On Dallas, Bank On Houston and Bank On Alabama (which is currently in the planning stage). As a participating financial institution, BBVA Compass has agreed to the following:

- Offer a no- or low-cost checking account with no minimum balance requirements
- Accept the Matrícula Card as one form of identification
- Offer at least one additional incentive. Examples include: offer an ATM or debit card, accounts for people who have had problems in the past such as bounced checks or overdraft fees, remittances, waiver of overdraft fees, free checks or free online banking

Fair & Responsible Banking Policy Statement

It is the policy of BBVA Compass to fully comply with all fair lending laws and associated regulations. The bank is committed to providing all applicants with equal treatment, without regard to race, color, religion, national origin, gender, marital status, age, familial status, disability, the fact that all or part of the applicant's income is derived from a public assistance program, or the fact that the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

The bank is committed to extending credit in accordance with fair lending laws and addressing the credit needs of communities that it serves, including low- and moderate-income areas, within the context of safe and sound banking practices.

It is the policy of the bank to manage risks associated with the potential of unfair, deceptive or abusive acts or practices in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service. In order to identify potential Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) concerns and mitigate risk, the bank will periodically conduct a review of all relevant policies, procedures and training materials to ensure that the bank's internal controls and employee training programs are appropriate, adequate and current in order to prevent unfair, deceptive or abusive acts or practices.

The success of the bank's Fair and Responsible Banking Program is the responsibility of the entire organization. The bank's fair and responsible banking practices apply to all facets of its operations, including marketing, loan origination, processing, underwriting, servicing, and collection activities. The bank's commitment to fair and responsible banking principles is demonstrated in its structure and organization, employee accountability, monitoring and auditing programs, training and technology.

Fair and equal treatment in regards to lending, as well as fair, clear, and responsible banking practices is not only mandated by law, but is a safe and sound business practice that complements the corporate strategy of the bank in the production of quality assets and in providing excellence in customer service.





Responsible Finance

BBVA Compass maintains and follows stringent compliance policies, and as a member of the BBVA Group, has access to the Group's risk management practices and adopts risk management as one of its main pillars. Following is information on our Bank Secrecy Act (BSA) compliance and training, our Anti-money Laundering protocols and procedures, as well as a description of our presence in an offshore financial center.

Risk Management at BBVA Compass

Risk and risk management are inherent aspects of the banking industry. Identifying, measuring and managing risk in a proactive and forward-looking manner are critical to the effectiveness of BBVA Compass' Risk Management program.

Risk Management at BBVA Compass deals with risks and opportunities affecting value creation or preservation, defined as:

The process implemented by the board of directors, management and other personnel across the enterprise that is designed to identify potential events that may impact the entity, manage identified risks within established risk appetites and tolerances, and provide reasonable assurance regarding the achievement of entity objectives – both strategic and tactical. The company governs this process through the Enterprise Risk Management Program framework.

Utilizing BBVA Group standards as well as U.S. Financial Industry standards, the bank has formalized its Enterprise Risk Management Program with the following ongoing objectives:

- Optimize and manage risk across the enterprise tied to strategic initiatives and business plans.
- Define the risk appetite of the bank and establish financial and non-financial risk tolerances and limits to protect the safety and soundness, compliance, and reputation of the bank.
- Proactively measure and manage each defined risk.
- Ensure that proper risk management of the defined risks is integrated with the strategic direction of the bank.
- Ensure that organizational goals are clearly defined and aligned.
- Establish policies, programs and processes to identify, measure, monitor and control risks.
- Integrate and link the Internal Capital Adequacy Assessment Process with the Strategic Planning Process, comprehensive risk assessments and thoughtful stress test scenarios.
- Establish comprehensive and targeted Management Information and Reporting concerning the key risk indicators targeting all risks, approved exposure limits and tolerances, and risk appetite.
- Promote strong risk governance and oversight through focused organizational alignment of management and board committees.
- Ensure that established processes are operating as designed through the use of audit controls and internal examinations.
- Promote an effective risk management and control culture.



By effectively managing risk, BBVA Compass can meet the needs of customers, employees, shareholders and the communities we serve.

Bank Secrecy Act Compliance

BBVA Compass maintains comprehensive policies and procedures to comply with applicable United States laws and regulations under the Bank Secrecy Act (BSA), the USA PATRIOT Act, and laws and regulations administered by the U.S. Office of Foreign Assets Control. BBVA Compass has taken the following steps to ensure transparency and compliance: Currency Transaction Reports (CTRs): CTRs are made to the U.S. Treasury Department for cash transactions of more than \$10,000 in any business day.

Suspicious Activity Reports (SARs): SARs are reported to the Financial Crimes Enforcement Network unit of the U.S. Treasury Department. Suspicious activities include any transaction involving or aggregating \$5,000 or more in funds or other assets if the bank knows or has reason to believe that the transaction involves funds derived from illegal activities or is intended to hide illegal-source funds to evade any law, including any currency transaction reporting requirement; the transaction is designed to evade any BSA regulation; or the transaction is atypical for the customer, or has no apparent business or lawful purpose, and the bank cannot reach a reasonable explanation for the transaction after examining the available facts.

Monetary Instrument Records: The bank keeps records of certain information required by the BSA with respect to sales of any official check, money order, traveler's check or bank draft involving currency from \$3,000 to \$10,000.

Other Recordkeeping: Specific recordkeeping requirements apply to taxpayer identification numbers, deposit accounts, electronic funds transfers, extensions of credit, and transfers of funds outside the United States. These records are maintained for at least five years.

Anti-money Laundering

The Prevention of Money Laundering and the Financing of Terrorist Activities (henceforth referred to jointly as Anti-money Laundering) is a major priority at BBVA Compass and an issue critical to the company's pledge to promote and uphold the well-being of the different communities in which it operates. Accordingly, the following measures were developed to support these efforts:

Anti-money Laundering Risk Assessment: The bank's anti-money laundering program is risk-focused and based on an enterprise-wide assessment of the money laundering risks in relation to the bank's products/services, geographic locations and composition of its customers. The risk assessment periodically is re-evaluated to make adjustments based on changing circumstances.

Account Opening and Documentation Procedures: Employees are the first line of defense in the bank's efforts to identify and report suspicious activity. Those involved in opening accounts, managing accounts or in accepting and processing customer account or service transactions adhere to specified account opening procedures and monitor customers and customers' account activity for red flags indicative of money laundering and/or terrorist funding activities. They are required to report any suspicious activity to the bank's BSA department.

Information Systems: The bank's BSA and Loss Prevention departments serve as secondary lines of defense against possible use of the bank to launder money. Numerous reports generated by these online information systems are evaluated and monitored to identify money laundering "red flags" and other suspicious activities.

Anti-money Laundering Training: Employees are trained specifically to recognize and report suspicious activity. BSA compliance and anti-money laundering training are administered primarily through annual required training courses and specialized "spot" training employed throughout the year. These training programs typically are delivered and tracked by the Talent Management and Training department of BBVA Compass' Human Resources division. The Talent Management and Training department will test appropriate employees annually about BSA as part of their certification program.

Training programs are updated to address new legal, industry and policy developments. They clearly convey the seriousness of noncompliance with the subject laws and the consequences, including termination of employment, of an employee's failure to abide by the bank's BSA and anti-money laundering policies.

As of December 31, 2012, 9,432 active employees completed the BSA anti-money laundering training — representing 100 percent of the required participants (approximately 84 percent of the total BBVA Compass workforce).

Anti-money Laundering Audit: The adequacy and effectiveness of the bank's BSA and anti-money laundering policies and programs are assessed at least annually by BBVA Compass' Internal Audit department. The process includes evaluating the levels of risk associated with the types of transactions conducted by the bank; varying customer characteristics; and the multiple geographic locations in which the bank conducts business, among other relevant factors. The assessment includes transaction testing of "high risk" areas and an evaluation of the overall adequacy of the bank's processes to identify suspicious activities and the adequacy and effectiveness of related training programs.

BBVA Compass Presence in Offshore Financial Centers

Since 2004, the bank has maintained a single foreign branch license for its Cayman Islands branch in order to gain access to the Eurodollar deposit market. Eurodollar deposits are U.S. dollar-denominated deposits associated with a non-U.S. deposit facility. BBVA Compass has been able to expand and diversify its funding sources and to compete more effectively for corporate and institutional deposits as a result of maintaining the foreign branch. As a limited purpose branch, however, the bank's Cayman Island branch does not conduct business or operate any physical business facility in the Cayman Islands. Instead, receipt and payment of all of its Cayman branch deposits occur in the United States, although, legally, BBVA Compass could limit withdrawals to the Cayman Islands. All such deposit business is conducted in conformity with all applicable U.S. and Cayman Islands banking laws.



BBVA Compass
Buy, build,
... or

Responsible Banking



BBVA Compass is a different kind of financial institution — one that works hard to build long-lasting relationships with our customers, employees and communities. Our “Solutions built around you” brand promise reflects and supports our organization’s vision of working for a better future for people and our customer-centric business model — which is based on our guiding principle “the client as the center of our business.” To this end, we are using innovative techniques to develop and deliver solutions for our clients that simplify their lives. This includes providing our customers with personal service and offering them quality choices — listening to their needs and helping them find solutions that will not only benefit them today, but that will also adapt to their needs as their circumstances evolve.

Universal Banking Model

As part of our organization’s goal of becoming the best universal bank in the U.S., BBVA Compass eliminated the outdated practice of placing customers in line-of-business silos and moved to the concept of the whole bank owning the customer relationship — with each line of business having equal access to that customer.

To break down these silos, we created REACT — Regions Acquiring Customers Together — with the objective of improving teamwork across lines of business as they jointly acquire and refer new customers and, in turn, drive revenue growth. Additionally, REACT enables us to serve customers as a single bank and not as a collection of representatives from different businesses within the bank. Finally, REACT allows us to capitalize on the strength of each line of business, which improves cross-selling, strengthens our relationships, and improves relationship profitability.

Retail Banking

BBVA Compass’ Retail Bank works to deliver innovative, market leading products, services and solutions that simplify customers’ lives. Leveraging the best practices of the BBVA Group, and with the creation of Global Retail Banking, the bank is taking a step forward in its global growth and expansion strategy. Teams from all BBVA country units have organized to meet the area’s three objectives:

- To strengthen and manage the South America region, under the leadership of each country manager.
- To connect Retail teams in each country so that best practices are seamlessly shared, boosting retail businesses across the globe.
- To explore new technologies and consumer trends to build innovative global solutions.

The Retail Bank is organized around two customer-centric segments — consumer and small business. The teams within each segment are focused on developing solutions that meet the needs of specific groups of customers within them. The consumer segment is responsible for strategic plan development and execution, value proposition creation, product bundling, pricing and risk policy development, and channel distribution in support of specialized consumer segments. The small business segment is responsible for the strategic plan development and execution, value proposition creation, product bundling, pricing and risk policy development, and channel distribution in support of specialized industries.

The regulatory environment in 2012 continued to be challenging, particularly for the Retail Bank. But we continue to navigate this challenging landscape by working to find and implement products and services that customers value.

RETAIL BANKING — RESPONSIBLE PRODUCTS AND SERVICES

Everyday Heroes: The Everyday Heroes program was developed as way of thanking those who make the biggest impact in our communities — military, law enforcement, health care workers such as nurses and pharmacists, teachers and firefighters. It provides solutions that fit the financial needs of these heroes, while also offering special benefits and discounts on solutions from checking to mortgage and many things in between.

First Time Home Buyer Mortgage: BBVA Compass’ First Time Home Buyer (FTHB) Mortgage product offers a path for first-time home buyers to achieve their dream of home ownership more easily than they could have otherwise. The program centers around its three main selling points — affordability, simplicity and transparency — and online tools and resources.

- The client’s first payment is not due for three months.
- There is no origination fee or other lender fees.
- The FTHB Mortgage offers low down-payment options, requiring less cash to purchase.
- Plus, financial education tools help provide the client with a clear view of the financial impact of owning a home. Completing the FDIC Money Smart’s “Own Your Own Home” program is a prerequisite for the mortgage. The course helps potential clients determine if they are ready to purchase a home and walks them through the mortgage process.

Build My SavingsSM: BBVA Compass’ Build My Savings product helps customers meet their savings needs via an innovative and straightforward process. In addition to easy-to-use online tools, Build My Savings also includes an annual match to encourage and reward commitment to specified savings targets created by the customer. When customers stick to their savings plan, BBVA Compass will match a



percentage of their transfers up to \$250 each year per account (maximum two accounts per customer). An annual "Match Bonus" is based on the account's opening balance, transfer amount and length of plan. Customers can use an interactive savings calculator to determine how to maximize their savings and match potential.

Simplified Line of CreditSM: The Simplified Line of Credit is a revolving line of credit that gives customers quick access to available funds. As they pay down their credit line, that credit becomes available again for their use. Customers can access their account by visiting a branch, using a convenience check, requesting a balance transfer, or by requesting an advance. The minimum amount for each advance is \$1,000, and monthly payments do not vary unless the term of the LOC is changed or unless the Prime Rate changes.

ClearPoints Credit CardSM: The BBVA Compass ClearPoints Credit Card provides our customers a clear, simple, "no surprises" credit card. We like to refer to it as the card you'd "want your grandmother to have." Features of the card include:

- Pricing terms, tied to a Prime Rate index, with a margin that will not change for the life of the card
- No default pricing
- No annual fee
- No unexpected or hidden fees
- Rewards for good payment behavior
- CompassPoints rewards program

Optimizer CardSM: The Optimizer Credit Card is a secured credit card, which means a customer's credit line is secured by a collateral savings account. Designed for people who need to build or improve their credit history, this card gives BBVA Compass customers the financial flexibility and convenience they need for today's world. Features of the card include:

- Looks and works like a regular credit card
- Credit line is secured by an interest-bearing collateral savings account
- Credit line can be increased anytime with deposits to savings account
- Accepted at more than 28 million locations worldwide that accept Visa®

Visa Signature® Card: The Visa Signature Credit Card has all the features that the BBVA Compass ClearPoints Credit Card offers and includes interest rate terms you can count on and no default pricing. Additional Visa Signature benefits include: no preset spending limit; Visa Signature core enhancements and discounts; access to special events,

concierge service, and travel and dining discounts; and a 125-basis-point airline discount at the 25,000 point redemption level (\$315 value). The following Signature features are provided at no extra charge: travel accident insurance; travel and emergency assistance services; Visa Signature access (sports and entertainment); Visa Signature concierge; Visa Signature dining; Visa Signature privileges; and all the Visa benefits that come with the BBVA ClearPoints Credit Card.

Compass For Your CauseSM: Compass for Your Cause is a program that offers banking services to nonprofit organizations as well as a way for supporters to help the non-profit fundraise just by banking with BBVA Compass. In this program, the nonprofit opens a checking account with BBVA Compass and is given a program ID. Supporters of that nonprofit who open a checking account with BBVA Compass, or those who already have an account, can tie their account to the nonprofit. For each new account, the nonprofit receives a monetary gift. In addition, each time the supporter uses their check card on a signature-based transaction, a percentage is also given back to the nonprofit organization. In essence, the Compass for Your Cause program creates an annuity stream of income for the nonprofit.

Home Ownership Made Easier (HOME) CRA-95 and CRA-97 Mortgage Loans: HOME is designed to assist low-to-moderate income borrowers as well as borrowers seeking to purchase or refinance primary residences located in low-to-moderate income census tracts. The advantages of HOME are reduced down payments, no private mortgage insurance (PMI), lower credit score requirements, minimum reserve caps, and higher qualifying ratios.

USDA Rural Housing Loans: This product is designed to provide adequate housing for low-to-moderate borrowers in rural areas. The borrower must be without adequate housing within their commuting distance. There is no down payment or reserve requirement.

Home Affordable Refinance Program (HARP) Loans: This product provides access to low-cost refinancing for responsible homeowners suffering from falling home prices – targeting borrowers who are able to make their payments but have been unable to refinance due to declining property values. The expectation is that refinancing their mortgage will put responsible borrowers in a better position by reducing their monthly principal and interest payments or moving them from a more risky loan structure (such as interest-only or short-term adjustable rate mortgage) to a more stable product.

HomePath Mortgage Loans: HomePath Mortgage is used to facilitate the purchase transaction of Fannie Mae Real Estate Owned (REO) property located only on the HomePath.com website. The contract sales price is considered the appraised value. No appraisal or mortgage insurance is required. Eligible properties include primary residences, second homes and investment properties.

SafeSpend Card: The BBVA Compass SafeSpend Card is an open loop, reloadable, prepaid Visa® debit card, available with a \$4 monthly maintenance fee, that offers customers a low cost, full-service alternative to checking accounts. There is no credit approval required to apply for the SafeSpend Card, and funds can be direct deposited onto the card, transferred from an existing BBVA Compass checking account, or reloaded at any Visa ReadyLink location. The SafeSpend Card provides customers with multiple free features that are very useful in money management, such as:

- Direct deposit
- Bill payment service
- Domestic ATM balance inquiry
- Online banking
- Email and text message alerts
- Electronic statements
- Unlimited PIN and signature transaction access

Car-Buying Service: BBVA Compass partnered with TrueCar, Inc., a leading provider of online car-buying programs, to launch the BBVA Compass Car-Buying Service – available to customers at www.bbvacompass.zag.com. The service allows customers to research and price new and used cars online, without revealing their contact information, in order to receive a price quote – with all price quotes offered online and up front.

MyPrivacy: BBVA Compass partnered with Reputation.com, a leader in online privacy and reputation management solutions, to provide Internet privacy solutions through the MyPrivacy product for BBVA Compass customers and employees. MyPrivacy is a patented technology solution that finds, protects, removes and monitors individuals' personal information online.

BBVA Compass Healthcare Financial Solutions: An integrated approach for the unique needs of customers in the health care industry, including doctors, dentists and veterinarians among others.

- Our financial solutions are designed for physicians, their business, and their employees.
- Our team of experienced financial professionals are dedicated to health care business.

- With a BBVA Compass business checking account, health care practices will be enrolled in the BusinessClass Preferred Plus program for one year and enjoy up to \$1,500 or more in annual savings on banking services, a dedicated customer service unit, and access to our online business resource center.
- Health care practices receive unique business lending solutions with special terms, fees and pricing.
- Our banking professionals and credit teams have specific knowledge and experience providing credit solutions for a wide variety of needs including:
 - Commercial real estate (Office)
 - Medical practice/hospital buy-ins
 - Medical equipment purchases
 - Practice loans
 - Lines of credit
 - Professional Rewards Visa credit card

Commercial Banking

Commercial Banking at BBVA Compass had another excellent year in 2012. Despite challenging market conditions that impeded competing banks' commercial divisions, the Commercial Banking line of business continued its strong growth.

The key developments in 2012 were in overall production, the development of new industry specialization segments, and a continued focus on making the client the center of everything we do.

NEW INDUSTRY SPECIALIZATIONS

Franchise Food Segment

An experienced leader in the Franchise Foods segment was hired to lead the development of this highly desirable industry. The group will focus its efforts on the credit, treasury management and capital markets needs of franchise restaurant owners throughout the U.S. Support staff and sales teams are being developed for this attractive segment, and full production is expected to begin in 2013.

Dealer Financial Services

Beginning in 2012, the Dealer Commercial Services group developed a sales team staffed with industry specialists. These specialists work side by side with the local Commercial Banking Relationship Managers to provide commercial lending, deposits and other bank products and services to automotive dealerships. It also adopted a new name to match its global team, which operates as Consumer Finance

worldwide. This new group combines the efforts of auto dealer products and services under one umbrella, allowing Consumer Finance to operate more efficiently, share best practices and grow the business across the bank's global footprint.

BBVA Compass Equipment Finance

BBVA Compass initiated the development of its national equipment finance/leasing business in the fourth quarter of 2012. The business remains in the formative stages and is expected to begin production activity by the end of the third quarter 2013. An experienced management team joined the bank in the fourth quarter of 2012 to direct the leasing business and has established the following business strategy for BBVA Compass Equipment Finance:

Target markets/industries:

- Focus primarily on companies with revenues in excess of \$100 million
- Client credit profile primarily ranging from B+ to investment grade
- Expected mid- to large-ticket lease transactions, primarily in excess of \$1 million
- This target market would primarily serve BBVA Compass' Large Middle Market (LMM) and Corporate and Investment Banking client segments
- Leasing capabilities will also significantly enhance/support planned entry and expansion of specialized industry capabilities, such as transportation, agribusiness, health care and government and institutional.
- Transactional product may provide opportunities to penetrate key prospects, particularly in the LMM segment

Customer Centricity

In the last few years, electronic banking fraud has become an international problem. Criminals use malware, fraudulent websites or keylogging to obtain usernames, passwords and other sensitive login information, then login to the online banking application. Conventional solutions to prevent this — including firewalls and antivirus software — are important, but a company needs more to safeguard its money against financial crimes online banking customers.

Since 2011, BBVA Compass has offered free security software that adds an effective, additional layer of security on top of conventional solutions. This revolutionary technology helps protect usernames, passwords and other sensitive data from malware attacks and fraudulent websites attempting to steal this information. With this technology, new security threats are immediately blocked while maintaining secure communication channels and also protecting a company's online transactions, such as initiating fraudulent outgoing wire transfers or ACH transactions.

Over the last year, as more companies and consumers experienced losses as a result of electronic fraud, the decision was made to mandate the use of this security software for Commercial Banking customers utilizing Compass e-Access. Through the use of this mandated security software, customer computers are continuously scanned and potential financial malware threats are identified. While no security can guarantee protection against all risks, this software adds a very important security layer that better protects our customers' sensitive information and promptly reacts to threats aimed at our Commercial Banking customers and the bank as a whole.



Wealth Management

Wealth Management expanded both its wealth and international wealth management services and its geographic coverage to Miami in 2012. The new office is dedicated to servicing both our domestic and international clients with 16 employees and the full offering of wealth products and services. The office opening was celebrated with an event featuring an NBA legend and more than 200 of Miami's political, economic and social leaders and clients in attendance.

Wealth Management also teamed up with the Commercial and Retail lines of business to help educate clients on the political and economic situations of 2012 with three economic forum events in Dallas, Houston and Birmingham. These events were an exclusive opportunity for our clients and prospects to hear insights from Erskine Bowles on the Federal deficit, the economy, and the Presidential election.

For the Birmingham event, we partnered with the University of Alabama at Birmingham School of Business to bring the event to students and faculty. Student volunteers helped with the event, listened to the presentations and were given the opportunity to meet Mr. Bowles after his keynote address.

The introduction of each event gave attendees information on investing strategies for the economic challenges experienced during 2012. Private banking and investment staff were on hand to answer client questions about their particular challenges both during and after the event.

In addition to the economic forum events, we sent six adult children and grandchildren of our top Wealth clients to the "Second Generation" financial education program offered through the Wharton School of Business and held this past October in Madrid. We anticipate participating in this program again in 2013.



Also in 2013, Wealth Management plans to continue its path to provide our clients the services and options they need to manage and grow their financial position. This plan includes additional hiring of financial advisors to further cover the markets in which we service wealth clients. It also includes continued expansion of products and services that allow our clients to realize the full potential of their well-managed portfolios.

Two important products currently under development include the “Ultra” credit card targeting the high net worth segment, as well as a cash management account that allows clients to sweep money on a daily basis into their brokerage and money market accounts. Both of these products are set to launch in 2013.

In the International Wealth Management area, a new remote client application is being developed that will allow bankers and clients to access sensitive data via a secure site, eliminating the need to carry paper documents and/or transport sensitive data by laptops. It is anticipated that the application will significantly expedite the on-boarding process and provide a major positive impact on the way the bank does business with international clients.

Additionally, Wealth Management will expand its geographic coverage in 2013, extending the resources and services provided by our private bankers to additional markets. Within our new and existing locations, Wealth Management will expand its educational events by bringing resourceful speakers and resources to our clients where they live and work. These events will also be combined with partner organizations and nonprofits to further our community contributions and presence in the cities in which we operate.

Quality, Satisfaction and Customer Service

At BBVA Compass, our mission is to deliver a branded client experience that demonstrates our commitment to serve and foster the success of clients. Our commitment to building and maintaining long-term relationships with our clients requires that we understand their current and future financial objectives so that we can meet their ever-changing needs.

Creating a best-in-class client experience is a dynamic effort. It's not something that has an end date. At BBVA Compass, we see it as an ongoing evolution. Financial needs change constantly. Our clients change their banking channel preferences over time, and we must be able to change with them. In fact, it's our job to anticipate their needs and preferences so we are ready when they are.

To date, we have very robust initiatives in our Retail and Commercial Banking lines of business, along with channels, such as our call centers, ATMs, mobile and online banking. Actions taken during 2012 include:

- Naming a new Client Experience director to assist the organization in standardizing its approach to the client experience.
- Revamping the Client Advocacy Oversight committee to ensure that clients are at the center of our business decision-making. The committee represents all lines of business and our technology, compliance and risk support areas.
- Continuing Frontline Fridays, which places 50 senior executives in the field each quarter to hear from both clients and associates about our ability to deliver quality service and improvement opportunities. Of the improvement opportunities identified, 60 percent have been acted upon.
- Expanding the Client Experience team to help bring consistency to how we demonstrate our commitment to serve clients both inside and outside of the organization.

RETAIL CLIENT EXPERIENCE

In 2009, our Client Experience team began an internal analysis that benchmarked BBVA Compass against 54 other comparable financial institutions based on results of the J.D. Power and Associates Retail Banking Study:

- In 2009, we found that BBVA Compass ranked 53rd out of these 54 financial institutions with regard to customer service.
- In 2010, we had improved to 48th among the same 53 banks (two of the banks featured in the 2009 study had merged).
- In 2011, we ranked 41st out of the same 50 banks (three banks in the original 2009 study had merged).
- In 2012, we had regressed slightly, ranking 45th out of the same 49 banks (four banks in the original 2009 study had merged).

By this analysis, we continue to rank ahead of Bank of America, but remain far from our goal of being in the top quartile. Key improvements noted in 2012 included:

- Facilities (number of branches, ease of access to branches, and overall branch appearance)
- Automated phone system
- ATM activities (range of services that can be performed, speed of completing transactions, and ease of use)
- Problem Incidence/Resolution

And the following key opportunities for improvement going forward were identified:

- Expanded product offerings
- Fee structure changes
- Clear, plain language when it comes to account information
- Online account activity — increased transaction completion and broader range of services that can be performed
- Live phone representatives for account assistance

Through our Passion for Customers Accelerator (PfCA) program, we gained insights from more than 140,000 clients in 2012 on their experiences in each of our channels and with the bank as a

whole. The feedback reinforces the customer service plan for seven channels – Retail Network, Small Business, Mortgage, Contact Centers, ATMs, Online Banking and Mobile Banking. From the 2012 PfCA surveys, we learned that:

- The 2012 Net Promoter Score (NPS) for the Total Retail Bank was 41. All but one channel's NPS (the small business banking channel) improved from January to December. (Net Promoter Score = % Promoters - % Detractors. NPS is calculated using "Likelihood to recommend BBVA Compass to friends/colleagues.")
- Satisfaction with BBVA Compass improved from January to December. The year-to-date score for the total Retail Bank was 84.7.
- All but two channels (the online and mortgage banking channels) saw improved Service Attributes Scores from January to December. The attributes include the key drivers to clients' satisfaction with the channel.
- The percentage of clients who experienced a problem in the last three months averaged 20.3 percent for 2012, lower than the 21.3 percent averaged in 2011. The problem incidence rate decreased from January (23.4 percent) to December (19.9 percent). 'Fees' diminished as the noted cause of problems, however wait times, staffing and hours gained in prominence.

The following are fundamental to our strategy for improved client experiences:

- Continuing to revise policies and procedures that reduce problem incidence and resolution time.
- Improving our account initiation/on-boarding programs to ensure financial needs and solutions are appropriately matched.
- Increasing individual empowerment levels to improve the resolution process when problems/errors occur.
- Incorporating customer service training into all branch relationship management training so that sales and service are no longer seen as separate skills. Training will take place in early 2013.



COMMERCIAL CLIENT EXPERIENCE

Relationship managers are clients' strategic partners and assume a holistic approach to meeting not only the needs of the business, but the executives and the employees of the business. We believe that our level of service is essential to delivering on our brand promise, and proactively surpassing expectations is critical not only to client retention but to attracting new clients to our franchise. A number of initiatives were implemented in 2012 to improve the commercial client experience. A few of those include:

- Ease and agility of doing business – an end-to-end assessment of our commercial credit process.
- iJourney – an employee recognition program designed to highlight those who go above and beyond in meeting client needs.
- New Client On-boarding – designed to ensure early and frequent contact with new clients to answer all questions and meet expectations.
- Summit sales training – a formal client needs assessment program that promotes value-added interactions and financial conversations.

As a result, BBVA Compass experienced improvement in all key satisfaction and loyalty metrics in a Greenwich Associates survey of our middle market clients:

- Overall performance improved over 2011.
- Among the three key bank metrics ("Recommend," "Ease of Business" and "Satisfaction") and four key Relationship Manager metrics ("Innovation," "Knowledge of Customers' Business," "Follow-up" and "Understanding Financial Priorities"), Commercial Banking met or exceeded most of our 2012 goals.
- The categories of "Overall Satisfaction" and "Likely to Continue Doing Business with BBVA Compass" improved and are now in line with our peer group. With regard to "Overall Satisfaction," we improved 7 percent with our "Completely Satisfied" clients, increasing from 41 percent in 2011 to 48 percent in 2012 – putting us slightly above the norm for our peer group.
- Our Net Promoter Score (NPS), one of the most significant benchmarks of customer loyalty, improved across all regions. This was primarily due to an increase in those clients who are considered "Promoters" (42 percent in 2012 vs. 38 percent in 2011) and a significant decrease in those clients considered to be "Detractors" (23 percent in 2012 vs. 34 percent in 2011).
- In the "Relationship" category, we performed very well overall in "Instilling Trust" and "Leveraging Strategic Partners," where we were on par or above industry norms.
- In the "Satisfaction with Relationship Manager" category, we also performed very well overall, experiencing a 15-percent increase over 2011 from our "Completely Satisfied" clients.

- In the “Credit Services Satisfaction” category, we had another major improvement — increasing 11 percent over our 2011 performance with “Completely Satisfied” clients.
- “Treasury Management Satisfaction” improved 9 percent overall from 2011 to 2012 — giving us a 57 percent “Satisfaction” score, which is above the industry norm.

The study also noted some key areas for improvement, which BBVA Compass will begin to address in 2013:

- While we improved in several key customer attributes, there is still room for improvement in the areas of “Ease of Doing Business” and “Flexibility.”
- Problem incidences have declined, however we are still above the industry norm.

Commercial client expectations are high and our ability to understand their business, anticipate risks and opportunities, and offer customized solutions are foundational pillars to developing a long-term relationship. At BBVA Compass, we take business very seriously.

WEALTH MANAGEMENT CLIENT EXPERIENCE

In 2012, Wealth Management placed a concentrated effort on hiring additional staff at the bank and its affiliates to provide our clients with full-service investment solutions. Wealth Management hired nine financial advisors, as well as an investment sales manager to meet the investment needs of our private banking clients. The new and existing financial advisors are located in 11 markets across the bank’s footprint and partner with our private bankers to offer our clients a wide variety of investment products and solutions.

The expanded coverage, products and services allow our clients access to portfolio planning for their assets with and outside of BBVA Compass. The planning services allow our clients a big-picture view of their entire financial picture and exposes holes in coverage or exposure to unnecessary risk.

The addition of the financial advisors also allows our clients access to expanded products and solutions such as insurance options, equity linked CDs and managed accounts platforms.

Wealth Management continued its utilization of the Cannon Financial Institute Wealth Strategist training launched in 2011 by enrolling an additional 51 private bankers and financial advisors in the program in 2012. The training gives BBVA Compass employees an edge in customer service through knowledge of a wide variety of wealth management resources. Employees received training on various topics including charitable giving, gifting to descendants and stock options.

As we look ahead to 2013, significant effort is being expended to enable a single client view of all our clients’ holdings. This data ‘aggregator’ will enable our private bankers to more quickly identify and serve client needs, as well as facilitate the provision of a single consolidated client statement. This consolidated statement, comprising all the clients banking and investment holdings with us and our affiliates, will — along with enhancements to our online Monarch banking system, such as a single-sign on for all accounts — greatly enhance the client experience.

Privacy

BBVA Compass is committed to compliance with all applicable federal and state privacy laws and regulations. Examples of such laws and regulations include, but are not limited to, Regulation P, the Affiliate Marketing Rule, and the Right to Financial Privacy Act.

Regulation P implements portions of Title V of the Gramm-Leach-Bliley Act. It governs the treatment of non-public personal information about consumers by financial institutions and requires that an institution, under certain circumstances, notify consumers about its privacy policies and practices.

The affiliate marketing provision of the Fair and Accurate Credit Transaction Act went into effect on October 1, 2008. Subject to some important exceptions, an entity may not use “eligibility information” received from its affiliate to market to a consumer unless the consumer was notified that such marketing may occur, given an opportunity to “opt out” of such marketing, and has not opted out.

The Right to Financial Privacy Act is largely procedural and requires government agencies to provide persons notice and an opportunity to object before a financial institution can disclose personal information about them to the government agency.

BBVA Compass consolidated the affiliate-marketing opt-out notice with its Regulation P notice (collectively referred to as the “Privacy Disclosure”). The Privacy Disclosure is provided to consumers at account opening, is available online and in branches, and is mailed to customers annually.

To help prevent unauthorized access to customer information, BBVA Compass uses physical, electronic and procedural safeguards. We periodically test and update those safeguards to help ensure the protection and integrity of our customer information.

BBVA Compass also trains and regularly educates our employees about the importance of maintaining the confidentiality and proper handling of customer information. All of our employees are governed by a Code of Conduct that authorizes access to customer information for business purposes only and includes strict standards for maintaining its confidentiality.

In addition, the bank maintains a Customer Information Disclosure Event Plan in case there is ever an unauthorized or unintentional disclosure of customer information. If BBVA Compass becomes aware of the unauthorized disclosure of customer information, the Event Team meets to evaluate the event and direct subsequent event notifications and activities.

Transparency, Advertising and Labeling

Transparency is an important commitment we make to our customers. In this respect, BBVA Compass has the following measures in place to reinforce transparency and clarity in our product and services campaigns:

- We provide disclosures in all of our products, advertisements and customer materials to ensure transparency and a clear understanding of our terms, features and offers.
- All BBVA Compass ads and literature go through a rigorous process and are reviewed by legal counsel and compliance officers to verify that the terminology used is accurate and clear.
- BBVA Compass strives to provide clarity in all product features and terms.

Multi-channel Banking

BBVA Compass has an innovative multi-channel distribution system where efficiency and convenience are key to both the customer and the bank. Our expertise in the faster-growing non-branch or alternative channels, such as Internet and smartphones (i.e., mobile phones with interactive computing features), gives us a unique competitive advantage in the months and years ahead.

Mobile Banking is one of the fastest-growing channels in the U.S., and this has been particularly true at BBVA Compass during 2012 – exceeding the growth rate of any of our other delivery channels. To better prepare us for the future, we developed an internal infrastructure to support mobile apps as a stand-alone channel, independent of Online Banking – an innovative approach in the market. All of the current versions of our mobile apps, including versions for the iPhone, iPad, BlackBerry and Android operating systems, were converted to the new platform to take advantage of this capability. And with this new infrastructure being an in-house solution, future development is guaranteed to be faster and more in tune with our customers' needs than outsourced solutions.

We were also pleased to be the first U.S. bank to have a bilingual application that included English and Spanish through the entire application. Also new for 2012 were the additions of the Kindle Fire® Tablet app as well as the Windows Phone® app, allowing BBVA Compass to offer the largest selection of native apps of any bank in the U.S.

Remote capture is a way to provide channel convenience to our small business customers, so we introduced Remote Deposit Online. This improves backroom efficiency while also expanding the branch network without adding real estate.

BBVA Compass continues to offer Online Banking and Bill Pay (Online and Mobile) services that are free for nearly all accounts.

- Online Banking allows customers via the Web to transfer funds between BBVA Compass accounts, view their account balances and transactions (including CDs and IRAs), and see which of their checks have cleared. It also offers online statements, allows customers to opt out of receiving paper statements, view images of their cleared checks, and set up alerts that will notify them of their account balances and any important changes to their account balances (such as an insufficient funds alert).
- Online Bill Pay allows customers to pay their bills online and offers the following features: customers can sort their payment history by an individual payee; they can assign categories to each of their payments for budgeting purposes; they can designate a preferred payment account; and they can use "Payment Assistant" to display all information related to a particular payee on a "Payment Center" screen.

Social Media

BBVA Compass' social media presence continued a period of major growth during 2012. The bank's Social and Online Media team instituted new social media governance policies, sophisticated communication and reporting tools, and an innovative strategy for creating meaningful dialogue with customers through this unique medium. BBVA Compass currently has an active presence on Facebook, Twitter, LinkedIn and YouTube, with plans to expand to Instagram in 2013.

During the past 12 months, the Social Media team has partnered with Corporate Responsibility and Reputation to promote multiple community initiatives via social channels including Team. Works. In Schools®, a special program created in conjunction with NBA Cares. In addition, we've utilized multiple social media channels to share our employees' involvement in programs across our footprint, such as Junior Achievement, Habitat for Humanity and Veterans' Day events. In fact, community involvement social media posts tend to be some of the highest engaging content in our channels.



In addition to promoting these and other causes and our community events, it was important to the new social media strategy that the bank engage consumers in meaningful dialogue about their finances — financial literacy and money and credit management. We accomplished this through seasonally appropriate posts branded as #BBVACompassTips — which ranged from saving on children's Halloween costumes and budgeting for holiday gifts to building and maintaining good credit and protecting your online privacy.



In our ongoing commitment to providing an exceptional customer experience, BBVA Compass continued to actively listen and support clients through social media channels in 2012 — providing complaint resolution, proactively communicating on system issues, answering comments and questions, and embracing transparent engagement. Conversation volumes grew exponentially from 2011 with our Facebook page transitioning as the larger support community compared with Twitter. We upgraded our social media monitoring tool in early 2012 to help provide more efficient reporting and Social Media Policies and Procedures were revamped to help ensure continued alignment with the bank's compliance and risk policies.



In December, we focused our social media efforts on promoting the bank's annual "Mission to Feed a Million" initiative. For the third year, our social media channels helped share an e-card to help raise awareness about hunger during the holiday season. We included these e-card posts in an ongoing paid Facebook campaign that reached beyond our current fan base through "Sponsored Posts." On Facebook alone, our Mission to Feed a Million posts reached almost 1 million impressions (or views), received over 5,000 likes and more than 700 shares.



Responsible Management of Human Resources

Number of Employees



In 2012, the focus of all efforts within Human Resources was “HR 2.0: Inspiring and Leading Engagement.” Practices, programs and initiatives offered throughout the year concentrated on actively involving employees in the process of creating value. The ultimate objective behind this theme was to improve the company’s employee value proposition and make employees agents of meaningful change at BBVA Compass.

Employment and Recruitment

HR’s commitment to simplicity and accessibility in recruiting and employment services continued in 2012, with renewed efforts to make processes and resources that affect people managers, candidates and new hires available electronically.

New Employee Orientation (NEO)

HR has streamlined the new employee orientation process, moving away from the traditional in-person meeting on a new hire’s first day and instead welcoming new employees to the company with guidance from a video avatar. New hires are able to access the online New Employee Orientation (NEO) presentation prior to their first day on the job and get an overview of our corporate culture, detailed information about our health and welfare benefits package, information about compliance requirements, a glimpse into some of our employee perks and much more.

The NEO presentation resides on the 4UfromHR Portal and is available 24/7 from any Internet connection. It is accessible to all employees, not just new hires, so that anyone can view it at any time for information about the BBVA Compass employment experience.

NEO Access Essentials

Working in collaboration with a number of units and fulfillment areas throughout the bank, Human Resources took a huge step forward in making people managers’ job easier by launching NEO Access Essentials. NEO Access Essentials simplifies and streamlines the on-boarding process of ordering the items and resources employees need to do their jobs. Through this one-stop shop, managers can request items such as equipment, network IDs, software, phone and voicemail, corporate credit cards, wifi access, remote access, badge access and more. Managers can use NEO Access Essentials to place orders not only for employees who are new to the organization, but also for existing or transferring employees who may have a need for additional equipment or resources.

Consolidating the order process for various items into one site has streamlined the task of making sure that employees have the tools they need to do their jobs and ensured these resources are delivered in a timely fashion.

Online On-boarding Documentation and I-9 Verification

Employee on-boarding has been revolutionized from years past thanks to an online on-boarding documentation system. This resource enables new hires to submit their required on-boarding documentation online, rather than give forms to their managers for processing when they report for work, thus eliminating the need for managers to forward paperwork to Recruiting Support. Another component of the system allows managers to verify new employees’ Employment Eligibility Verification Form I-9 electronically, rather than process and submit a paper form. These online processes are intended to help managers save valuable time, ensure that BBVA Compass remains in compliance with federal regulations and provide a smooth transition for new employees.

Online Requisition System

Similarly, through the new Online Requisition System, managers are able to submit add-to-staff and position changes/same-seat promotion requisitions online, rather than use hard-copy paper forms – thereby drastically expediting the requisition process and allowing positions to be published and filled more quickly.

Virtual Employment Campus and Employee Referral Site

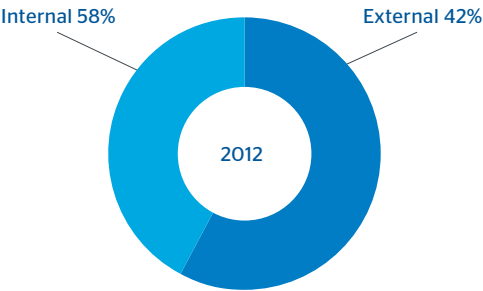
Human Resources leverages two important web tools to attract strong candidates for open positions. The BBVA Virtual Employment Campus is an interactive online portal that allows candidates to get important background information about each BBVA global unit, browse a list of current job opportunities, and formally submit interest in a position.

The Employee Referral Site is another useful resource, as it allows current BBVA Compass employees to take a proactive role in the process of referring external candidates for open positions.

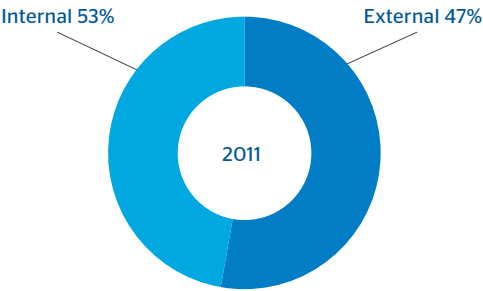
Internal Careers Site

Human Resources is committed to filling vacancies internally whenever possible. The Internal Careers Site allows employees to browse and apply for current vacancies bank-wide. Employees can also set up parameters matching their career interests, and a subscription service will notify them when applicable vacancies become available. The Internal Careers Site not only helps employees take a proactive step in their own career development, but it also streamlines the job application process and shortens the amount of time it takes to fill vacancies with qualified internal talent.

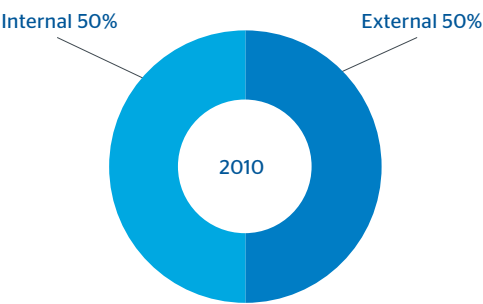
Growth in Internal Vacancies



All vacancies filled January - December 2012



All vacancies filled January - December 2011



All vacancies filled January - December 2010

In 2012, 58 percent of non-entry level internal placements were filled internally – a 5-percent increase from 2011.

NETprofile My Portfolio Tab

In an effort to develop a pipeline of internal talent, throughout 2012 Human Resources reminded and encouraged employees to register information about their work skills, educational backgrounds and relocation preferences in the My Portfolio tab of *NETprofile*. The information employees provide serves to create an internal database that will help HR identify internal candidates who are well-suited for available job vacancies.

Non-Discrimination and Equal Opportunities

BBVA Compass embraces an Equal Employment Opportunity statement while reinforcing other already established policies and procedures. This statement follows:

All applicants will receive consideration for employment without regard to age, citizenship, color, disability, ethnic origin, gender, marital status, nationality, national origin, race, religion, sexual orientation, genetic predisposition, veteran status or any other status or classification protected by federal, state, or local law.

BBVA Compass has a firm and unwavering policy to provide equal employment opportunity without regard to age, citizenship, color, disability, ethnic origin, gender, marital status, nationality, national origin, race, religion, sexual orientation, genetic predisposition, veteran status or any other status or classification protected by federal, state or local law. This policy includes all job groups, classifications and organizational units.

BBVA Compass, from time to time and in the ordinary course of its business, may receive claims, including litigation, alleging violations of employment laws. As of December 31, 2012, BBVA Compass was not involved in any regulatory actions related to alleged employment discrimination and working conditions that were material to our financial position. Furthermore, BBVA Compass has a firm commitment to equal employment opportunity and non-discrimination, as evidenced by widely disseminated policies prohibiting discrimination in all aspects of the employment relationship. Employees are afforded numerous avenues to raise complaints, including through management, Human Resources, the Office of General Counsel, and Corporate Human Resources or by anonymous reporting through telephone hotlines.

Average length of service of workforce (years)		
2012	2011	2010
6.5	6.4	6.2

While we do not prohibit freedom of association, as of December 31, 2012, there were no BBVA Compass employees covered by collective bargaining agreements. We have not identified any operations where the right to exercise freedom of association and collective bargaining may be at significant risk.

Employee Development

BBVA Compass holds firm to the belief that the ongoing development of employees and the effective deployment of their talents are the keys to creating value. Talent Management and Training was instrumental in offering a variety of programs and initiatives in 2012 that focused on helping employees develop the key skills, abilities and knowledge required to succeed.

Employee Training

In 2012, BBVA Compass employees achieved the highest number of training hours in the bank's history, completing 545,052 training hours. This achievement was made possible in large part by the implementation of several new systems: Alnova, the bank's new core banking system; CLO, the new Commercial Loan Origination system; and RiskAnalyst, the new risk rating tool. In addition, BBVA Compass completed 75 percent of all training activities via e-learning/virtual delivery channels, and 25 percent of training activities were completed in a traditional classroom-style setting.

	Number of Hours	% of Total Completions	Number of Completions
Training Hours Completed	545,052	100%	288,326
Live Training	138,217	25%	11,431
Online training	406,835	75%	276,895
Employees trained in 2012	13,452		
Total investment in training (in dollars)*		\$3,586,000	
Training investment per employee		\$310	

* Total investment in training (in dollars) refers to the true expense of training materials, content development, etc. It does not include calculations for any expenses related to employee time, travel, etc.

Competencies Development Process (CDP)

In 2012, BBVA Compass continued its second round of participation in the Competencies Development Process (CDP). The CDP is a global BBVA Group initiative in which all employees simultaneously participate every two years, and it represents a systematic approach to competencies development that enables the organization as a whole to achieve better results.

During the 2012 portion of the CDP cycle, employees and managers worked to complete Individual Development Plans (IDP). Individual Development Plans are designed jointly by employees and managers based on Competencies Assessment results in order to provide employees with clear direction about training resources

to strengthen skills and knowledge in competencies required to succeed in their roles. Employees completed 8,178 assigned IDP actions for a 296 percent completion rate. In May 2012, managers and employees had a chance to discuss progress on assigned actions and make revisions to their IDP as part of the IDP Review.

CareerMap4U

CareerMap4U has taken root as a critical tool for helping employees take responsibility for their career planning at BBVA Compass. Employees logged on in growing numbers throughout 2012 to register their interest in areas where they might want to develop and grow as their career progresses. Rather than focus only on available opportunities, CareerMap4U takes a long-term approach toward career growth, allowing employees to view a range of functional profiles across the lines of business, regardless of whether a vacancy for a particular functional profile currently exists. They can then register interest in profiles for which they meet the critical skills required and discuss these career interests with an HR Partner.

leap (learning, evaluation, application and placement) Program

Now in its third year, the innovative leap program once again attracted 29 of the best and brightest recent college graduates to BBVA Compass to complete a year of accelerated training in 2012. The goal of the leap training experience is to prepare the participants for placement in a first assignment with a long-term focus on horizontal mobility and general management at an executive level. The "leapsters," as they are affectionately known, are encouraged to explore their interests and analyze where they would best fit before being placed into focused training in a particular area.

leap is divided into two phases. During the Learning and Evaluation portion, the group attends training sessions, conducts group projects, interacts with executives, and completes assessments to measure strengths and interests in the three lines of business and other functional areas. In the second half, Application and Placement,



they are placed in Credit, Finance, Risk, Project Management, Sales and Management, or Analysis “tracks” based on participant interest, aptitude and business needs. They attend training sessions and gain hands-on experience during this phase, applying what they have learned through job shadowing and simulations.

Internship Program

In 2012, BBVA Compass launched its first ever bank-wide internship program. The 13 participating interns were selected from universities within the bank’s footprint and are working toward undergraduate and graduate degrees. Throughout the 10-week program, the interns worked in Birmingham, Dallas and Houston in positions across the lines of business. In addition to their individual assignments, the interns also convened once a week to work on a group project in cross-functional teams. The internship program represents another important step in BBVA Compass’ efforts to create a pipeline of talent and cultivate future leadership.

Leadership Development

Talent Management and Training was rigorous in its approach to developing leaders, offering a wide range of initiatives designed to help managers build their leadership abilities. Through these leadership development programs, Talent Management and Training provided well over 28,000 hours of training to the BBVA Compass leadership community during 2012.

Continuous Learning Requirement (CLR)

The Continuous Learning Requirement is a leadership development strategy intended to ensure that all people managers remain focused on keeping their skills sharp. This program requires all managers who have at least one direct report to complete a minimum of 12 hours of continuous learning each calendar year.

Harvard ManageMentor

Harvard ManageMentor proves useful to people managers in completing the CLR and other development goals throughout the year. This innovative web-based tool offers 44 distinct learning modules focused on critical leadership topics.

Leadership Essentials

Leadership Essentials is an important resource for new people managers. This program ensures that managers who are new to the people manager role are knowledgeable regarding critical HR policies and procedures via an ongoing series of targeted communications and webinars, leveraging Harvard ManageMentor modules among other resources.

Targeted Leadership Training

Talent Management and Training offered targeted development solutions for multiple segments of the leadership population in

2012, including a series of training programs for members of the Executive Management Team. Throughout the year, members of this targeted leadership group attended programs at Campus BBVA in Madrid, including the Corporate Management Program, Building a Customer Centric Organization, Corporate Leadership Program and Entrepreneurial Strategies for Growth Program.

Other targeted groups participated in programs such as eCornell, a leadership development program that combines the most effective elements of classroom and online learning environments, allowing select BBVA Compass leaders to actively participate in the learning process without the need for a rigid schedule or expensive travel.

In the fall, 35 senior BBVA Compass leaders participated in the third annual BBVA Compass School of Management on the campus of The University of Texas at Austin (UT). Sponsored by Talent Management and Training in partnership with the McCombs School of Business at UT, this comprehensive educational program explored topics including strategic change, value creation, managing innovation and creativity and leading high-performance teams.

Talent Planning

Talent Management and Training also continued to develop the Talent Planning process throughout 2012. This initiative is designed to identify employees who demonstrate great potential for growth and advancement into leadership positions. People managers are involved in the Talent Planning evaluation process on an annual basis.

Employees by professional category (percentage)			
	2012	2011	2010
Steering Committee and Corporate Managers	0.1	0.1	0.1
Senior Management	1.2	1.1	0.8
Middle Management	21.9	23.7	23.2
Specialists	15.8	15.7	14.6
Sales Force	20.5	19.5	19.6
Entry-level	40.5	40.0	41.8

*This table includes full-time, part-time and temporary employees.

Performance Appraisal

BBVA Compass is committed to providing competitive compensation, maintaining merit pay as the cornerstone of our compensation philosophy and rewarding individuals based on the contributions they make to the organization's success.

Semiannual Same-Seat Promotion Process

In June, the process by which same seat promotions occur transitioned to a formalized semiannual schedule. Managers may now evaluate eligible employees for possible same seat promotions to be effective twice annually, on September 1 and March 1.

This transition offers a number of benefits for managers and employees. Setting standard dates for promotion opportunities creates a consistent, organized, transparent and fair process for evaluating, recognizing and rewarding talent across all lines of business. The semiannual schedule also encourages talent development by providing managers the chance to discuss advancement opportunities, career development resources and tools and next steps with their employees. Additionally, moving to a semiannual process enhances managers' ability to manage their salary increase budgets.

Personal Benefits

Because each individual contributes to the success of the organization, BBVA Compass is committed to providing a variety of benefit programs designed to meet employees' needs. These programs offer financial security through life insurance and retirement plans as well as support our employees' health and overall well-being.

Employee Benefit Plans

BBVA Compass provides a comprehensive benefits package designed to meet the needs of employees and their families. Benefit plans and programs include health care, vacation and paid time-off programs, savings and retirement plans, the Wellthy for Life wellness program, discounts on banking services through Employee Banking Perks, special discounts on products and services, tuition assistance and scholarship programs for employees' dependent children.

Employees participating in the Wellthy Credits Premium Reduction Program (percentage)	
Employees with no Wellthy Credits	25%
Employees with one Wellthy Credit (\$10 reduction)	13%
Employees with two Wellthy Credits (\$20 reduction)	19%
Employees with three Wellthy Credits (\$30 reduction)	43%
Total	100%

* Percentages are based on the total number of employees (8,891) participating in the BBVA Compass Health Plan as of December 31, 2012.



In 2012, employees were again given the opportunity to lower their health care premiums by earning Wellthy Credits. By completing up to three wellness activities (Tobacco Cessation/ Non-tobacco User Incentive, Biometric Data, and Health Assessment), made available through the Wellthy for Life wellness program, employees could reduce their health care premium deductions each pay period for an annual savings of up to \$720.

Defined Benefit Plan

BBVA Compass has a defined benefit plan known as the Compass Retirement Plan that pays a defined monthly benefit at retirement using a formula based on a participating employee's age, years of service and highest five-year anniversary. The plan is 100-percent funded by BBVA Compass and has been closed to new participation since January 2003. Employees at that time had the opportunity either to continue their participation in the Compass Retirement Plan or transfer their participation to the Compass SmartInvestor Retirement Plan, which is a defined contribution plan.

Available since January 2003, the Compass SmartInvestor Retirement Plan is designed to build benefits evenly over a BBVA Compass career – whether that's five, 10 or 30 years – through employer contributions that increase with service and potential future growth resulting from the performance of an employee's investment selections. All BBVA Compass employees (with the exception of BBVA Compass Insurance and BBVA Compass Wealth Solutions employees) are eligible for this plan, and participation automatically begins the month after an employee completes one year of service in which they work at least 1,000 hours.

BBVA Compass employees also have the option of participating in the Compass SmartInvestor 401(k) Plan, which allows employees to defer a portion of their salary on a pre-tax basis and to receive an employer match after completing one year of service. All employees are immediately eligible to participate in this plan upon hire. Employer matching contributions begin following the completion of one year of service in which the employee works at least 1,000 hours.

Total Compensation Statements

"Total Awareness + Total Understanding = Total Appreciation" is the tagline that describes Total Compensation Statements, a resource designed to help employees understand the full investment BBVA Compass makes on their behalf, beyond just take-home pay. Total Compensation Statements, which are available on www.mybbvacompassbenefits.com, break down employees' annual total compensation into several categories, including cash compensation, retirement benefits, company-paid health and welfare benefits and other benefits.

Paid Time Off

BBVA Compass believes that regular times of rest and relaxation away from the job are crucial for health, well-being and performance on the job. Employees are encouraged to take advantage of annual paid vacation time.

New Leave and Attendance Programs

In March, HR announced some important changes to paid time off policies designed to help employees achieve a greater work-life balance. These changes were the direct result of employee feedback and represented a critical step in the journey toward making BBVA Compass a great place to work.

Enhanced Sick Pay Provision for Family Leave: Under the enhanced Sick Pay Provision for Family Leave, employees may use up to half of their current accrual of sick time each calendar year to provide care for an ill or injured family member, to assist a family member with attending medical appointments, or to attend to a personal or family-related medical emergency.

Pregnancy Leave: Employees who give birth via a natural or Caesarian delivery may receive two weeks of pregnancy leave paid at 100 percent, followed by one week of parental leave paid at 100 percent per birth event. In addition, while under a doctor's care, a birth mother has access to 100 percent of her accrued sick pay balance up to a maximum of six weeks for a natural birth and a maximum of eight weeks for a Caesarian birth, unless otherwise extended by the physician and/or as required by state or local law. Following these periods of up to six or eight weeks, as applicable, new birth mothers may also use up to 50 percent of their remaining accrued sick time balance under the enhanced Sick Pay Provision for Family Leave, followed by any accrued vacation time, and go unpaid for the remainder of their approved leave.

Parental Leave: Under the new Parental Leave policy, male and female employees receive up to one week of fully paid parental leave per birth or adoption event for the purpose of bonding with a newborn or with a newly adopted child under the age of 18. Following this one week, employees may opt to use up to half of their accrued sick time balance available as of the effective start date of the leave.

Enhanced Attendance Policy: Under the enhanced attendance policy, full-time and part-time employees may use accrued sick pay for up to 12 absences in a rolling calendar year for one's own sick time (illness, injury or to attend doctor appointments, etc.), to provide care for or assist ill or injured family members, or to attend certain family members' routine medical appointments without being disciplined for the absence if the absence is scheduled and approved in advance. The enhanced policy is intended to allow employees more flexibility by providing increased access to sick time accruals, and it also encourages employees to plan ahead when absences are required.

Continuous Time Away

In 2012, BBVA Compass placed renewed emphasis on the Continuous Time Away work-life balance and leave policy. Under the terms of this policy, employees each year are required to remain continuously away from job duties for at least five consecutive business days during a consecutive seven-day period or four business days plus a holiday during a consecutive seven-day period. Remaining continuously away from the job means that employees are not allowed to transact or otherwise carry out, either physically or through electronic means, their regularly assigned duties during the required time away. Certain employees who work in identified high-risk areas or who are involved with high-risk responsibilities may be required to remain continuously away from their job duties for ten consecutive business days.

Strict adherence to this policy helps ensure that our organization remains in compliance with federal regulatory risk management policies, as well as provides employees a tangible benefit, as regular times of rest and relaxation away from the job are crucial for their health, well-being and performance on the job.

Sick Pay, Short-Term Disability Benefits and Long-Term Disability Insurance

BBVA Compass provides the opportunity to accrue sick pay to be used to help avoid an interruption in base pay if work is missed due to medical necessity, personal emergency or another necessary absence. Short-term disability benefits are provided to eligible employees, and long-term disability benefits may be available for employees who cannot return to work because of health problems.

SeeMyW2

Employees have easy access to important tax documents, thanks to SeeMyW2. This web-based application allows employees to view and print Form W-2 Wage and Tax Statements online, rather than wait for hard copies of the form to be mailed to their homes. It also houses forms from previous years, in addition to the current year's form, providing convenient and secure access to this important information from any internet connection, 24/7.

Health and Safety at Work

BBVA Compass is committed to providing tools to help employees live healthy, productive lives, as well as to finding ways to help them manage their health.

Wellthy for Life Health Fairs

The Benefits team helped get BBVA Compass' new year off to a healthy start by offering Wellthy for Life Health Fairs. These onsite events took place in locations across the footprint throughout January and February. Attendees completed a screening that measured total cholesterol, triglycerides, and glucose levels, as well as biometric information including height, weight, body mass index (BMI), and blood pressure.

Completing these activities not only allowed employees to get a clear picture of their overall health, but it also earned them two Wellthy Credits that were applied to their health premiums. More than 3,500 employees in 11 cities attended the health fairs. These events were an important step in continuing to build a culture of wellness at BBVA Compass and giving employees the tools they need to take charge of their health.

Virgin HealthMiles

The Virgin HealthMiles program celebrated its first anniversary at BBVA Compass in 2012. This program is making a big impact on employees' level of fitness — and their financial well-being — by promoting daily physical activity, healthy lifestyle choices, and personal and group challenges. When program members create healthy habits and do active things, they earn points, called HealthMiles.

During 2012, there were 5,692 employees, or about 51 percent of all BBVA Compass employees, enrolled in the Virgin HealthMiles program. This is higher than the national average participation rate (35 to 40 percent) among other companies who participate in Virgin HealthMiles. BBVA Compass employees took 8,929,306,841 steps in their first year, achieving an average of 7,756 steps per day.

Fifty-three percent, or 3,021 employees, reached reward Level 3, which put them at total HealthCash earnings of at least \$250 for the year. Among all employees earning incentives, the average cash earned over the last year was \$335. HealthCash payouts to all participating BBVA Compass employees totaled \$1,293,050.

Teamwork and community play an important role for participants at BBVA Compass. In 2012, approximately 69 percent of members, or 3,924 employees, made Friend connections via the LifeZone website. This far exceeds the national average of 29 percent for other Virgin HealthMiles-participating companies. Also, 49 percent of members, or 2,787 employees, joined a Group — again, far more than the 18 percent average among other companies.

Beginning in 2013, the \$2 per pay period membership fee will no longer be assessed, making the program even more attractive and accessible for employees.

Wellthy for Life

The Wellthy for Life program continues to offer numerous resources designed to improve the health and overall well-being of employees and their families. A guidebook with complete information about Wellthy for Life programs is available at www.wellthyforlife.com.

Passion for People

BBVA Compass demonstrates a personal investment in employees by providing tangible benefits through Passion for People initiatives.

Carrera 5K and Family Day

On December 8, the Corporate Culture and Employee Engagement team hosted the BBVA Compass Carrera 5K and Family Day. This celebration of fun and wellness, which took place in Birmingham and Houston, included a 5K race, one-mile fun run and Family Day with food, fun and games.

More than 2,900 employees and their guests registered to participate, and over 1,000 donned blue Carrera 5K and Family Day t-shirts to hit the streets for the 5K and one-mile fun run races. The top three male and female 5K finishers in several age categories received medals in an awards ceremony, and both cities again convened via a live satellite simulcast to see the awards presented to the top three overall finishers in each location.

Afternoon activities offered something for attendees of all ages, including a healthy post-race lunch, inflatables and games, a face-painting booth and even the chance to snap a photo with Santa Claus.

Participants left Railroad Park in Birmingham and BBVA Compass Stadium in Houston at the end of the day with Carrera T-shirts, water bottles and backpacks — as well as great memories of fun afternoon spent with friends and co-workers.

Passion for People Photo Contest

In the Passion for People Around the World Photo Contest, employees had the chance to share their summer vacations with BBVA Compass by snapping a photo with the Passion for People logo on display. The response was tremendous! Employees submitted photos from here, there and everywhere — atop mountains, under the sea, at amusement parks, on mission trips, at graduations and weddings and births, and everywhere in between.



All employees had the chance to vote one time for their favorite photo from among the 91 submissions, and 3,387 employees cast a vote to determine the three winning photos. Winners took home fun and exciting travel prizes, including a trip to the Bahamas or New York for the first-place winner, and a hotel stay in a location of their choice for the second- and third-place finishers.

See Share Smile

In April, employees shared something special with their children by bringing them to participate in See Share Smile :). This fun, half-day program, formerly known as "Take Your Children To Work Day," was designed to teach children about the banking industry and the importance of saving, as well as give them a glimpse of the BBVA Compass work day.



Nearly 1,000 children participated in the event, and each received a See Share Smile :) kit that included an activity book that helped them learn about the many roles of employees at BBVA Compass, explore different types of currency, locate and identify tools and machines used in the bank and talk about the importance of saving. Through a special offer to promote financial literacy, each child who participated in See Share Smile :) had the opportunity to open a Young Savers Account with a free \$10 opening deposit provided by the bank.

Campus LFP

In July, 10 children of BBVA Compass employees got the soccer experience of a lifetime, as they flew to Seva, Spain to attend Campus LFP, a world-class soccer camp sponsored by the BBVA Group. Along with other children of BBVA Group employees from around the world, the girls and boys spent a week improving their soccer skills at top-notch facilities under the tutelage of first-class trainers. They also learned valuable lessons about respect and teamwork and got the chance to tour official Liga BBVA stadiums. To enter for the chance to attend, children of BBVA Compass employees were asked to write a short essay on why they wanted to attend Campus LFP.



Aspire Recognition Program

The Aspire informal recognition program allows employees to send messages of appreciation to peers, managers and direct reports in all areas of the footprint. Note cards, available in hard copy or electronically via the Outlook email system, reinforce seven behaviors that BBVA Compass values, driving home the message of "The Impact of One." Themes such as "thanks for striving for excellence," "thanks for embracing change," and "thanks for putting the customer first" offer a reminder that "the impact of one" is far-reaching and that everyone can make a difference.

Employee Banking Perks Program

Employees have access to special benefits and discounted rates on a wide range of banking products and services, including checking and savings accounts, mortgage financing, consumer loans, the BBVA Compass ClearPoints credit card, CompassPoints®, wealth management and brokerage services, the CompassPlus® discount program and more.

Special discounts on products, services and entertainment opportunities are also available through selected vendors with whom BBVA Compass contracts.

MarketPlace

Just in time for the holiday shopping season, the Corporate Culture and Employee Engagement team introduced MarketPlace, an online resource that gives BBVA Compass employees easy access to discounted offers on goods and services. Employees can take advantage of discounts on local and national restaurants, retailers and service providers. Selected deals also earn cash back, paid quarterly. Participating merchants change daily, but MarketPlace consistently offers deals on apparel, beauty and spa treatments, electronics, entertainment, gifts, sports and fitness, toys, travel and more. MarketPlace offers two ways to find out about its deals: visit the site daily to see new deals as they become available or sign up to receive email notifications about new deals.

Scholarship Programs

In an effort to support academic achievement, two scholarship programs are made available annually to children of BBVA Compass employees: the BBVA Compass Passion for Education Scholarship and the Harry B. Brock, Jr. Scholarship Program at Samford University. In 2012, 42 scholarships in the amount of \$3,000 each were awarded to children of BBVA Compass employees through the BBVA Compass Passion for Education Scholarship.

4UfromHR Portal

Human Resources continued its commitment to enhancing communication with employees by leveraging the 4UfromHR Portal in 2012. The innovative web resource offers employees convenience and accessibility, consolidating all HR-related content into one easy-to-access, one easy-to-navigate site.

Information on the portal is easy to find, as most of the content is organized under one of the three main HR pillars: Passion for People, Growth & Development, and Practices & Programs. The site also provides news and information through videos and interactive media, and all portal content is customized for each individual employee.

Within the BBVA Compass network, employees are logged in without having to enter a password through single sign-on identification. They can also access the portal around the clock from outside the BBVA Compass network by going to www.4UfromHR.com and entering their employee number and password.

4UfromHR e-Newsletter

Employees stayed apprised of the latest in Human Resources news throughout the year with the 4UfromHR e-Newsletter, which is distributed on a regular basis and serves as an important outlet for keeping the lines of communication open between employees and Human Resources.

HR Communications

HR Solutions Self-Service Application

In late 2012, HR introduced a helpful new tool that allows employees to search for information regarding Human Resources-related policies, practices and programs: the HR Solutions Self-Service Application. Employees can log into this online tool to find answers to questions about payroll, benefits, training and other HR-related topics. This resource offers another avenue for accessing HR Solutions, the team of HR professionals dedicated to providing answers to and assistance with all employees' HR-related questions and needs. HR Solutions is also available via email at HRHelp@bbvacompass.com and over the phone at 1.888.HRHELP5.



Responsible Procurement

Procurement Model and Policy

BBVA Compass' procurement model follows the structure developed by the BBVA Group, as well as industry best practices. The Supply Chain Management team's mission is to deliver and sustain value across the organization by building and managing an external supplier network that meets the operational needs of the organization at minimal cost. This is achieved by adopting enhanced procurement best practices — establishing partnerships across BBVA Compass to expand category coverage and continuing to secure verifiable, hard-dollar savings.

Supplier Diversity held meetings and presentations with members of the Management Committee and line of business leaders to obtain full endorsement of the mission and objectives for the next several years. The Supplier Diversity team will be partnering with the BBVA Compass Diversity and Inclusion initiative, and will be the co-leader of the Operational Council. A continuous collaboration with the bank's technology area and procurement through our newly implemented recognition program (see the Diversity and Inclusion chapter of this report) have resulted in increasing the company's spend with diverse companies — promoting strategic implications for future long-term relationships with higher levels of sustainability.

Principles Applicable to Those Parties Involved in the Procurement Process

As a member of the BBVA Group, BBVA Compass follows its Code of Conduct and Principles Applicable to Those Parties Involved in the Procurement Process. These principles and general guidelines include respect for the law, commitment to integrity, competition, objectiveness, transparency, value creation and confidentiality. Additionally, procurement at BBVA Compass is governed by the procedures outlined in BBVA Compass' Management Manual, Policy Section 109 — "Procedure for Procurement of Goods, Engagement of Services, and Contract Administration."

The Contracted Services group under Real Estate Procurement and Services also performs many tasks to ensure that BBVA Compass is in compliance with regulatory requirements, such as Financial Health Assessments and Risk Assessment Scorecards. A Financial Health Assessment is a process to evaluate the financial well-being of a supplier in order to ensure that the company has the financial strength and stability to provide the goods and services requested. A Risk Assessment Scorecard is a process that allows for objective scoring by the appropriate responsible manager to classify the criticality of suppliers that have access to customer-sensitive data. BBVA Compass' internal procurement policies have been updated to include these components.

Responsible Projects with Suppliers

BBVA Compass' supplier diversity initiative encourages the use of historically underutilized businesses in order to build our organization's reputation while helping community members build wealth and stability.

During 2012, BBVA Compass' Procurement team worked to expand the BBVA Compass brand further into the supplier diversity landscape by aligning with new affiliations in target markets — establishing new regional and national marketing alliances — and collaborating with key internal business partners.

The bank participated in the Dallas/Ft. Worth Minority Supplier Development Council's annual conference in May — where its more than 1,000 attendees included both corporate representatives and minority business owners and over 130 corporate and state agency exhibitors. During the conference, BBVA Compass took the opportunity to introduce its small business solutions and services during the Council's "Marketing Madness" event.

Additionally, BBVA Compass was a Platinum Sponsor and exhibitor at the Houston Minority Supplier Development Council's annual conference, where our Small Business Segment was able to identify potential clients in the Houston market.

Also in 2012, BBVA Compass exhibited at the Women's Business Enterprise National Council's annual conference in Orlando, Fla. With more than 3,000 business owners and corporations in attendance, BBVA Compass' branding reached an ever-wider audience of small businesses — establishing relationships that are being reflected in the bank's quarterly reporting and analysis.



Awareness Building Initiatives

Promoting Sustainability Initiatives with Employees

Hundreds of employees attended an event held at the Birmingham Brock Center on November 15, 2012 which coincided with "America Recycles Day." Attendees were given the opportunity to learn about the products in the Compass Choice catalog that contain recycled content and attend a presentation on how BBVA Compass has positively impacted the environment by making sustainable items available in the catalog.

BBVA Compass requires that remanufactured toner cartridges be ordered and used (when applicable), which helps reduce landfill waste. While not all of the bank's printers are able to use remanufactured cartridges, the breakdown for 2012 follows:

- All toner cartridges purchased: **11,187 units**
- Sustainable Earth Remanufactured Toner: **9,406 units**
- Ratio of Sustainable Earth to Total: **84.1 percent**
- Energy Savings from Sustainable Earth toner purchases: **170,249 mega joules**
- Equivalent to number of refrigerators powered for one (1) year: **39.4**
- Material savings from Sustainable Earth toner purchases: **3,988 pounds**
- Carbon dioxide savings from Sustainable Earth toner purchases: **35,719 pounds**

Attendees were also provided with "Green Meeting" options. For example, instead of using conference binders which include printed materials, dividers, shipping and printing time, why not use a customized flash drive to distribute electronic meeting materials? Paper presentations mean paper handouts and waste; instead, use a digital projector where the return on investment is approximately 150 reams of paper.

On November 30, 2012, BBVA Compass offered its first employee shred day in Birmingham, Ala., in conjunction with Global Security Awareness Day. IT Risk and Governance (formerly IT Compliance) is passionate about the security of BBVA Compass employees' personal data. We partnered with the Records and Information Management team and our national shred vendor to provide a convenient way to safely destroy personal documents.

Partnering with Companies that Value Sustainability and Social Responsibility

BBVA Compass is contracted with a global supplier to procure the Zody® chair for BBVA Compass' corporate buildings. The Zody chair is a high-performance task chair that blends wellness and sustainability, and it is the first task chair to be endorsed by the American Physical Therapy Association and receive a Level 2 BIFMA (Business and Institutional Furniture Manufacturers Association) certification.

Zody is assembled in an ISO 14001 certified facility in Bruce, Mississippi, and there is zero waste to landfill. The energy required to manufacture Zody is offset through the purchase of renewable energy certificates. Zody has a high recycled content of 51 percent and is also GREENGUARD® Children and Schools Certified as low-emitting furniture and is free of PBDEs, PVC, CFC and chrome – making it an ideal product to support LEED certification.





Environmental Management and Climate Change

BBVA Compass continues to make progress toward full implementation of the BBVA Group's Global Eco-efficiency Plan. BBVA Compass' Corporate Services team, under the direction of the Real Estate, Procurement and Services department, was created in 2010 to address the need for an updated management infrastructure and a more effective process for data collection and reporting. These groups are also tasked with creating programs and managing relationships with external vendors in order to educate them about our Eco-efficiency Plan, and assist in helping them to find ways of reducing the company's environmental impact.

The plan has five line-of-action blocks, each containing a large number of individual initiatives. It is managed by means of a scorecard that has six specific indicators, each linked to a target, to make it easier to monitor and evaluate compliance.

The Supply Chain Management and Corporate Responsibility and Reputation teams – in conjunction with Corporate Services and Real Estate Management – continue to work with the BBVA Compass Efficiency team to garner support across lines of business and support units so that we can unite in addressing the sustainability action items in the BBVA Group's Global Eco-efficiency Plan as follows:

- Separation and recycling of solid urban waste and hazardous waste
- Separation and recycling of computer waste
- Reduction of electricity consumption per employee
- Reduction of water consumption per employee
- Reduction of paper consumption per employee
- Establishing sustainability criteria for purchasing
- Increase the number of ISO 14001 quality certifications
- Use of videoconferences to reduce the number of business trips
- Offsetting CO2 emissions and reforestation
- Training, dissemination and education programs

In 2012, BBVA Compass completed its first full year under a national recycling program. That program resulted in the tracking of a 60-percent waste diversion ratio for a total of 4,845 tons of trash versus 7,282 tons of recycling. The bank also continued its utilization of the CA Eco-efficiency software, which allows for a more reliable way of tracking electricity, water and diesel consumption – while also allowing the Corporate Services and Real Estate Management team the ability to identify potential anomalies at locations throughout our footprint.

Additionally, the bank piloted several facility-related environmental programs in 2012 – implementing environmental efficiency upgrades such as LED panels for signs, LED retrofits for drive-thru canopies and solar paneled lights for flag poles. As in years past, motion sensor lighting and new thermostats continued to be implemented in locations across the bank's footprint. In 2012, the four Retail branches constructed in 2011 (which were cited in this chapter in the bank's 2011 Corporate Responsibility Annual Report) all received LEED® certification and five more are in the process. All are designed to achieve the following reductions over code requirements:

- 30-percent savings in water use
- 50-percent savings in landscaping water use
- 40-percent or more savings in energy

BBVA Compass also began the construction process of a new state-of-the-art corporate office building in Houston – the BBVA Compass Plaza. The 380,000-square-foot structure, replete with eco-efficient LEED® Gold standard features, will be the first major office building constructed in the Galleria area of Houston in 30 years. This facility was completed and ready for occupancy in April 2013.

To further bring ourselves into alignment with the BBVA Group Global Eco-efficiency Plan, BBVA Compass has set the following goals for 2013:

- Reduce CO2 output by 3 percent;
- Reduce paper consumption by 3 percent;
- Reduce water consumption by 3 percent;
- Reduce electricity consumption by 3 percent; and
- All new construction and renovations in 2013 will contain many environmental efficiency upgrades with LEED certification and zero-landfill goals.

Conservation

BBVA Compass has a comprehensive energy management program, which is the cornerstone of any sustainability and emission reduction program. This program includes initiatives to reduce consumption and travel.

In 2012, pilot programs were launched for several systems in an attempt to continually upgrade energy and water consumption performance. Light harvesting programs, irrigation systems and LED lighting systems for interior and exterior were piloted at several sites across the country.

Technology vs. Travel

BBVA Compass continues to invest in technology with the goal of reducing business travel. The bank increased the number of audioconferences it hosted, which includes conference calls as well as web-based meetings. Although the number of videoconference and telepresence meetings slightly declined in 2012, BBVA Compass also decreased its overall air travel by approximately 10,000 km – reporting a total of 25,611,370 km of air travel in 2012 (both commercial air travel and travel via the BBVA Compass corporate jet). This translates to 3,031,250 kg (3,031 metric tons) of CO₂ consumed based on 2012 air travel.

	2012	2011	2010
Videoconferences (nº)	4,036	4,517	3,228
Audioconferences (nº)	106,515	92,741	65,112
Telepresences (nº)	185	273	286
Air travel (km)	25,611,370	35,337,301	26,714,236

Diesel

In 2012, BBVA Compass consumed 40,424 liters (1,564 GJ) of diesel fuel – which is used by the bank to power generators in emergency situations. The bank's 2012 diesel fuel consumption increased slightly over its 2011 totals because generators were used at one location in Montgomery, Ala., for nearly a month. This was due to a damaged primary electric cable between our location and the local utility, which necessitated the installation of a new cable.

Electricity

In 2012, the total estimated electricity consumption for all of BBVA Compass' properties was 139,940,494 kilowatt hours (503,786 GJ), which translates to 84,579,000 kg (84,579 metric tons) of CO₂. In order to achieve our 2012 electricity consumption estimate, the BBVA Compass Real Estate Management team took the actual consumption from every owned facility in the portfolio for the first 10 months of the year. It then estimated the last two months of data by mirroring the actual amounts for those same months in 2011. The total estimated kilowatt hours for all of BBVA Compass-owned facilities combined was then converted to G Joules.

Additionally, the bank participated for the fourth straight year in the international Earth Hour energy conservation event. Several of our landmark buildings, including our Corporate Headquarters in Birmingham and River Oaks office building in Houston, went dark for one hour on Saturday, March 31, 2012 in solidarity with our counterparts who recognize climate change as an ongoing global concern.



Water

In 2012, the total estimated water consumption for all of BBVA Compass' properties was 1,292,286 m³. In order to achieve our 2012 water estimate, the BBVA Compass Real Estate Management team took the actual consumption from every owned facility in the portfolio for the first 9 months of the year. It then estimated the fourth quarter data by mirroring the actual amounts for those same months in 2011.

Solid Waste

BBVA Compass piloted a recycling program in 2011 for solid waste collection, which was then expanded footprint-wide in 2012. Over the course of the calendar year, BBVA Compass consumed 11,001,064 kg of total waste through this program, of which 4,395,259 kg was trash and 6,606,395 kg was recycled – creating a diversion ratio of 60 percent.

In 2012, BBVA Compass consumed 1,363,938 kg of paper with an average of 5 percent recycled input material, and we recycled more than 3,876,932 kg of paper. The weight of the paper that the bank sent for recycling outweighs the amount of paper that the bank purchased during 2012 because of the bank's records management procedures. Prior to 2010, Compass Bank and the other U.S. banks that were consolidated under the BBVA Compass

name and brand were not managing paper records efficiently. Therefore, the bank now has hundreds of thousands of offsite boxes of records that are eligible for destruction in addition to the contents collected in our office and branch shred bins. The length of time we keep these records is dictated by the bank's approved retention schedule, which is based on line-of-business need, government regulations, and common business practices.

Also in 2012, BBVA Compass' technology vendor reported that an estimated aggregate total of 35,673 kg of computer equipment was either recycled or destroyed on the bank's behalf. Additionally, 1,193 printer toner cartridges were recycled.

Significant Fines and Non-monetary Sanctions

BBVA Compass accumulated no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in 2012.

Green Product Standards

Since 2008, BBVA Compass has been working with our janitorial vendor to develop a program so that all janitorial cleaning supplies and cleaning policies meet LEED "Green Product" standards. This includes our banking center drive-thru lanes, which are cleaned by waterless concrete and asphalt cleaners using natural agents.

Additionally, BBVA Compass is contracted with a global supplier to procure the Zody® chair for BBVA Compass' corporate buildings. Zody is assembled in an ISO 14001 certified facility in Bruce, Mississippi, and there is zero waste to landfill. The energy required to manufacture Zody is offset through the purchase of renewable energy certificates. Zody has a high recycled content of 51 percent and is also GREENGUARD® Children and Schools Certified as low-emitting furniture and is free of PBDEs, PVC, CFC and chrome – making it an ideal product to support LEED certification.





Community Involvement

At BBVA Compass, our vision – one that we share with the global BBVA Group – is to work for a better future for people. This is a commitment that we make to all the communities where we have a presence and one that we take very seriously.

The BBVA Compass Corporate Responsibility and Reputation (CRR) team has adopted this vision statement for our own work – reflecting the comprehensive way the BBVA Group views its relationships with the communities in which it has a presence. Our holistic approach involves many aspects, including charitable giving, volunteerism, an emphasis on education and financial literacy for all, and other areas that promote the well-being of people where we live and work.

BBVA Compass Foundation

CRR's Office of Community Giving continues to manage BBVA Compass' charitable giving through the BBVA Compass Foundation – working with local contributions committees in our major markets and city presidents in our community markets. Using this approach, we continue to embrace a localized, focused and inclusive community giving strategy dedicated to making a meaningful, measurable impact in the communities we serve.

The BBVA Compass Foundation is a private foundation that funds eligible 501(c)(3) organizations through six focus areas: Community Development (including Financial Education), Education, Health and Human Services, Arts and Culture, Diversity and Inclusion, and Environment and Natural Resources. The Foundation considers grant requests from nonprofit organizations serving the neighborhoods and communities where we have a presence, including those in Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas. In 2012, more than \$5 million was donated through the Foundation and through charitable sponsorships to support endeavors in our six focus areas.

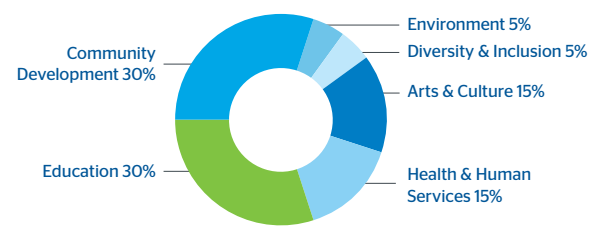
BBVA Compass 2012 Charitable Contributions (By Focus Area)	
Education	\$1,132,400
Health and Human Services	\$1,221,990
Community Development (Including Financial Literacy)	\$1,389,750
Environment and Natural Resources	\$155,500
Arts and Culture	\$967,300
Other	\$162,500
Total BBVA Compass Charitable Contributions in 2012	\$5,029,440

Although the Foundation contributes to a wide variety of nonprofits, many of whom already have long-standing relationships with the bank, the CRR team continues to focus on Community Development and Education as two major areas of need – targeting 60 percent of the Foundation's total giving to these primary focus areas. These focus areas are well aligned to the BBVA Group's recognized work in reducing traditional barriers to financial well-being for low- to moderate-income communities – resulting in a better educated, more informed and smarter customer base that, in turn, strengthens BBVA Compass' position in our communities.

Our automated grant application system, which launched in April 2010, allows nonprofits to apply online and enables BBVA Compass the ability to make more educated decisions about funding requests at the local level. Our partners get all the information they need in one place, www.bbvacompass.com/foundation, so that they can review our eligibility requirements, giving priorities and the Foundation's funding limitations. BBVA Compass benefits by having a streamlined, orderly process by which the CRR team can review and evaluate grant requests. There are many advantages of the online system, including the ability to collect robust information from nonprofits about their organization, programs and impact, the creation of a historical database for Foundation contributions, and better methods of tracking and reporting the charitable investments we make throughout our footprint.

Following their initial review, applications are then submitted to each local market's charitable contributions review committee. Our local charitable contributions review committees are an essential component to the Foundation's success. Committees are composed of market leaders representing our three lines of business (Retail, Commercial and Wealth Management), who work in partnership with the CRR team to evaluate local charitable requests. These committee members make charitable contributions that follow the Foundation's guidelines and address the needs specific to their communities.

BBVA Compass Foundation Contribution Targets (By Focus Area)



Additionally, the CRR team hosts bimonthly webinars to educate nonprofits about our application process and funding priorities – fielding questions from participants towards the end of each 90-minute session. In return, they receive rich information about BBVA Compass and the BBVA Compass Foundation, the Foundation's eligibility requirements and receive a step-by-step tutorial on our grant submission process.

Nonprofit representatives who participated in these webinars have acknowledged BBVA Compass as taking a progressive approach to charitable giving and going above and beyond in our community outreach efforts. Our goal is to arm these nonprofits with a new arsenal of knowledge as they approach fundraising in future years.

BBVA Compass' Annual Holiday Food Bank Initiative

Employees across our seven-state footprint participated in several holiday food bank volunteer events – packaging and sorting food during November and December 2012. This was the fourth consecutive year that BBVA Compass has contributed to our communities in this way, while also donating \$149,250 through the BBVA Compass Foundation.

Additionally, the bank added a Retail component to this year's Mission to Feed a Million campaign – donating \$5 to local food banks for every business and consumer checking account opened from Nov. 1 through Dec. 31, 2012. This campaign resulted in an additional \$138,340 total donation to local food banks – bringing BBVA Compass' total holiday contribution to just over \$287,000.

BBVA Compass also was able to leverage its relationship with the National Basketball Association (NBA) and the Houston Dynamo Soccer League, bringing in NBA and Dynamo players and mascots in select markets to work alongside employees.

Employee Involvement

Over the course of 2012, CRR's Office of Employee Involvement continued to deliver programs that work to strengthen our community involvement through active and engaged employees. Signature volunteer programs encourage employees to contribute their time and talents via the BBVA Compass Volunteers program and make charitable donations via payroll deduction through the BBVA Compass Charity program. Both programs are designed to empower employees to become philanthropists in their communities.

Both programs utilize Volunteer Connection – an online, state-of-the-art employee involvement resource that was introduced in 2010. It is a one-stop online shop for all things related to employee involvement – a website where employees can search and sign up for individual volunteer opportunities and team events, record hours they spend engaged in community involvement initiatives,



and direct all aspects of their BBVA Compass Charity contributions. For added convenience, Volunteer Connection is accessible to employees at work or from any computer with Internet access.

BBVA Compass Volunteers

BBVA Compass Volunteers, the bank's employee volunteer program, is aligned with the BBVA Compass Foundation's six focus areas and gives employees the opportunity to participate in footprint-wide "signature" volunteer programs, as well as local, chapter-based volunteerism initiatives — offering many different opportunities for individual and team volunteerism.

While BBVA Compass signature programs were introduced to provide employees with an easy option for local volunteerism, they were intentionally designed to expand our offering of initiatives that align to CRR's primary focus areas:

- BBVA Compass' financial education program is composed of the robust, multi-faceted Money Smart curriculum for adults through a partnership with the FDIC and offers the American Bankers Association Education Foundation's (ABAEF) "Get Smart About Credit" and "Teach Children to Save" curriculums for teenagers and children, respectively. (Additional information is available on page 13).
- Reading Counts, BBVA Compass' literacy program aimed at improving educational opportunities for disadvantaged students in kindergarten through third grades, put more than 10,000 books into the hands of children across our footprint during 2012. (Additional information is available on page 51.)
- For a fourth consecutive year, the BBVA Compass Foundation and BBVA Compass Volunteers joined together in a holiday service initiative to support food banks in markets across our footprint. (Additional information is available on page 50.)
- BBVA Compass Volunteers in six of the bank's major markets participated in a school revitalization initiative in partnership with NBA Cares called "Team. Works. in SchoolsSM." (Additional information is available on page 51.)

The depth of data employees provide on each volunteer activity recorded in Volunteer Connection allows for enhanced reporting capabilities for both CRR and BBVA Compass' Community Reinvestment Act (CRA) team. During 2012, more than 1,757 BBVA Compass employees contributed 68,739 hours of volunteer service across our footprint. These self-reported volunteer hours were given by employees, both as individuals and in teams, on the bank's behalf.

Additionally, the CRR team continued to work with local market leadership throughout 2012 to launch and advise BBVA Compass Volunteers chapters across the bank's seven-state footprint. Since 2011, the CRR team has launched 10 chapters.

Reading Counts

BBVA Compass believes that education and literacy play a very important role in a successful society — and, as a result, the bank commits a major portion of corporate resources to education initiatives focused on bridging the achievement gap for public school children in pre-kindergarten through 12th grades.

In 2012, BBVA Compass continued its relationship with Scholastic, Inc. to donate books to disadvantaged children across our footprint through our signature literacy program, Reading Counts. The program, which made its footprint-wide debut during the 2010-11 school year, promotes the importance of reading to young children. BBVA Compass employees were given the opportunity to volunteer to read to kindergarten through third-grade children in low- to moderate-income schools near their BBVA Compass offices and banking center locations. Employees outfitted with branded reusable book bags — each containing English, Spanish or bilingual Scholastic books — visited their local schools, read one of the books to a classroom of students, and left behind the books for the children to take home and the book bag for the teacher.

In addition to the bank's regular classroom literacy program, BBVA Compass' relationships with the Houston Dynamo and the WNBA also allowed for other Reading Counts book donation opportunities during special educational events.

In all, more than 10,000 books were donated through BBVA Compass' Reading Counts literacy program over the course of 2012.

Team. Works. In Schools® School Revitalization Initiative

During 2012, BBVA Compass teamed up with NBA Cares on our joint Team. Works. In Schools® initiative to refurbish schools in six of BBVA Compass' major markets. More than 550 volunteers across the BBVA Compass footprint — joined by NBA Legends Bob Lanier, Felipe Lopez and a host of other NBA and WNBA Players and Legends, as well as many local dignitaries — participated in the initiative. Volunteers' contributions included the painting of murals and classrooms, landscaping work, furniture assembly, library book registrations and much more.

Additionally, the bank and NBA Cares tipped off its 2012-13 season in November 2012 and conducted two slightly revamped Team. Works. In Schools activities in Mesa, Arizona and McAllen, Texas. These events included book donations to the students and to the schools' libraries, an NBA FIT Clinic (hosted by NBA and WNBA Legends), the introduction of the BBVA Compass Financial Scholars Program through EverFi (an online, interactive financial education tool), among other donations.



“Building a Better Houston” Initiative with the Houston Dynamo

BBVA Compass and the Houston Dynamo teamed up during 2012 to boost the city’s East End as part of our joint “Building a Better Houston” campaign. A series of community revitalization events culminated in the May 12 opening of BBVA Compass Stadium — home to the city’s professional soccer team.

More than 100 BBVA Compass Volunteers, including U.S. Country Manager and BBVA Compass President and CEO Manolo Sánchez, and Dynamo officials painted, landscaped and made repairs to three homes occupied by underprivileged senior citizens for the initiative’s “Building a Better Community” event. The homes were selected by Rebuilding Together, and the effort was made possible largely by a \$75,000 contribution from the BBVA Compass Foundation.



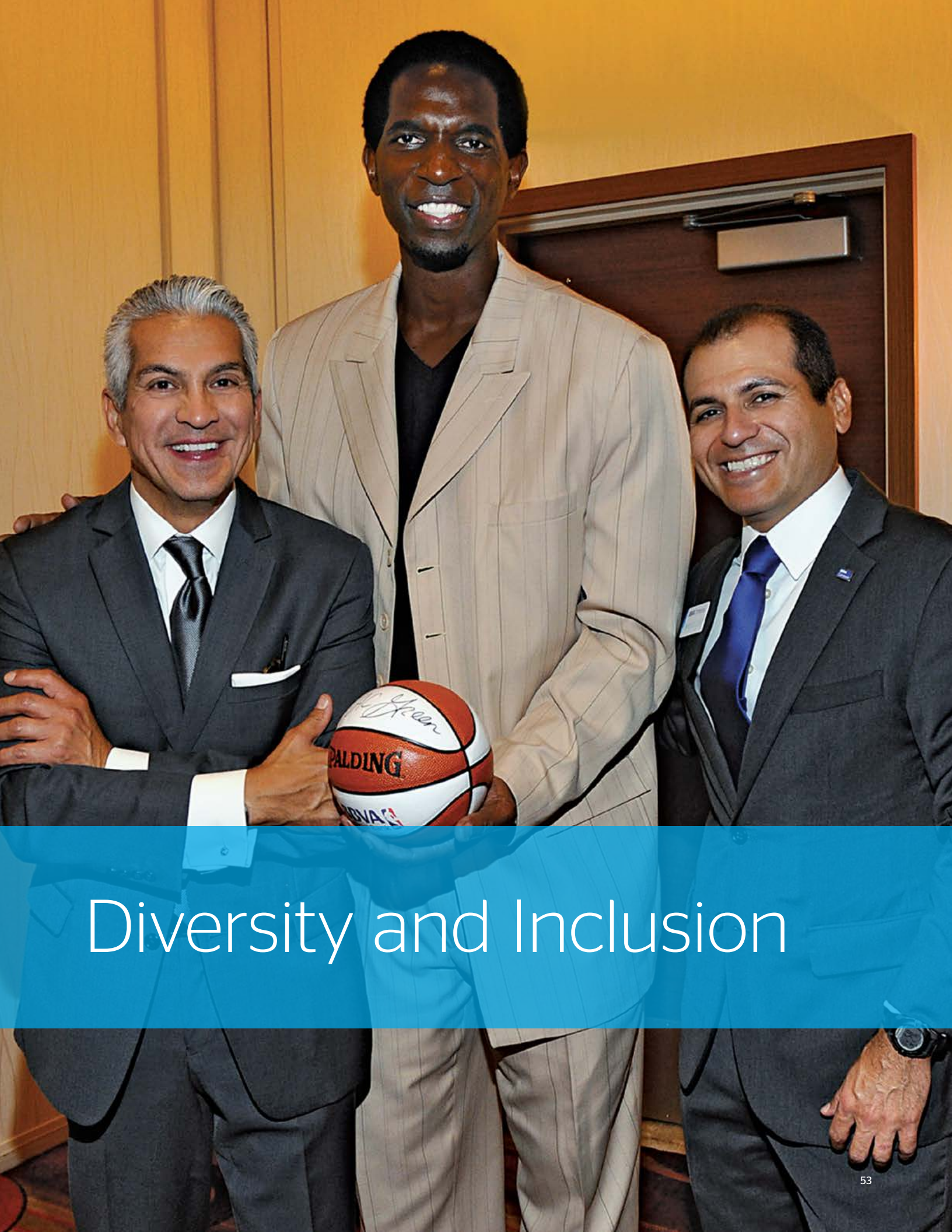
BBVA Compass Charity

BBVA Compass Charity, the bank’s employee charitable giving program, offers employees control and transparency when it comes to their charitable contributions.

Through Volunteer Connection, employees control how much they want withheld from each paycheck for charitable contributions, the way in which those dollars are withheld (either a recurring fixed-dollar amount or a percentage of their pay), and the 501(c)(3) nonprofit organization they want those dollars to benefit. Employees can select as many as four organizations from the complete IRS database of more than two million 501(c)(3) nonprofits to be the beneficiaries of their gifts. In addition, the program is 100-percent voluntary.

In 2012, employees donated more than \$1.4 million to qualified nonprofits through BBVA Compass Charity.





Diversity and Inclusion

BBVA Compass believes that diversity is inherent in our business, from our relationships with customers of different backgrounds, to our local and international employee base, to the work we do with minority and women-owned vendors acting as suppliers to the organization. In 2010, the CRR department worked closely with HR and Procurement to begin building a solid infrastructure for diversity and inclusion, netting new committees and expanded outreach into the community.

Strategy

Our strategy for diversity and inclusion was developed in 2009 by CRR to focus diversity and inclusion activity on three core areas: Human Resources, Procurement and Community Involvement.

In 2011, CRR worked with the above partners and the Office of the CEO to issue our official CEO Statement on Diversity:

When we envision a better future for people, we mean all people. As a global company, we embrace diversity. And in the U.S., we value the diversity of our employees, customers, vendors and communities. From supplier diversity, to employee programs, to support for our diverse communities, we make diversity a competitive advantage.

Human Resources

BBVA Compass has an established commitment to Diversity and Inclusion (D&I) that is exemplified by core commitments that were developed in 2012. Through the Blending the Best Workplace Diversity program:

- We recognize and appreciate the uniqueness of everyone, regardless of our similarities or differences.
- We recognize and respect the individuality, diversity of thought, and varied backgrounds of everyone which bring unique ideas, opinions, beliefs, motivations and values — all of which add value.
- We foster a culture of inclusion and create a better future for people by blending the best of all people.
- We attract, hire, and retain a diverse group of talented people to help us achieve our vision.
- We embrace a culture of inclusion and we explore ways to expand diversity and create an environment where everyone can feel part of it.
- We demonstrate our commitment to diversity and inclusion in everything we do.



In 2012, we rolled out paid maternity/paternity leave for new parents, hired a dedicated bilingual recruiter, developed strategic alliances with diversity-focused organizations in the communities we serve, recruited on diverse college campuses, and launched an international, multi-lingual careers site on www.bbvacompass.com. In addition, we implemented an open job posting program.

In 2013, BBVA Compass plans to expand its commitment through workplace diversity and inclusion education initiatives for employees.

Procurement

In 2012, the Procurement team introduced its Supplier Diversity Recognition Program. The recognition program provides a stimulus to the Procurement team that will advance spend with diverse companies — promoting strategic implications for future long-term relationships with higher levels of sustainability. This accomplishment is critical to moving forward our long-term objective of institutionalizing the inclusion of supplier diversity throughout our procurement procedures.

Additionally, Procurement executives joined two supplier diversity boards in Alabama and Texas in 2012. The team continues to be active in standing working groups and committees that broaden and promote the awareness and marketing of diverse businesses in key markets.

Community Involvement

Employees continue to lead the way in reaching out to diverse communities, as they volunteered many hours to organizations serving minority populations. BBVA Compass and the BBVA Compass Foundation also invested in many diverse organizations, including the NAACP, the Urban League, the U.S. Hispanic Chamber of Commerce, and the Human Rights Campaign.

Workforce: Breakdown by gender & average age in years (percentage)

	Gender		Average age		
	Males	Females	<25	25-45	>45
2012	38.8	39.9	8.4	60.5	31.1
2011	38.3	39.7	9.0	60.2	30.8
2010	38.1	39.2	10.3	59.3	30.4

Functional distribution by sort and professional category (percentage)

	2012		2011		2010	
	Females	Males	Females	Males	Females	Males
Steering Committee and Corporate Managers	0.0	100.0	0.0	100.0	11.1	88.9
Senior Management	16.9	83.1	18.2	81.8	16.0	84.0
Middle Management	53.2	46.8	58.0	42.1	60.1	39.9
Specialists	62.2	37.8	60.3	39.7	60.2	39.8
Sales Force	51.5	48.5	49.8	50.2	53.5	46.5
Entry-level	78.3	21.7	78.9	21.1	81.4	18.6

Contracts by gender and type (percentage)*

	2012		
	Males	Females	Total
Full-time	36.9	63.1	94.2
Part-time	22.1	77.9	5.8
Temporary	50.0	50.0	0.0

* This table only includes full-time, part-time and temporary BBVA Compass employees. It does not include contract workers.

Voluntary resignations of the workforce (turnover) and breakdown by gender^{1,2} (percentage)

	Total turnover	Males	Females
2012	14.6	37.8	62.2
2011	16.8	33.7	66.3
2010	15.4	30.2	69.8

1) Turnover = [Voluntary discharges (excluding early retirement) / number of employees at the start of the period] x 100.

2) BBVA Compass does not currently track employee turnover by age group or region.





Supplementary Information

Stakeholder Engagement

As a part of our vision of working for a better future for people, BBVA Compass considers a positive and engaging relationship with its stakeholders to be a high priority – allowing us to respond to salient issues quickly and effectively as they develop. BBVA Compass stakeholders are any groups of people, institutions or organizations that significantly affect the organization's activity and decisions, while at the same time may be affected by them. We are interested in being as transparent as possible so that we may differentiate ourselves as an organization and gain, as well as maintain, our stakeholders' trust.

Communication with stakeholders allows BBVA Compass the opportunity to continually improve its operations and programs and to anticipate any important issues before they turn into future risks or threats. By engaging stakeholders, we can create action plans as needed to mitigate risk and effectively manage our reputation.

For our 2012 report, the Corporate Responsibility and Reputation team (CRR) employed the Express Consultation approach to reporting on stakeholder engagement. This process involves three objectives: the identification of stakeholder groups, determining the issues that our stakeholders deem relevant, and identifying those stakeholder issues to include in our report.

Over the course of the year, the CRR department engaged stakeholders in a variety of ways, from surveying customers and employees, soliciting input from advisory boards, and leveraging our relationship with the Reputation Institute to better understand current positioning and needs with various stakeholder groups.

2012 Activity

Customers

At the global level, the BBVA Group contracted the services of GlobeScan Radar 2012 to conduct face-to-face, online and telephone surveys in the 26 countries where the BBVA Group has a presence. The survey targeted nationally representative samples and included approximately 1,000 adults in each country, including the U.S. This wide-ranging survey covered topics related to the perception of the financial services industry (and the BBVA Group in particular) in 2012, including in what ways an organization is considered a responsible company and what economic issues continue to be causes for concern according to public opinion.

Further, BBVA Compass engaged the services of Reputation Institute to conduct surveys that included our customers. The responses and resulting analyses allow our organization to manage reputation and identify chronology-based changes in perception about key indicators, including corporate citizenship, product offerings, fair treatment of employees, and much more.

In addition, key BBVA Compass customers are selected to become a part of one of the various advisory boards that provide feedback to our organization on important issues in the marketplace.

Employees

BBVA Compass gauged employees' perceptions about BBVA Compass through various polls and surveys during 2012, including a bank-wide Employee Satisfaction Survey conducted by Human Resources in conjunction with the Great Place to Work Institute and Claes Fornell International Group. This survey is conducted biennially and all BBVA Group employees around the world are invited to participate. This year, BBVA Compass boasted a 78-percent completion rate – a significant increase in participation from the previous survey conducted in 2010.

Additionally, the Reputation Institute conducted its annual Internal Reputation Survey during the summer of 2012, randomly selecting 710 of the bank's employees across the organization. The sample was representative of two key groups: Retail employees (those directly in contact with the client) and non-Retail employees (employees from other lines of business and support areas).

Nonprofits

During 2012, the CRR team continued its practice of conducting monthly webinar training sessions for nonprofit organizations applying for grant funding from the BBVA Compass Foundation.

While we do not currently survey our nonprofit partners about our corporate responsibility initiatives, we do on occasion receive unsolicited feedback from these partners – usually through email or phone calls. The Corporate Responsibility and Reputation team is considering implementing a more formal feedback channel for this stakeholder group during 2013.

Conclusions

As the current national and global economic environments remain challenging for financial institutions, BBVA Compass customers and employees continued to place emphasis on the importance of the BBVA Group's major objectives, as identified by BBVA Group President and COO Angel Cano in late 2009: simplicity – especially as it relates to understanding products and services; transparency in communications; and trusting in the strength and stability of their financial institution.

The GlobeScan Radar 2012 Wave 1 study found that the global public continues to distrust business interests when compared against other institutions (e.g., scientists, nonprofits/NGOs, religious groups/churches, etc.). This is particularly notable in industrialized economies (such as in the U.S. and Europe) relative to the perceptions in emerging economies – where people tend to associate business activity with the ability to effect positive social change in their communities. Overall, while Americans showed an increasing amount of interest in Corporate Social Responsibility (CSR) programs and communications, they remain cynical about companies' motives – perceiving that CSR programs are implemented more to improve a company's image rather than to become an active contributor to society.

The Reputation Institute's year-end analysis of customer perceptions found that the top drivers for reputation in 2012 were ethics, corporate citizenship and responsible products. BBVA Compass improved in all of these areas in 2012 over 2011 – improving its reputation overall while many national and regional banks' reputations declined or remained flat. With regard to corporate citizenship, BBVA Compass customers ranked the following as most notable: 1) contributes to society; 2) protects the environment; 3) supports good social causes; 4) provides products that assist those with fewer resources; and 5) promotes financial education. With this in mind, customers said that they would be likely to consider working for, recommending, trusting, purchasing from or saying something positive about BBVA Compass.

The bank's Internal Reputation Survey, also conducted by the Reputation Institute, found that both BBVA Compass employees and employees across the BBVA Group rank the workplace as having significant influence over an organization's reputation – with both BBVA Compass and BBVA Group employees ranking ethics as the number one dimension and with customer orientation coming in a close second in the U.S. The bank's emotional reputation declined overall in 2012, with the most significant decreases coming from BBVA Compass' Retail/branch network and in the areas of leadership and customer orientation. Areas of focus identified for future concentration include improving the customer experience and increasing employee engagement.

BBVA Compass employees and customers surveyed in the U.S. independently throughout 2012 continue to agree that the top attributes for building and maintaining a strong reputation revolve around our organization's dedication to customer-centric practices and a commitment to ethical conduct and transparency. Both internally and externally, BBVA Compass is regarded as a strong financial institution – one that delivers simple solutions in order to meet its stakeholders' needs.

These findings provide the foundation for the 2012 BBVA Compass Corporate Responsibility Annual Report.

BBVA Compass 2012 Goals and Status

Goal	Status
CR Principles and Policy	
Hold the first meeting of the CRR Committee.	100%
Appear before BBVA Compass Board of Directors, National Advisory Board and Management Committee as needed.	100%
Achieve B+ level on 2011 Annual CR Report with assurance services provided by Deloitte & Touche LLP.	100%
Stakeholder Engagement	
Create and follow an annual stakeholder engagement plan.	0%
Conduct annual internal reputation survey.	100%
Continue reputation tracking via RepTrak.	100%
Keep U.S. employees informed on CRR activities and programs via multiple channels.	100%
Financial Education	
Renew financial education relationships with the ABA Education Foundation and FDIC Money Smart.	100%
Reach 10,000 children with ABA Education Foundation financial literacy curriculum.	62%
Reach 6,000 adults with FDIC Money Smart financial literacy curriculum via employees as instructors and through nonprofit partnerships.	91%
Financial Inclusion	
Continue involvement in U.S. microfinance and CDFI trade associations and gatherings.	100%
Continue partnerships for banking the unbanked via "Bank On" initiatives.	Ongoing
Customer Focus	
Continue innovative outreach to NGOs for Compass for Your Cause product.	Ongoing
Foster alternative information and access channels for banking services including online, mobile and social media.	Ongoing
Support product development at BBVA Compass to incorporate CR principles and policies into products as appropriate.	Ongoing
Responsible Finance	
Continue and expand enterprise risk management program.	Ongoing
Collaborate with Risk Management on reputation risk as needed.	Ongoing
Responsible Management of Human Resources	
Continue "leap" Associates Program to add management trainees to the workforce.	100%
Support expansion of talent management and training offerings to employees.	Ongoing
Responsible Investment	
Introduce WM to BBVA Group opportunities in Socially Responsible Investing (SRI) pools.	Ongoing
Responsible Procurement	
Continue Supplier Diversity program within Procurement and support participation at supplier diversity events.	Ongoing
Support the use of environmentally-friendly office products, the building/leasing of LEED certified facilities and the use of utilities using renewable energy sources.	Ongoing
Environment and Natural Resources	
Contribute to the advancement of specific objectives in the BBVA Group's Global Eco-Efficiency Plan.	Ongoing
Participate in Earth Hour, including signature buildings in major markets.	100%
Reduce consumption in CO2 emissions, paper, water and energy.	Ongoing
Community Involvement	
Host annual BBVA Compass Foundation board meeting.	100%
Support BBVA Compass Volunteers chapters in major markets with training, monthly meetings and engagement in signature volunteer programs.	100%
Support partnership with NBA through community programming.	100%
Diversity	
Continue and expand relationships with national organizations serving minority populations.	Ongoing
Deliver on U.S. portion of BBVA Group Gender Diversity program.	Ongoing

2013 BBVA Compass Goals

Goal
CR Principles and Policy
Hold annual meeting of the CRR Committee.
Appear before BBVA Compass Board of Directors, National Advisory Board and Management Committee as needed.
Achieve B+ level on 2012 Annual CR Report with assurance services provided by Deloitte & Touche LLP.
Stakeholder Engagement
Create and follow an annual stakeholder engagement plan.
Conduct annual internal reputation survey.
Continue reputation tracking via RepTrak.
Keep U.S. employees informed on CRR activities and programs via multiple channels.
Financial Literacy
Renew financial education relationships with ABA Education Foundation and FDIC Money Smart.
Reach 10,000 children with ABA Education Foundation financial literacy curriculum.
Reach 6,000 adults with FDIC Money Smart financial literacy curriculum via employees as instructors and through nonprofit partnerships.
Financial Inclusion
Continue involvement in U.S. microfinance and CDFI trade associations and gatherings.
Continue partnerships for banking the unbanked via "Bank On" initiatives.
Responsible Finance
Continue and expand enterprise risk management program.
Collaborate with Risk Management on reputation risk assessment and monitoring.
Responsible Banking
Continue innovative outreach to NGOs for Compass for Your Cause product.
Foster alternative information and access channels for banking services including online, mobile and social media.
Support product development at BBVA Compass to incorporate CR principles and policies into products as appropriate.
Responsible Management of Human Resources
Continue "leap" Associates Program to add management trainees to the workforce.
Support expansion of talent management and training offerings to employees.
Responsible Investment
Introduce WM to BBVA Group opportunities in Socially Responsible Investing (SRI) pools.
Responsible Procurement
Continue Supplier Diversity program within Procurement and support participation at supplier diversity events.
Support the use of environmentally-friendly office products, the building/leasing of LEED certified facilities and the use of utilities using renewable energy sources.
Environment and Natural Resources
Contribute to the advancement of specific objectives in the Global Eco-Efficiency Plan.
Participate in Earth Hour, including signature buildings in major markets.
Reduce consumption in CO2 emissions, paper, water and energy.
Community Involvement
Host annual BBVA Compass Foundation board meeting.
Support BBVA Compass Volunteers chapters in major markets with training, monthly meetings and engagement in signature volunteer programs.
Support partnership with NBA through community programming.
Diversity
Continue and expand relationships with national organizations serving minority populations.
Launch Workplace Diversity Initiative, spearheaded by Human Resources.



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors and Stockholders Compass Bancshares, Inc. Birmingham, Alabama

We have reviewed the accompanying Corporate Responsibility Report of Compass Bank (BBVA Compass is the trade name of Compass Bank) (the "Bank") for Compass Bancshares Inc. (the "Company" or "you" or "your") for the year ended December 31, 2012. The Company's management is responsible for the Corporate Responsibility Report.

We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review consists principally of applying analytical procedures, considering management assumptions, methods, and findings, and making inquiries of and evaluating responses from persons responsible for corporate social and operational matters. It is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Corporate Responsibility Report. Accordingly, we do not express such an opinion. A review of Corporate Responsibility Report is not intended to provide assurance on the entity's compliance with laws or regulations.

The preparation of the Corporate Responsibility Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Different entities may make different but acceptable interpretations and determinations. The Corporate Responsibility Report includes information regarding the Company's corporate responsibility initiatives and targets, the estimated future impact of events that have occurred or are expected to occur, commitments, and uncertainties. Actual results in the future may differ materially from management's present assessment of this information because events and circumstances frequently do not occur as expected.

Based on our review, nothing came to our attention that caused us to believe that the Corporate Responsibility Report does not include, in all material respects, the required elements of the Global Reporting Initiative G3 Sustainability Reporting Framework for Application Level B; that the 2012 amounts included therein have not been accurately derived, in all material respects, from the Company's records, or that the underlying information, determinations, estimates, and assumptions of the Company do not provide a reasonable basis for the disclosures contained therein.

The comparative disclosures for periods prior to 2010 were not reviewed by us and, accordingly, we do not express any form of assurance on them.

May 22, 2013

Report Criteria

Profile, Scope, Relevance, Materiality and Coverage of the BBVA Compass Report

BBVA Compass has developed and disseminated annual corporate responsibility reports since 2008. This report, which covers the 2012 calendar year, includes information for the BBVA Compass portion of the U.S. business unit (including any leased facilities, subsidiaries, etc.) Any changes in data reported in prior years are due to improvements in the methods for quantifying and measuring the variables affected or in the criteria used. The salient points in this year's BBVA Compass report are listed below:

- The relevant issues have been rearranged in line with the current economic and financial context.
- The 2012 data relevant to Puerto Rico (prior to its liquidation) is again included under Latin America and has been excluded from this report.

When deciding upon the relevance and materiality of the content to include, special attention was given to the opinions of leading stakeholders, extending the engagement process in line with the recommendations of the Sustainability Reporting Guidelines (version 3, 2006) of the Global Reporting Initiative (GRI) G3 and the new AA 1000 APS (2008) Account Ability Principles Standard and the AA 1000 AS (2008) Assurance Standard. Along these lines, a specific analysis was developed based on public and other information available within the BBVA Group to assess the validity and relevance of these matters in the context of the current financial/economic environment.

The BBVA Compass report is supplemented by the BBVA Group's 2012 Financial Report and by the information available via BBVA Compass' website, www.bbvacompass.com.

Restatements

As of the publish date of this report, BBVA Compass is not aware of the need for restating any material from previously published reports.

GRI Indicators

Profile	Pages
1. Strategy & Analysis	
1.1 Statement from the CEO and chairperson.	4
1.2 Description of key impacts, risks and opportunities.	10
2. Organizational profile	
2.1 Name of the organization.	6
2.2 Primary brands, products and/or services.	6
2.3 Operational structure of the organization.	6
2.4 Location of organization's headquarters.	6
2.5 Number of countries where the organization operates.	6
2.6 Nature of ownership and legal form.	6
2.7 Markets served.	6-7
2.8 Scale of the reporting organization.	6-7
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	6
2.10 Awards received in the reporting period.	6
3. Report Parameters	
Report Profile	
3.1 Reporting period for information provided.	2
3.2 Date of most recent previous report (if any).	2
3.3 Reporting cycle (annual, biennial, etc.).	2
3.4 Contact point for questions regarding the report or its contents.	67
Report Scope and Boundary	
3.5 Process for defining report content.	2, 57-58
3.6 Boundary of the report.	2, 6
3.7 State any specific limitations on the scope or boundary of the report.	2, 6
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2, 6
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	46
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	62
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2
GRI Content Index	
3.12 Table identifying the location of the Standard Disclosures in the report.	63-65
Assurance	
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	2, 61

GRI Indicators, continued

4. Governance, Commitments and Stakeholder Engagement	
Governance	Pages
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	6, 9-10
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	9-10
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body who are independent and/or non-executive members.	10
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	57
4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangement), and the organization's performance (including social and environmental performance).	10
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	10
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	10
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	9-11
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	9-11
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	10
Commitments to External Initiatives	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	18
4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	11
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	11
Stakeholder Engagement	
4.14 List of stakeholder groups engaged by the organization.	57
4.15 Basis for identification and selection of stakeholders with whom to engage.	57
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	57
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	58

Disclosure on Core Indicators

Economic Performance Indicators		Pages
EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	7
EC3.	Coverage of the organization's defined benefit plan obligations.	36
EC4.	Significant financial assistance received from the government.	4
Environmental Performance Indicators		
EN1.	Materials used by weight or volume.	46
EN2.	Percentage of materials used that are recycled input materials.	43, 46
EN3.	Direct energy consumption by primary energy source.	46
EN4.	Indirect energy consumption by primary source.	46
EN8.	Total water withdrawal by source.	46
EN16.	Total direct and indirect greenhouse gas emissions by weight.	46*
EN17.	Other relevant indirect greenhouse gas emissions by weight.	46*
EN22.	Total weight of waste by type and disposal method.	46-47
EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	43, 45-47
EN28.	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	47
Social Performance Indicators: Labor Practices and Decent Work		
LA1.	Total workforce by employment type, employment contract and region.	7, 32, 55
LA2.	Total number and rate of employee turnover by age group, gender and region.	55*
LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	36-37
LA4.	Percentage of employees covered by collective bargaining agreements.	34
LA8.	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	38
LA10.	Average hours of training per year per employee by employee category.	34*
LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	55*
Human Rights Performance Indicators		
HR4.	Total number of incidents of discrimination and actions taken.	33
HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	34
Society Performance Indicators		
SO1.	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	14-16
SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures.	11, 19
Product Responsibility Performance Indicators		
PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	26-28
PR6.	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	29
Society Performance Indicators		
FS13.	Access points in low-populated or economically disadvantaged areas by type.	15
FS14.	Initiatives to improve access to financial services for disadvantaged people.	15-16
Product Responsibility Performance Indicators		
FS15.	Policies for the fair design and sale of financial products and services.	16
FS16.	Initiatives to enhance financial literacy by type of beneficiary.	13-14

*Denotes partial GRI credit.

If you would like to submit a question, opinion, inquiry or suggestion regarding the information contained in this report, please contact one of the following:

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BBVA Compass