

## 2014 Responsible Banking Report



**This is BBVA Compass' seventh annual corporate responsibility report. It contains information on the organization's social, environmental and governance performance during calendar year 2014. This report contains data related to BBVA Compass Bancshares Inc., a public registrant with the Securities and Exchange Commission (SEC). It is the holding company for its subsidiary, Compass Bank, which operates under the trade name BBVA Compass Bank referenced throughout this report.**

**The BBVA Compass Corporate Responsibility Annual Report focuses on priority issues for both the company and our stakeholders. This report has been prepared in accordance with Global Reporting Initiative (GRI) G4 at a core level.**

# Contents

<b>4</b>	Letter from the U.S. Country Manager and BBVA Compass Chairman and CEO
<b>6</b>	Profile
<b>8</b>	Corporate Responsibility Principles and Policies
<b>12</b>	Materiality and Stakeholder Engagement
<b>16</b>	Community Reinvestment
<b>21</b>	Responsible Banking and Finance
<b>27</b>	Responsible Management of Human Resources
<b>39</b>	Diversity and Inclusion
<b>41</b>	Responsible Procurement and Environmental Management
<b>46</b>	Community Involvement
<b>51</b>	Supplemental Information

Deloitte & Touche LLP Independent Accountants' Review Report .....	52
Report Criteria & GRI Indicators .....	53

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

Dear Reader,

With the digital revolution in banking upon us, BBVA Compass cemented its reputation in 2014 as a force for thoughtful change and leadership.

We created the Digital Banking unit and began taking decisive steps to create the best client experience in this new era. We also combined the bank's three lines of business – Commercial, Retail and Global Wealth – in the new Consumer and Commercial Bank to work alongside the Digital Bank. The model emphasizes local market leadership, leading to greater accountability in meeting community needs across the bank's footprint.

All the while, we kept our gaze turned outward as well, seeking strategic partnerships with innovative companies. We teamed up with digital banking services pioneers Simple and payments innovator Dwolla – startups whose very existence is designed to redefine the financial services industry. In doing so, we established ourselves as a bank that's actively forging a new path with digital disruptors and one that is fully capable of meeting the demands of the 21st century.

The multiyear extension of our marketing partnership with the NBA, meanwhile, means we'll continue to take center court as the Official Bank of the NBA, a global brand with the respect and reach deserving of one of the world's most popular sports. Our partnership goes beyond the painted lines of the basketball court, however. BBVA Compass and NBA Cares, the league's global social responsibility program, have presented EverFi's web-based financial literacy program to more than 30,000 students across multiple cities, many in low-income school districts.

Our efforts to build better communities went far beyond the classroom, too. We pledged \$11 billion in lending, investments and services toward supporting low- to moderate-income individuals and neighborhoods over the next five years.

Through these efforts, we're banking on a brighter future for all of our communities.

Finally, one of our biggest milestones of the year is one all of our employees can claim a part of: BBVA Compass entered uncharted territory to take the No. 1 spot with customers in American Banker's annual survey of the reputations of the 25 largest U.S. retail banks. We were the only bank that customers ranked in the top five across all seven dimensions of reputation: governance, products, performance, innovation, workplace, citizenship and leadership. It's an amazing accomplishment for a bank that came into existence just years before, and we owe it all to our dedicated employees.

As we reflect on the progress we have made, we'll be remembering how we got here and thinking of how far we can go. But we know we can't sit idle. Reputation belongs to everyone at BBVA Compass, and we must continue to place it at the core of our business.

As a principled bank, we are committed to doing our part in a way that's as big as our vision for banking in the 21st century.



**Manolo Sánchez**  
U.S. Country Manager and BBVA Compass Chairman and CEO



# BBVA Compass Profile

BBVA Compass Bancshares, Inc. is a Sunbelt-based bank holding company whose principal subsidiary is Compass Bank. Headquartered in Houston, Texas, the company operates 672 branches in Texas, Alabama, Arizona, California, Florida, Colorado and New Mexico with commercial loan and private client offices throughout the United States under the brand name BBVA Compass, as referenced throughout the report.

BBVA Compass Bancshares, Inc. is a wholly owned subsidiary of BBVA (NYSE: BBVA) (MAD: BBVA). BBVA is a customer-centric global financial services group founded in 1857. The Group has a solid position in Spain, is the largest financial institution in Mexico and has leading franchises in South America in addition to the Sunbelt region of the United States. Its diversified business is focused on high-growth markets, and it relies on technology as a key competitive advantage. Corporate responsibility is at the core of its business model. BBVA fosters financial education and inclusion, and supports scientific research and culture. It operates with the highest integrity, a long-term vision and applies best practices. The Group is present in the main sustainability indexes including the Dow Jones Sustainability Index (DJSI) and NASDAQ OMX CRD Global Sustainability (QCRD). More information about the BBVA Group can be found at [www.bbva.com](http://www.bbva.com).

BBVA Compass filed a registration statement with the SEC in November 2013, and subsequently amended, that became effective in January 2014. As such, this report is aligned with the public filings available on the Investor Section of the BBVA Compass website at [www.bbva.investorroom.com](http://www.bbva.investorroom.com).

During the fourth quarter of 2014, the company announced a reorganization of its line of business structure that impacts the company's segment-reporting structure. To provide a more customer-centric approach, BBVA created a new Chief Operating Officer position responsible for the three lines of business: retail, wealth management and commercial. BBVA Compass services include mortgages, home-equity lines and loans, credit and debit cards, deposit accounts and insurance products.

With a focus on better serving our customers, in 2014 BBVA developed new products and services designed to provide customers simple and easy-to-use solutions. We also announced alliances that increase distribution capabilities and technology that respond to customers' desire for digital solutions.

The most noteworthy item was the acquisition of Simple, a U.S. company that has created a new model of digital banking. This

operation is part of BBVA's strategy to maintain leadership in the technological transformation of the financial industry. Simple has over 100,000 customers across the country, who are provided with a set of digital tools to rationalize their expenses and optimize savings. Customers get a Simple Visa card, as well as advanced applications for Android and Apple, which include tools for saving and outstanding customer service. Although a subsidiary of BBVA Compass, it continues to operate under the Simple brand, with the same philosophy and with the same customer-centric approach.

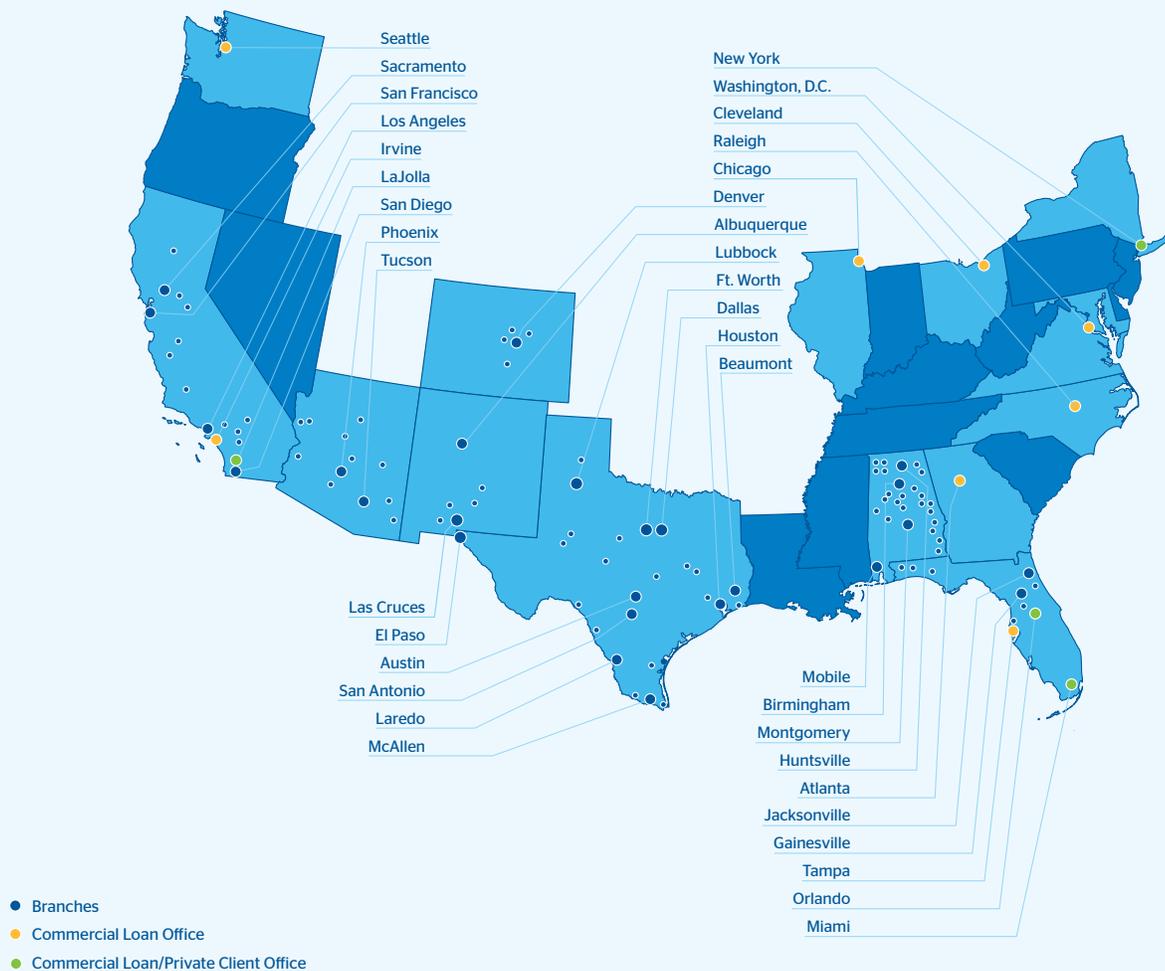
In 2014, we launched BBVA Compass Payroll Service to help manage payrolls via online banking to serve small-business customers. The service includes payroll automation, tax management, direct deposit capabilities, customizable reports and an integrated human resources library. We also enhanced our digitized international money-transfer capabilities through a new service called Secure Send. This service allows customers to send money to 20 countries with the addition of online and mobile capabilities, adding to the bank's suite of available-anytime offerings by moving to a digital platform.

We also entered into strategic alliances with OnDeck, CareCloud and Dwolla during 2014 to better serve our customers through technology. The alliance with OnDeck allows BBVA Compass to offer quicker loans with flexible terms and conditions tailored to each customer's needs. We have also begun collaborating with CareCloud to provide small-scale medical practices with access to the bank's financial products and services. Our partnership with payments innovator Dwolla will allow BBVA Compass account holders to make payments faster, transparent and less expensive.

BBVA Compass earned first-place honors in the prestigious Annual Reputation Survey commissioned by American Banker, which measures the reputation of the 25 biggest retail banks in the United States based on customer feedback. BBVA Compass was the only banking institution that scored within the top five in all categories.

Dedication to meeting customers' diverse needs and providing a broad range of services earned BBVA Compass a place on the Best Banks in America 2014 rankings. Compiled by leading personal finance publication Money magazine, BBVA Compass was named the best midsize bank in the South and one of the top banks for small business.

BBVA Compass was named a top regional bank in the Midwest, Southeast and Pacific regions of the U.S. by Nerdwallet, a comparison site for consumer banking services.



BBVA Compass Data	
Revenues (in thousands)	\$2,902,916
Operating costs (in thousands)	\$1,045,127
Employee wages and benefits (in thousands)	\$1,072,269
Payments to providers of capital (in thousands)	\$180,669
Payments to government (in thousands)	\$416,496
Total workforce	10,481
Number of branches	672
Number of suppliers	3,500
Community investments (in thousands)	\$7,419
Employee donations (in thousands)	\$1,211
Employee volunteer hours	91,834

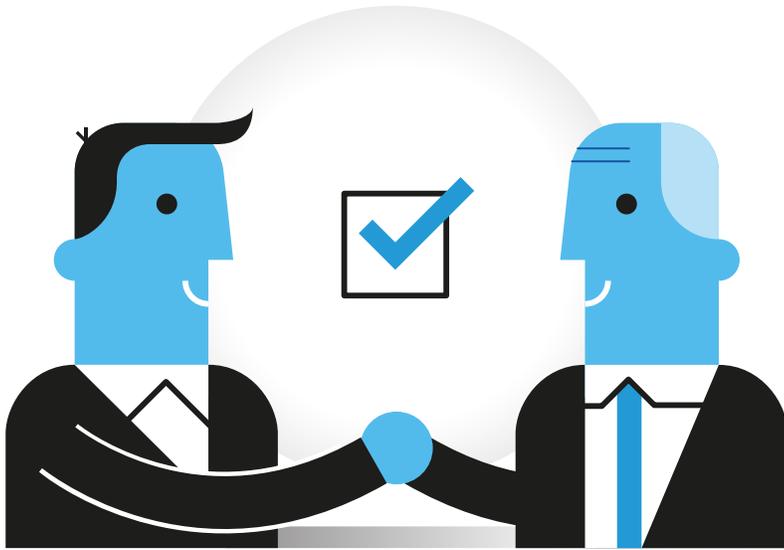
Number of Employees and Branches by State		
	Employees	Branches
Alabama	3,527	89
Arizona	864	77
California	514	62
Colorado	318	38
Florida	450	45
New Mexico	121	20
Texas	4,541	341
Other*	146	

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

\*The data in the adjoining table are intended to be an at-a-glance snapshot of BBVA Compass Bancshares' activity during calendar year 2014. Financial data are presented in thousands of US Dollars. Also available at <http://bbva.investorroom.com/annual-financial-statements>.

# Corporate Responsibility Principles and Policy





**BBVA Compass is focused on delivering outstanding corporate responsibility programs that address stakeholder and community needs where we have a presence.**

## Corporate Responsibility and Reputation

BBVA Compass' commitment to corporate responsibility is 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

The Management Committee approves the corporate responsibility policy at BBVA Compass. The Corporate Responsibility and Reputation (CRR) department is responsible for managing and coordinating that policy. In 2014, 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

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.

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 Chairman and CEO, Manolo Sánchez. As chairman of the CRR Committee and as a member of the BBVA Compass Board of Directors, Sánchez provides updates to the BBVA Compass Board of Directors on CRR policy and programs on an as-needed basis.

## Key Impacts, Risks and Opportunities

Managing risk is an inherent part of our business and our role in the financial services industry. The BBVA Compass Board of Directors is responsible for the ongoing monitoring and evaluation of risks and opportunities, including social and environmental factors. A detailed review of key risk factors is included in the 10-K, found on <http://bbva.investorroom.com/sec-filings>.

The BBVA management team evaluates social and environmental factors using the company's established comprehensive set of policies and procedures. This framework helps BBVA thoroughly and consistently evaluate risks and ensure responsible investment and lending. The policies include the U.S. Operations Credit Risk Framework, Environmental Site Assessment, among others, in addition to external principles such as the Equator Principals and Principles for Responsible Investment.



## Corporate Governance

BBVA Compass is governed by a Board of Directors that consists of both executive and non-executive (outside, independent) directors, with Manolo Sánchez serving as both Chairman of the Board and Chief Executive Officer of BBVA Compass Bancshares, Inc. Eight 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. A director is not considered to be independent if the director does not meet several criteria including, among others, the director has been, within the last three years, an employee of BBVA Compass or any of its affiliates or an immediate family member is, or has been within the last three years, an executive officer of BBVA Compass or any of its affiliates. Detailed information about BBVA Compass' Board of Directors and the bank's corporate governance structure can be found by visiting: <http://bbva.investorroom.com/company-officers>.

### Board of Directors

Manolo Sánchez (Chairman)  
William C. Helms (Vice Chairman)  
Eduardo Aguirre Jr.\*  
Shelaghmichael Brown\*  
José María García Meyer-Döhner  
Fernando Gutiérrez Junquera  
Charles E. McMahan\*  
Glen E. Roney\*  
Raúl Santoro de Mattos Almeida\*  
J. Terry Strange\*  
Guillermo F. Treviño\*  
Mario Max Yzaguirre\*

\* Outside, independent Directors

## 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 stakeholder groups and to the communities where we operate. As a condition of employment, all active BBVA Compass employees are required to acknowledge that they have read and understand the Code of Conduct annually.

In addition to the Code of Conduct for BBVA Compass employees, we have the following important policies, guidelines and governing bodies in place for managing commitments in various operating areas with regard to ethical conduct and controls:

- BBVA Group Code of Conduct
- Corporate Integrity Management Committee
- 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 2014, BBVA Compass maintained memberships in the following national industry and advocacy organizations:

- American Bankers Association (ABA)
- Bank Insurance & Securities Association (BISA)
- Consumer Bankers Association (CBA)
- Financial Services Roundtable (FSR)
- BITS
- Housing Policy Council (HPC)
- Institute of International Bankers (IIB)
- Loan Syndications & Trading Association (LSTA) - Associate Member
- Mortgage Bankers Association (MBA)
- National Association of Government Guaranteed Lenders (NAGGL)
- Network Branded Prepaid Card Association (NBPCA)
- Securities Industry and Financial Markets Association (SIFMA)

## International Agreements

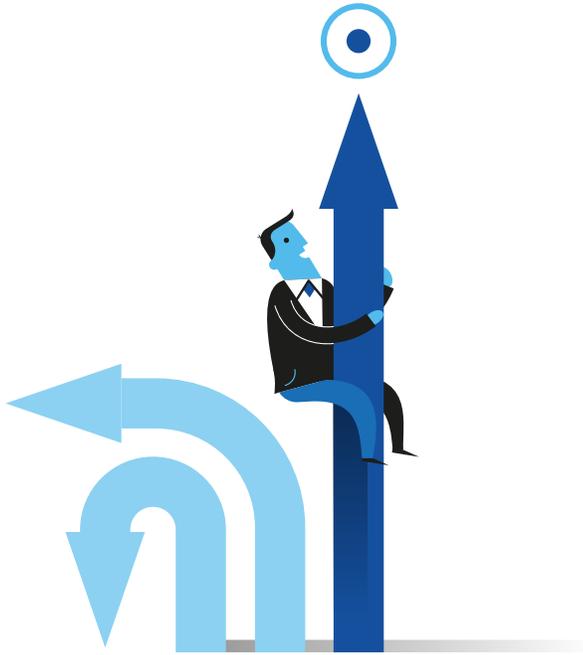
BBVA Compass monitors the BBVA Group's commitment and participation in the following international initiatives and protocols:

- United Nations Global Compact (since 2002): [www.globalcompact.org](http://www.globalcompact.org)
- UNEP- FI (since 1998): [www.unepfi.org](http://www.unepfi.org)
- Equator Principles (since 2004): [www.equator-principles.com](http://www.equator-principles.com)
- CDP (since 2004): [www.cdproject.net](http://www.cdproject.net)
- Principles for Responsible Investment (since 2008) [www.unpri.org](http://www.unpri.org)

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

# Materiality and Stakeholder Engagement





**Material topics for the purpose of managing BBVA and for determining the content of this report include areas of priority for both our company and our stakeholders. In 2014, BBVA Compass worked to determine the priority issues for our company and our stakeholders in order to identify the relevant, material issues to include in our report and drive sustainability strategy moving forward.**

## Stakeholder Input

As a part of our vision of working for a better future for people, BBVA Compass places a high priority on developing positive and engaging relationships with our key stakeholders. Doing so enables us to respond quickly and effectively as stakeholder needs and concerns change. Our stakeholders include people, institutions or organizations that significantly affect BBVA Compass' activity and decisions as well as those that may be affected by them. These groups include customers, employees, suppliers, community organizations, investors and regulators. Transparency, demonstrated in this report, is one of the important ways that we continue to earn our stakeholders' trust.

Communication with stakeholders allows BBVA Compass the opportunity to continually improve its operations and programs and to anticipate risks or threats. By engaging stakeholders, we can create action plans as needed to respond to stakeholder expectations, mitigate risk and effectively manage our reputation.

For our 2014 report, BBVA Compass in tandem with BBVA Group evaluated stakeholder interests through the surveys and analysis outlined below.

Over the course of the year, BBVA surveyed customers and employees, solicited input from advisory boards and leveraged our relationship with Reputation Institute to better understand current positioning and needs with various stakeholder groups.

## 2014 Stakeholder Engagement

### Customers

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 threats and opportunities based on perceptions of 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.

Customers ranked the most important issues as ethics, customer orientation and citizenship.

### Employees

BBVA Compass seeks feedback from employees in a variety of ways throughout the year. We conduct a detailed survey of employees' perceptions every other year along with various polls and surveys during 2014, including the annual Internal Reputation Survey conducted by the Reputation Institute. During the spring of 2014, more than 750 employees were randomly selected from 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).

Employees ranked workplace, ethics and citizenship as the most important issues.

### Community

In 2014, the CRR team made a concerted and systematic effort to gather feedback from non-profit organizations that operate in communities throughout our footprint. The Community Relations team conducted 72 community-needs assessments with community-development leaders and key stakeholders across 19 of our major markets.

The foundation of our strategy is built on our responsibility to our customers. We focus on offering products and services that are responsive to local needs, particularly in low- and moderate-income

communities. Our key responsibilities also include communicating transparently and clearly, to ensure that customers can make more informed financial decisions, and promoting financial literacy. Building lasting, long-term relationships and avoiding opportunistic short term customer relationships are also essential.

Our research, including our external reputation survey, the Edelman Trust Barometer and GlobeScan, support this approach in consistent findings that a bank's reputation is based first and foremost on ethics and customer focus.

### Regulators

As a responsible financial institution, BBVA is committed to effective management and compliance with regulations. In January 2014, the Federal Reserve Bank of Atlanta publicly disclosed the official results of BBVA Compass' Community Reinvestment Act exam, giving the bank a rating of "needs to improve." The rating confirmed what we disclosed in our quarterly report filed with the SEC in August 2014, when we said we expected our rating would limit the bank's ability to make certain acquisitions and open new branches. BBVA Compass responded swiftly with a thorough internal review of the efficacy of our community programs. We recognize the imperative to do more – more lending, investing and volunteering – and that we focus our efforts on initiatives that qualify for CRA credit. In November 2014, we pledged to put \$11 billion in lending, investments and services toward supporting low- and moderate-income (LMI) individuals and neighborhoods over the next five years.

We've also made significant enhancements to our CRA program in terms of staffing, governance and strategy. To ensure the highest level of accountability and to centralize management of the bank's community development efforts, the bank moved the CRA function to the Corporate Responsibility and Reputation department, which now reports directly to Chairman and CEO Manolo Sánchez. We also hired a new CRA program administration team, added a Community Development Finance team and have nearly completed hiring 11 community-relations officers across the BBVA Compass footprint who serve as the bank's local champions for lending, investments and services to benefit community-development efforts.

BBVA is committed to continuing to focus on these important issues that will benefit all of our stakeholders. We also will continue to seek feedback and adjust our priorities, as stakeholder needs change.

### Investors

As a wholly owned subsidiary of BBVA (NYSE: BBVA)(MAD: BBVA), BBVA Compass Bancshares is responsible for supporting the overall business strategy of the Group. BBVA Compass is aligned with the Group's sustainability priorities and goals.

BBVA Compass also supports BBVA Group shareholders through the U.S.-based, Investor Relations department, which communicates on Securities and Exchange Commission (SEC) filings such as the 10-K, along with governance information.

## Company Priorities

In considering our material topics, we also factored in BBVA Group's mission is "to provide the best solutions, products and financial services to our customers." The banking model of BBVA Group relies on four pillars:

- **Leadership and Diversification:** diversification is essential to thrive in any environment. The Group's structure is very balanced in terms of geographical areas, businesses and segments.
- **Effective management:** the decision-making process to conduct business is based on prudence and anticipation. BBVA practices prudent management with regard to credit and structural risk management, capital and corporate operations. To be proactive is key in regard to anticipating events, along with the flexibility to swiftly adapt.
- **Principles adjusted returns:** the current environment is, undoubtedly, a challenge for the financial sector. The financial industry has suffered a social legitimacy deficit of global reach. Additionally, the sector is under regulatory pressure, especially in terms of customer protection. In this context, it is clear to the BBVA Group that pursuing profitability under any means is not the correct approach. Therefore, BBVA has chosen a banking model closely tied to the principles of integrity, prudence and transparency, also referred to as profitability adjusted by principles, and places people at the core of the business.
- **Customer focus:** The BBVA business model is focused on the customer and aims to build stronger, solid and lasting relationships with over 50 million customers worldwide.

New technologies and the universal use of mobile Internet are changing the behaviors and expectations of customers, which is giving way to new competitors and transforming the financial industry. Thus, the BBVA Group has spent several years working in the transformation of its business model toward an increasingly digital one, to achieve a business model focused on customers and be able to better compete in the new environment. To do this, the Bank is betting on technology and innovation as key levers to provide a differential customer experience that significantly improves productivity, efficiency, profitability and shareholder value creation. In this regard, the Group has set an ambitious goal: be a leader in customer satisfaction in all geographies in which BBVA operates.

## Findings and Outcomes

Following a thorough analysis of the priorities listed, BBVA Compass identified the following strategic priorities as material items:

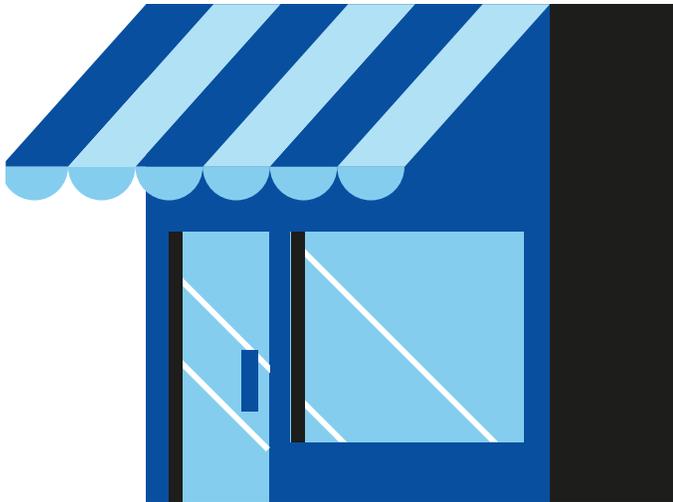
- transparent, clear and responsible communication
- community impact with a focus on financial education
- a positive, supportive workplace
- environmental responsibility
- ethical management

Material Issue	Corresponding GRI G4 Topics	Aspect Boundary within BBVA Compass	Aspect Boundary outside BBVA Compass	Report Chapter
<b>Transparent Communication</b>	Product and Service Labeling, Marketing Communications	BBVA Compass Bancshares	Current & potential customers Communities where we operate	Responsible Banking and Finance
<b>Community Impact</b>	Society - Local Communities	BVA Compass Bancshares	Communities where we operate	Community Reinvestment
<b>Supportive Workplace</b>	Labor Practices and Decent Work: Employment, Training and Education	BBVA Compass Bancshares	Not material	Responsible Management of Human Resources
<b>Environmental Responsibility</b>	Environmental: Materials, Energy, Emissions, Effluents & Waste, Compliance	BBVA Compass Bancshares	Communities where we operate	Responsible Procurement and Environmental Management
<b>Ethical Management</b>	Governance, Economic Performance, Anti-corruption, Active Ownership, Product Portfolio	BBVA Compass Bancshares	BBVA Group: Current & potential customers Communities where we operate	Corporate Responsibility Principles and Policy



# Community Reinvestment





**We strive to be a financially inclusive organization in the model of the global BBVA Group. Financial inclusion is a material topic for BBVA Compass aligned with community-reinvestment and financial education. As such, financial inclusion is a pillar of our corporate responsibility and community reinvestment programs. In 2014, we more than doubled our investment in these programs. We facilitate access to financial education, and our employees teach these classes in communities throughout our footprint.\* Our organization’s Community Reinvestment team promotes accessibility to responsible products and services to traditionally underserved populations.**

\* "Footprint," refers to the seven states – Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas – where BBVA Compass conducts full-service banking operations.

## Community Reinvestment

BBVA Compass is committed to the communities it serves – including traditionally low- and moderate-income 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 (FRB). The FRB 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 October 21, 2013. BBVA Compass received an overall "Needs to Improve" CRA rating with the following test ratings: Lending Test – Low Satisfactory; Investment Test – Low Satisfactory; and Service Test – Needs to Improve.

Our performance on these examinations influences 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 fulfillment of CRA requirements has a direct impact on BBVA Compass’ ability to enter, operate in and exit the communities we serve.

Disappointed with this result, in 2014, we pledged \$11 billion in lending, investments and services toward supporting low- and moderate-income (LMI) individuals and neighborhoods over the next five years. We’ve also made significant enhancements to our CRA program in terms of staffing, governance and strategy. Our next CRA examination covering 2013 and 2014 and is underway and concluded on March 31, 2015. We are optimistic that the initiatives we have implemented will lead to improved results.

## CRA Lending, Investments and Services

During 2014, 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, 2014, BBVA Compass had accounted for \$191.7 million in CRA-qualified investments in its portfolio, which includes \$54 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 was 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.

2014 BBVA Compass CRA Loans		
	Number of Loans	Total Loan Amount
Community Development Loans	41	\$191,920,698
CRA-qualified Small Business Loans	24,252	\$1,094,917,000
Mortgage Loans to LMI Borrowers	2,292	\$272,068,000
Mortgage Loans made in LMI Geographies	1,850	\$323,726,000

During 2014, BBVA Compass had a positive impact in numerous communities throughout our footprint by originating 41 Community Development Loans that totaled \$191,920,698. In addition, BBVA Compass originated 24,252 CRA-qualified Small Business Loans totaling \$1,094,917,000. BBVA Compass also made 2,292 mortgage loans to low- to moderate-income borrowers for a total of \$272,068,000; and 1,850 mortgage loans in low- to moderate-income communities for a total of \$323,726,000 – continuing our commitment to comply with the CRA.

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. BBVA Compass has been recognized as one of the leading small-business lenders by the Small Business Administration (SBA) and in 2014 ranked 12th nationally in total SBA loan volume.

BBVA Compass is committed to making meaningful and positive contributions to individuals, families, businesses and communities within our footprint. Our employees serve on boards, work with community groups and donate thousands of hours of volunteer time to numerous civic and non-profit organizations.

This community spirit and commitment embodies the very core of our corporate citizenship philosophy.

BBVA Compass sponsors a Week of Service, a company-wide volunteer initiative in which bank volunteers provide financial education, small-business workshops and affordable-housing seminars to the communities within our footprint.

## Access Points

BBVA Compass' retail banking services are accessible to essentially all segments of the bank's CRA assessment areas and meet the needs of residents and businesses. As of December 31, 2014, 28 percent of BBVA Compass retail branches were located in low- to moderate-income areas, and 31 percent of BBVA Compass' ATMs were located in low- to moderate-income areas. BBVA defines these areas in alignment with the Federal Community Reinvestment Act.

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 credit-worthy borrowers are able to obtain loans either through flexibility in underwriting or specific programs. The following represent some of the current programs offered by the bank:



- **BBVA Compass Optimizer Card:** 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 at anytime with deposits to savings account
  - Accepted at more than 28 million locations worldwide that accept Visa
  
- **Bank On Programs:** Bank On programs are voluntary, public/private partnerships between local or state governments, 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.
  
- **Individual Development Accounts (IDAs):** BBVA Compass participated with United Way of Central Alabama to offer IDA accounts to qualified individuals. An IDA is a matched-fund savings account that individuals can use to purchase a first home, fund post-secondary education or start a small business.

- **La Michoacana Meat Market Partnership:** BBVA Compass and La Michoacana (largest independent Hispanic grocery-store chain) partnership helps improve accessibility of services in low- and moderate-income neighborhoods across Texas. The bank rolled out full-service, deposit-accepting ATMs to 21 La Michoacana supermarkets in lower-income areas throughout the state. The new machines allow customers to deposit cash and checks, withdraw funds, check account balances and transfer funds between checking and savings accounts. The new ATMs add to the bank's network of 956 in Texas and 1,612 throughout the U.S.

- **Elementary school: Vault - Understanding Money®** is an interactive platform that incorporates multiple evidence-based learning theories to increase students' knowledge and build the foundation for making good financial decisions at a young age.

- **High school: EverFi - Financial Literacy®** for high schools is a new-media learning platform that uses the latest technology (video, animations, 3-D gaming, avatars and social networking) to bring complex financial concepts to life for today's digital generation.

The bank sponsored the BBVA Compass Financial Scholars Program in Phoenix, Dallas, Houston, San Antonio, Jacksonville and Birmingham – with plans to expand the relationship to more schools and new markets in 2014. EverFi currently operates in more than 3,800 schools in the U.S., including 46 of the 100 largest school districts.

We surpassed our 2014 goal of bringing financial education to 25,000 students across 19 markets in the bank's footprint.

## Financial Education

Financial Education Programs			
	2014 Beneficiaries	2013 Beneficiaries	2012 Beneficiaries
EverFi	32,631	11,597	–
Money Smart	5,101	800	5,487
Teach Children to Save	11,699	5,563	5,227
Get Smart About Credit	1,363	3,111	960
Junior Achievement	14,345	4,726	–
NBA Cares	1,152	–	–
Total	66,291	25,797	11,674

### EverFi@Work

EverFi@Work is an online platform designed to empower adults with the skills to successfully manage their finances and plan for a prosperous future. It is a 90-minute, computer-based program that includes eight learning modules that cover topics from savings and investments to identity protection.

BBVA Compass was the first organization to launch the Spanish-language version of this popular adult financial wellness program, EverFi@Work. The interactive learning tool is specifically designed to help the growing Hispanic population develop important money-management skills and gain a deeper knowledge of topics such as credit, investing and saving for retirement. The bank will offer the course to community nonprofit partners that provide services for Spanish-speaking populations.

### EverFi for Children

BBVA Compass partners with EverFi, the leading education technology company focused on teaching, assessing and certifying K-12, college students and adults in the critical financial life skills. EverFi's web-based lessons introduce students to financial literacy topics such as saving, budgeting, responsible decision-making, credit and debt, charitable contributions and more.

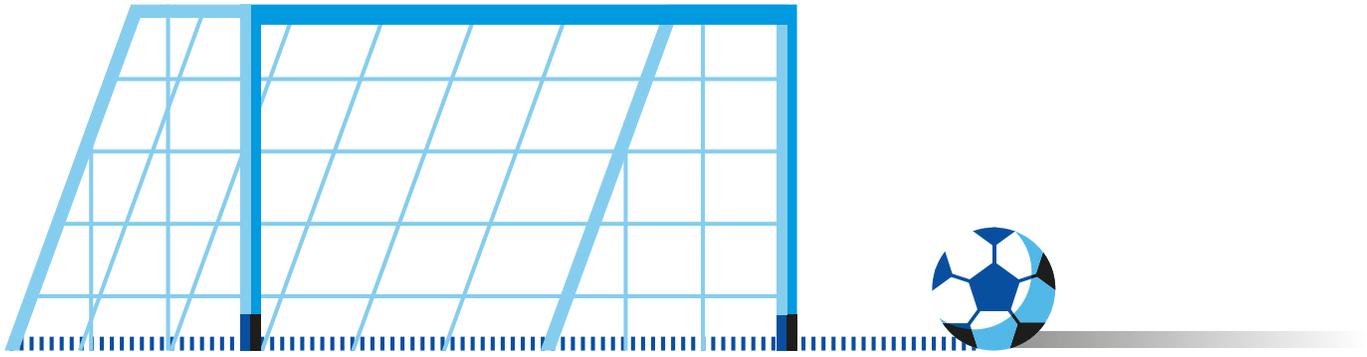
EverFi currently operates in more than 10,000 schools in the U.S., including 70 of the 100 largest school districts. The bank currently sponsors the BBVA Compass Financial Scholars Program in markets in Alabama, Arizona, California, Florida, New Mexico and Texas.

The BBVA Compass Financial Scholars Program is founded on our partnership with EverFi. The courses feature interactive lessons, games and story-based activities that challenge students from an early age to make choices in real-life scenarios to best achieve important goals around saving and job planning.

The BBVA Compass Financial Scholars Program is composed of the following EverFi curricula:

### FDIC Partnership: Money Smart

BBVA Compass continued its partnership in 2014 with the Federal Deposit Insurance Corporation (FDIC) to utilize its financial education program called Money Smart. This program is designed to help adults – even those with no prior banking experience – build financial knowledge, develop financial confidence, use banking services effectively and create positive banking relationships. 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. This partnership with FDIC allows BBVA Compass employees and our nonprofit community partners to teach the Money Smart curriculum – helping to ensure that the people in our communities have the knowledge they need to effectively manage their finances.



## Junior Achievement Partnership

BBVA Compass also continued its partnership with 19 Junior Achievement (JA) affiliates across its 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.

JA programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs that make their communities more robust and how to apply entrepreneurial thinking to the workplace.

BBVA Compass contributed more than \$200,000 in support of Junior Achievement affiliates in 2014. This partnership allows our employees to volunteer and provide financial education to students of all ages. BBVA Compass plans to continue expanding this partnership because we see the value when students can put these financial education life-lessons into action and learn the value of contributing to their communities.

## Business of Sports

For the third year, BBVA Compass partnered with the Houston Dynamo, Dynamo Charities and Junior Achievement of Southeast Texas to deliver its Business of Sports program to 150 Houston high school students. The first part of the program was a financial literacy course presented by bank volunteers. The course featured Junior Achievement's personal finance program and incorporated elements of the ABAEF's Get Smart About Credit curriculum. In the second phase, students participated in a hands-on program in the sports-management and financial services industries – which covered everything from selling 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 enjoyed a Houston Dynamo match at BBVA Compass Stadium.

# Responsible Banking and Finance





**Responsible banking incorporates the material topics of transparent communication and ethical management. 2014 marked a year of significant advances in terms of new products and services for BBVA in the U.S. Additionally, the bank continues to change its business model from a product focus to a customer-centric structure. This includes new products and services designed to provide customers simple and easy-to-use solutions, as well as alliances that increase distribution capabilities and technology that embraces customer demand for digital solutions.**

## 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 our internal controls and employee training programs are appropriate, adequate and current.

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 our 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 regard to lending, as well as fair, clear and responsible banking practices, is not only mandated by law, but is 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. BBVA Compass is committed to extending credit in compliance with fair-lending laws and to addressing the credit needs of all the communities that it serves, including low- to moderate-income areas, within the context of safe and sound banking practices. Employees are trained to provide courteous and helpful service in a consistent manner to all customers and potential customers without bias as to age, sex, race, color, religion, national origin, marital status, disability, income source or other prohibited basis. Business activities are conducted within both the letter and spirit of the Community Reinvestment Act (CRA).

Loan Officers are trained to actively seek opportunities to make the bank's credit products available to many income segments of the communities. Special loan structures and documentation may be required and approved for meeting identified community needs. The most noteworthy item was the 2014 acquisition of Simple, a U.S. company that has created a new model of digital banking. This operation is part of BBVA's strategy to lead the technological advances that are transforming the financial industry. Simple has over 100,000 customers across the country, who are provided with a set of digital tools to rationalize their expenses and optimize saving. Customers use a Simple Visa card, as well as advanced applications for Android and Apple, which include tools for saving supported by outstanding customer service. Simple operates under the same brand, with the same philosophy and the same customer-centric approach but as a subsidiary of BBVA Compass.

During the first quarter, BBVA Compass launched BBVA Compass Payroll Service, designed to help small-business customers manage their payrolls via online banking. The service includes payroll automation, tax management, direct deposit capabilities, customizable reports and an integrated human resources library. We also enhanced our digitized international money-transfer capabilities through a new service known as Secure Send. The move from branch to digital allows customers to send money

to 20 countries and with the additional online and mobile capabilities adds to our suite of available-anytime offerings.

BBVA Compass also began implementing a new complaint-management system to resolve customer incidents more quickly and prevent repeated service failures. This will help standardize and monitor practices for resolving complaints across business units and improve customer experience for all customers.

In 2014, we established a new business unit specializing in the transport sector. This business unit offers loans, revolving credit facilities and other financial products and services to customers in industries related to logistics and maritime, rail and air transport. Additionally, we launched "Compass e-Access Mobile," a new cash-management application for small businesses. The app will help BBVA offer the best possible digital experience for customers. The application simplifies tasks such as accounts management and transfers.

We also entered into a number of strategic alliances during 2014 to enhance future business opportunities. This included an alliance with OnDeck to boost lending for Small to Medium Enterprises. BBVA Compass will use OnDeck's innovative technology and rating system to offer quicker loans (some available in one workday) and with flexible terms and conditions tailored to each customer's needs. This alliance is part of the Group's goal of leading the technological transformation of the financial industry. BBVA Compass also entered into a collaborative agreement with CareCloud, a provider of integrated financial services and technology programs for the healthcare sector. Its innovative technology will provide small-scale medical practices with access to the bank's financial products and services. This segment has been neglected by the major financial institutions, which tend to focus more on larger hospitals.

In the fourth quarter, we announced an agreement with payments innovator Dwolla. The partnership will allow BBVA Compass account holders to make payments in real time that are transparent and less expensive than current methods. The real-time payment infrastructure utilized by Dwolla is expected to be especially attractive to small businesses.

During the year, BBVA Compass also began replacing its consumer credit cards with new cards featuring embedded EMV (Europay MasterCard Visa) chips that encrypt card data, making it more difficult to counterfeit.

In late 2013, the bank began equipping merchant clients with the tools to accept EMV chip cards.

#### **Other noteworthy items included:**

- BBVA Compass continued to expand in new markets to serve commercial clients. In 2014, offices were opened in Los Angeles and San Francisco, Calif.; Columbus, Ohio; Raleigh and Charlotte, N.C.; and Seattle, Wash.
- BBVA Compass expanded its reach in Texas through an agreement that gives the bank branding rights to more than 300 ATMs located in H-E-B stores, the leading Texas-based grocery-store chain.
- Bancomer Transfer Services, a BBVA Group subsidiary in Mexico, signed an agreement with Wal-Mart in Mexico and Central America that will allow people to collect remittances sent by the bank's customers from the United States at the retailer's more than 1,100 outlets in the region.
- BBVA Ventures, the Group's venture-capital fund that invests in disruptive startups in the financial industry, invested in Taulia, a company that digitizes traditional processes for financing suppliers from a cloud-based platform, shortening the payment cycles to one day and allowing suppliers to access the liquidity they need.

#### **BBVA Compass' most notable awards from 2014 include:**

- First-place honors in the prestigious Annual Reputation Survey commissioned by American Banker, which measures the reputation of the 25 biggest retail banks in the United States based on customer feedback. Its score of 78.9 was 12 points higher than the previous year. The survey rates seven categories: governance, products and services, performance, innovation, working environment, leadership and the impact on local communities. BBVA Compass was the only banking institution that scored within the top five in all categories.
- Being named a top regional bank in the Midwest, Southeast and Pacific regions of the U.S. by Nerdwallet, a comparison site for consumer banking services.
- The second-highest score in WalletHub's 2014 Checking account Fee Transparency Report.
- Dedication to meeting customers' diverse needs and providing a broad range of services earned BBVA Compass a place on the Best Banks in America 2014 rankings. Compiled by leading personal finance publication Money magazine, BBVA Compass was named the best midsize bank in the South and one of the top banks for small business.

- BBVA Compass earned the No. 12 ranking on the list of the U.S. Small Business Administration's (SBA) top 20 national lenders. In addition to ranking among the largest SBA lenders, the bank was named 2014 Rising Star in El Paso, the 2014 Top 7(a) Volume Lender in Houston and the SBA Lender of the Year for units and express lending in Alabama.

## 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 Oct. 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, was 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 requested by a federal 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 confidentiality and the 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 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 an unauthorized disclosure of customer information, the Event Team meets to evaluate the situation and direct subsequent 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.



**Responsible finance includes the material topic of ethical management. BBVA Compass maintains and follows stringent compliance policies. As a member of the BBVA Group, we build on the Group's risk-management practices and adopt 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 a formalized Enterprise Risk Management Program that promotes strong risk governance and oversight through focused organizational alignment.

By effectively managing risk, including environmental, social and governance risks, 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 U.S. 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 on business days.

### 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; 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 and 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 accounts 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 function. The Talent Management and Training department tests 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 Dec. 31, 2014, 8,525 active employees completed the BSA anti-money-laundering training – representing 100 percent of the required participants (approximately 81 percent of the total BBVA Compass workforce). Required participants include employees who work in compliance and accounting or whose job responsibilities bring them in contact with international transactions, global customers or government regulators.

#### **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.

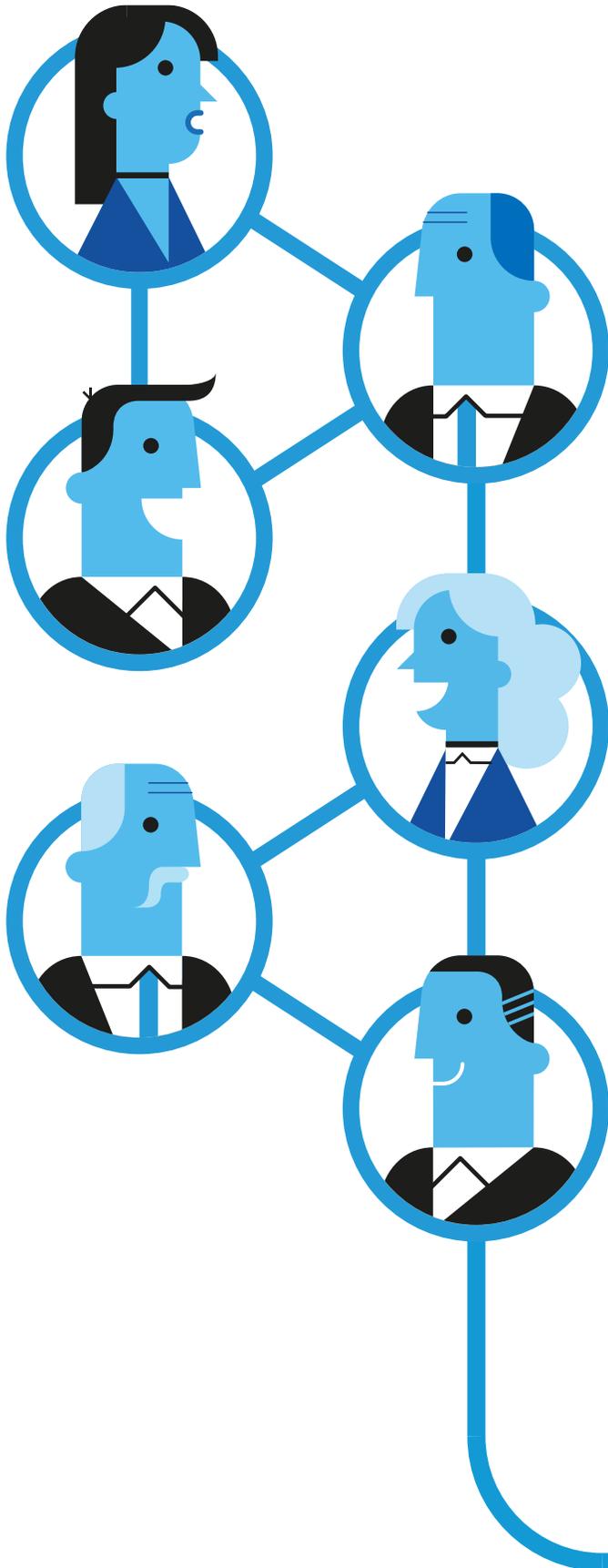
## **BBVA Compass Presence in Offshore Financial Centers**

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 this branch. As a limited-purpose branch, however, this 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.



# Responsible Management of Human Resources





**Responsible management of human resources includes the supportive workplace material topic. BBVA Compass made significant strides in human resource management in 2014. We implemented new Vacation Carryover and Paid Time Off for Community Service policies, introduced the popular Play It Forward event and launched a revamped Aspire Plus Recognition Program, while continuing to focus on leadership and employee development and wellness.**

But the year also held significant challenges. As the bank continued to recover from hardships imposed by the current economic climate, we were faced with some tough decisions, and the extent of the impact of these challenging times on employees across the footprint was made clear in the results of the 2014 Employee Satisfaction Survey. We know that we have room to improve. BBVA Compass looks forward to continuing our initiative to make BBVA Compass the best place to work.

## Employment and Recruitment

With an eye toward simplicity and accessibility in recruiting and employment services, in 2014 Human Resources continued to endeavor to make available electronically the processes and resources that affect managers, candidates and new hires.

### Access Essentials

Human Resources continued to work closely with collaborators and stakeholders in 2014 to improve the Access Essentials order site. This site simplifies and streamlines the process of ordering the resources employees need to do their jobs. Managers can request items such as global IDs, online software, phone and voicemail, corporate credit cards, Wi-Fi access, remote access, badge access and more.

Consolidating the order process for various items into one site helps managers easily access the tools their employees need to do their jobs and facilitates prompt delivery.

### Online Access

Human Resources continues to streamline processes online. From the online requisition system, which enables managers to submit add-to-staff and position changes/same-seat promotion requisitions, to new-hire documentation and the verification of new employees' Employment Eligibility Verification Form I-9, these online processes help managers save valuable time, ensure that BBVA Compass remains in compliance with federal regulations and provide a smooth transition for new employees.

### **Virtual Employment Campus and Employee Referral Site**

In an effort to attract strong candidates, BBVA Compass began leveraging BBVA's newly revamped careers site at <https://careers.bbva.com>. Here, job seekers can view job opportunities throughout the global footprint and formally submit interest in a position.

The Employee Referral Site continued to offer another useful resource, allowing current BBVA Compass employees to take a proactive role of referring external candidates for open positions.

### **Targeted Recruiting**

In 2014, BBVA Compass expanded its recruiting efforts by establishing three new, targeted recruiting portals. The diversity, military and university recruiting portals allow and encourage partnerships with community agencies and resources for sourcing specific talent. These new portals not only allow for targeted recruiting campaigns, but they allow Human Resources to track the success of certain campaigns and the career progression of employees hired through those targeted recruiting efforts. The portals have been published on the websites of several community agencies, schools and universities.

### **Internal Careers Site**

BBVA Compass remains committed to filling vacancies internally whenever possible. The Internal Careers Site allows employees to browse and apply for current vacancies bankwide. 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 streamlines the job-application process and shortens the time it takes to fill vacancies with qualified internal talent.

In 2014, 1,540, or 58 percent, of non-entry-level open positions were filled with internal talent, as compared with 1,135, or 42 percent, of non-entry-level positions that were filled with external candidates.

### **Welcome to BBVA Compass Avatar Presentation**

HR offers a streamlined, easily accessible channel for welcoming new employees to the company. The online 'Welcome to BBVA Compass' video avatar presentation offers 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 'Welcome to BBVA Compass' presentation is located on the You&BBVA Portal and is available online 24/7. 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.

### **NETprofile My Portfolio Tab**

In an effort to develop a pipeline of internal talent, throughout 2014 BBVA Compass 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 Equal Employment Opportunity. BBVA Compass has a firm and unwavering policy to provide equal employment opportunity without regard to age, citizenship, color, disability, ethnic origin, gender, gender identity and expression, marital status, nationality, national origin, race, religion, sexual orientation, genetic predisposition, protected veteran status, or any other status or other 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 Dec. 31, 2014, 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, local Human Resources representatives, the Office of General Counsel and Corporate Human Resources or by anonymous reporting through telephone hotlines.

While we do not prohibit freedom of association, as of Dec. 31, 2014, 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 offered a variety of programs and initiatives in 2014 that focused on helping employees develop the key skills, abilities and knowledge required to succeed.

### Campus BBVA

In 2014, BBVA Compass joined the BBVA Group's new learning platform, Campus BBVA, a one-stop shop for virtual training.

Campus BBVA offers a sophisticated search engine, learning paths, communities and forums. Learning paths outline learning events based on employee roles or training initiatives, and communities and forums give employees the chance to interact with course instructors and each other on the platform.

Other features of the new platform include new reporting capabilities and a personal calendar of training events that can be filtered by status.

### leap (learning, evaluation, application and placement) Program

The leap program took place for the fifth consecutive year in 2014. Named for Learning, Evaluation, Application and Placement, this program is designed to recruit, develop and retain top university talent.

Associates in the leap program rotate through the lines of business – part of the Application phase – which allows them to begin contributing right away and get a sense of what it would be like to work in a particular department. Toward the end of the year, the leap associates presented five team-developed action learning projects to senior leaders within the bank, who selected a winner: Enhanced Onboarding Experience. Those ideas are being incorporated into an existing bank project.

Since the program's inception, 71 program graduates have continued to contribute to BBVA Compass' success, and many of them have already been promoted from their original program placements.

### Internship Program

Twenty college students from across the country opted into BBVA Compass' rigorous internship program last summer, looking for an opportunity to hone their skills and get much-needed work experience in a real workplace. The 10-week program placed interns full-time in Birmingham, Houston, Dallas, San Antonio and Tucson. Commercial Banking, Digital Banking, Global Wealth, Retail Banking, TeSS, Risk Management, Human Resources, Audit and Corporate & Investment Banking hosted interns last year.

During the eight weeks within their assigned departments – working on individual and group projects, as well as job shadowing – the interns worked on "action learning presentations" with intern teammates, which they presented to senior leaders in the organization during the last week of the program.

### Employee Training

In 2014, BBVA Compass employees completed 464,007 training hours. BBVA Compass completed 97 percent of all training activities via e-learning /virtual delivery channels, and 3 percent of training activities were completed in the traditional classroom.

2014 Employee Training			
	Number of Hours	% of Total Completions	Number of Completions
Training Hours Completed	464,077	100%	276,495
Live Training	97,082	3%	8,054
Online training	366,995	97%	268,441
Employees trained in 2014	11,179		
Total investment in training (in dollars) <sup>1</sup>			\$3,847,000
Training investment per employee			\$344

<sup>1</sup>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. This is the estimate of expense as of January 3, 2015.



### Massive Online Open Courses

Hundreds of employees took advantage of the chance to learn from top professors through massive open online courses, or “MOOCs,” in 2014. These included offerings courtesy of newly established partnerships with Open 2 Study and FutureLearn, along with Coursera. These platforms offer college-level courses in which students hear lectures from top professors and interact with students from around the world. The bank promoted 25 courses in 2014 for which participants were eligible to receive credit on their internal training records. For people managers, the hours counted toward their annual Continuous Learning Requirement (CLR).

### Toastmasters Clubs

Employees continued to participate in Toastmasters clubs throughout 2014. Toastmasters, an international organization that trains people to communicate effectively and develop leadership skills, provides employees opportunities to practice and improve their public speaking skills. Additionally, the clubs provide leadership opportunities such as serving as a local or regional club officer or joining the club’s Speaker’s Bureau and speaking outside the club setting.



## Leadership Development

In 2014, Talent Management and Training offered a wide range of initiatives designed to help managers build their leadership skills. Through these leadership development programs, BBVA Compass provided well over 30,735 hours of training.

### 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 people managers to complete a minimum of 12 hours of developmental training by Aug. 31 each year. Overall completion in 2014 was up 5 percent, from 87 to 92 percent.

### Harvard ManageMentor

Harvard ManageMentor (HMM) offers 44 online learning modules on a broad range of topics including time management, persuading others, presentation skills and project management, among others. In 2014, all BBVA Compass employees were given access to HMM, and by the end of the year a total of 6,066 courses had been completed, equaling 18,198 hours of training. Among people managers and employees, “Time Management” is the most popular HMM course, with 560 individual completions last year.

### Leadership Essentials

Leadership Essentials ensures that managers who are new to the people-manager role are knowledgeable regarding critical HR policies and procedures via a series of targeted communications and webinars. Newly promoted people managers are required to complete Leadership Essentials prior to starting in a people-manager role, and people managers hired from outside must complete it within 90 days of hire.

Since Leadership Essentials was introduced in 2012, 823 frontline managers have completed the program, with many more nearing completion. All newly hired or promoted (first-time) people managers completed Leadership Essentials in 2014.

### Targeted Leadership Training

Talent Management & Training offered targeted development solutions for multiple segments of the leadership population in 2014, including a series of training programs for senior executives. 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, Entrepreneurial Strategies for Growth Program and – new in 2014 – Leadership Based in Values.

**eCornell:** This leadership-development program combines the most effective elements of classroom and online learning environments. eCornell allows select BBVA Compass leaders to actively participate in the learning process without the need for a rigid schedule or expensive travel. One hundred fifty people completed eCornell programs in 2014.

**BBVA Compass School of Management:** Last fall, 35 senior BBVA Compass leaders participated in the BBVA Compass School of Management on the campus of The University of Texas at Austin. Sponsored by Talent Management & Training in partnership with the McCombs School of Business at UT, this comprehensive educational program explored topics including advocacy and influence, leading high-performance teams, world economic outlook, change management and more.

The program’s fifth “graduating class” collaborated on projects and prepared formal presentations, which were delivered to the BBVA Compass Management Committee.

**Mentoring:** In 2014, the Leadership Essentials Mentoring program was launched and expanded to include all people managers in job grades 21 and below, providing them access to experienced mentors who can contribute to their professional and personal development.

The mentoring program offers participants the opportunity to collaborate with peers, develop their internal network of business partners and gain insights from leaders across all lines of business. In addition, the online component facilitates personal and professional relationship building between mentors and mentees.

As of the end of 2014, there were 120 employees in mentoring relationships.

### **Talent Planning**

Talent Management and Training also continued to develop the Talent Planning process throughout 2014. 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.

## **Personnel 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 support financial security through life insurance and retirement plans along with 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.

### **Wellthy Points and Health Reimbursement Account (HRA)**

In 2014, BBVA Compass continued to offer employees an important option to save money on their out-of-pocket medical costs while taking charge of their health and wellness. By completing designated wellness activities in the Wellthy for Life program, employees can earn up to 720 Wellthy Points each year. These wellness activities include:



- Biometric Testing
- Health Assessment
- Overall Wellness Score
- Healthy ranges for biometrics and labs
- BBVA Compass-sponsored activities
- Improvement in biometrics and labs
- Chronic Care Management
- Virgin Pulse (formerly Virgin HealthMiles)
- Wellness Seminar
- Preventive Screening
- BBVA Compass-sponsored activities
- Wellness Challenges

For employees who are enrolled in the Health plan, each Wellthy Point earned equates to a company-paid \$1 contribution to a Health Reimbursement Account (HRA). Employees can earn up to \$720 in HRA funds per year. HRA funds may be used to pay for eligible medical, dental, prescription and vision expenses, including co-pays, coinsurance and deductibles. Because unused HRA balances roll over from year to year, participants are able to add to any balance from the 2014 plan year and build on it going forward. As of Dec. 31, 2014, a total of \$1,748,860 HRA dollars had been funded.

Employees who are not enrolled in the Health plan may also complete wellness activities and earn Wellthy Points, and they will retroactively receive HRA contributions for these completed activities should they enroll in the Health plan at a later date within the plan year due to a qualifying life event or a qualifying employment status change.

### **BBVA Compass Employee Health Center**

The Employee Health Center, located less than a mile from the new BBVA Compass Plaza in Houston, continued to operate, providing a wide variety of health and wellness services to employees covered under the company's Health plan. In 2014, services were extended to cover employees' spouses and children.

## Retirement Benefits

BBVA Compass employees 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 employer-matching contributions. All employees are eligible to make salary deferrals under the Plan upon hire and are eligible to receive employer-matching contributions after completing one year of service. These company contributions range from 2 percent to 4 percent of the employee's compensation based on years of service.

BBVA Compass has a defined benefit plan known as the Compass Retirement Plan that pays a defined monthly benefit at retirement. The plan is 100 percent funded by BBVA Compass and has been closed to new participants since January 2003. In 2003, participants elected either to continue their participation in the Compass Retirement Plan or transfer their participation to the Compass SmartInvestor Retirement Plan, which was a defined contribution plan that subsequently merged into the Compass SmartInvestor 401(k) Plan.

As announced in 2014, benefit accruals under the Compass Retirement Plan will cease for active participants as of Dec. 31, 2017. Beginning Jan. 1, 2018, these participants will be eligible to receive employer company contributions under the Compass SmartInvestor 401(k) Plan.

## BBVApay

Employees have quick and easy access to their payroll information through the BBVApay website. Employees can view earnings statements and W-2s and make changes to direct deposit and withholding information – all around the clock from any Internet connection.

## Total Compensation Statements

"Total Awareness + Total Understanding = Total Appreciation" is the tagline that describes Total Compensation Statements, a resource designed to communicate the full investment BBVA Compass makes on employees' behalf, beyond just take-home pay. Total Compensation Statements, which are available on [www.mybbvacompassbenefits.com](http://www.mybbvacompassbenefits.com), display employees' annual total compensation in several categories, including cash compensation, retirement benefits, company-paid health and welfare benefits and others.

## 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 Vacation Rollover Policy

Employees are enjoying greater flexibility in planning time off courtesy of a new vacation rollover policy announced in 2014.

Employees may now save up to two vacation days for use in the following calendar year. This new policy provides greater flexibility to those unable to use all of allotted vacation time in a given year and helps accommodate team members who might require additional time off in an upcoming year. The change is part of continuing efforts to make BBVA Compass a great place to work and was prompted by employee feedback received in Elevate campaigns and Best Place to Work Journey action plans in Wealth & Retail Banking, Commercial, TeSS and Finance.

More than 4,500 employees carried over eligible vacation balances from 2014 to 2015.

## New Paid Time Off for Community Service Policy

BBVA Compass is committed to giving back to the communities in which we have a presence, and our employees are key to helping us make a difference. To that end, in 2014 we announced a new Paid Time Off for Community Service policy.

Under the terms of this policy, employees were encouraged to use up to eight hours of paid time off in 2014 to participate in community development or Community Reinvestment Act (CRA)-qualified service activities.

In 2014, employees logged 8,043 hours of service under the new policy, with many counting as CRA-qualified service activities.

Beginning in 2015, employees will be able to use up to 16 hours of paid time off each year for volunteer activities, at least eight of the hours specifically for community development service and the remainder for general volunteer service.

### LEAVE AND ATTENDANCE PROGRAMS

Human Resources' leave and attendance policies are designed to help employees achieve a healthy balance between work and their personal lives.

- **Sick Pay Provision for Family Leave:** Under the 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 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.
- **Parental Leave:** Under the 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 younger than 18. Following this 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.

### Continuous Time Away

The Continuous Time Away work-life balance and leave policy remained in force in 2014. Under the terms of this policy, employees are required to remain continuously away from job duties for at least five consecutive business days annually. Remaining continuously away from the job means that employees are not allowed to transact or otherwise carry out, either physically or through electronic means, regularly assigned duties during their 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 10 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 out of 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.

## Health and Safety at Work

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

### Wellthy for Life Health Fairs

In 2014, employees again had the chance to get a snapshot of their overall health with an eye toward improving their overall wellness at Wellthy for Life Health Fairs. These onsite events took place throughout February, March and April. 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.

By completing these activities, employees earned 200 Wellthy Points: 100 points for the Biometric Screening and 100 points for a Health Assessment. For those employees on the BBVA Compass health plan, these Wellthy Points equated to \$200 in contributions to the Health Reimbursement Account (HRA). In all, 3,876 employees in 18 locations across the footprint attended the health fairs in 2014.

Health fairs will again take place in 2015 and expand to additional locations.

### Virgin Pulse

Employees continued to track their physical activity in 2014 with Virgin Pulse, available at no cost to employees. This program is making a big impact on employees' level of fitness – and their financial well-being – by promoting daily physical activity and healthy lifestyle choices through personal and group challenges.

During 2014, there were 7,819 employees, or 72 percent of all BBVA Compass employees, enrolled in the Virgin Pulse program – up from 63 percent in 2013. This is higher than the national average participation rate (50 percent) among other companies who participate in Virgin Pulse. BBVA Compass employees took 8,710,548,793 steps, averaging 9,054 steps per day in 2014.

Thirty-five percent, or 3,351 employees, earned HealthCash in 2014. Among all employees earning incentives, the average cash earned was \$348. HealthCash payouts to all participating BBVA Compass employees totaled \$1,242,900.

Teamwork and community play an important role for participants at BBVA Compass. At the end of 2014, 63 percent of members, or 4,822 employees, had made Friend connections via the LifeZone website, and 47 percent of members, or 3,633 employees, had joined a group.

### Live Well Learning Series

More than 2,100 employees interested in improving their health signed up to get useful tips and information through the Live Well Learning Series in 2014. Each webinar was one hour long and was available to all employees across the footprint. All sessions were led by experts in a variety of fields, who were contracted as part of the Wellthy for Life wellness program. Topics covered in 2014 included:

- Eat Well Live Better
- Exercise: Survival of the Fittest
- Supermarket Survival
- Dental Health and Wellness: One Beautiful Smile
- Tobacco Cessation: Finding Your Path to a Tobacco-Free Lifestyle
- Effective Workplace Communication: Dealing With Difficult Behaviors

Additional webinars are planned for 2015.

### 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](http://www.wellthyforlife.com).

### PASSION FOR PEOPLE

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

### Play It Forward

In the fall of 2014, the Corporate Culture and Employee Engagement team launched a new initiative designed to help employees and their families get active, have fun and give back to the community all at the same time. More than 1,100 employees and their guests registered to attend Play It Forward.

The events in Birmingham and Houston featured family-oriented sports, fitness and agility challenges for all ages. But the main event at Play It Forward was the assembly of bicycles to donate to disadvantaged children. In each city, employees from all lines of business assembled 100 bicycles in a friendly – but intense – competition and gathered for a brief donation ceremony.



### Recognition and Support Programs

Employees gain access to a new and improved platform for sharing messages of appreciation via the newly revamped Aspire Plus Recognition Program. Aspire Plus adopted the spirit of the existing Aspire Recognition Program but with an important new component: tangible cash rewards.

The Aspire Plus Recognition Program allows employees at all levels to recognize others by sending Aspire ecards. Users can send an ecard to any employee in any department in only a few clicks, choosing from several options showing different messages of appreciation, and may also add a personalized message for the recipient.

Each Aspire ecard sent carries a point value. For each received from an employee who is not a people manager, the recipient earns one point, and for each received from a people manager, two points are earned. The 500 employees who accumulate the most points each quarter receive a \$250 BBVA Compass Visa Reward card.



### Celebrating U

Recognizing and thanking employees for their many contributions was center stage in April as Celebrating U took place at BBVA Compass. During the weeklong celebration, employees received tokens of appreciation throughout the week, including a tin of peppermints, a spiral-bound notebook and an extra day off to take any time in 2014.

Managers marked the occasion in a multitude of ways, treating employees to ice-cream socials, hosting in-house games and conducting meetings in the park, among others. No matter what form the appreciation took, employees embraced the creative gestures of camaraderie and fun. The goal of these daily celebrations and small gestures was to communicate BBVA Compass' appreciation of employees and the contributions they make to our success.



### See Share Smile

More than 1,150 children attended See Share Smile in 2014. This annual event gives employees' children between the ages of 8 and 14 the chance to experience a workday at BBVA Compass. Each participant received a See Share Smile messenger bag containing an activity book, T-shirt, other fun learning supplies and a \$10 deposit for participants who opened a Young Savers account.

Employees across the footprint volunteered to lead the children through the day's activities, which were designed to teach the youngsters in a fun way about BBVA and BBVA Compass, the banking industry, money and the importance of saving.

### Campus LFP

Eleven children of BBVA Compass employees showed their stuff on the soccer field at 2014's Campus LFP event in Spain.

Campus LFP – which stands for Liga de Fútbol Profesional, or Professional Soccer League – is a BBVA Group-sponsored soccer camp for boys and girls between the ages of eight and 13. The U.S. contingent joined a group of 95 children from around the world for the fourth annual event, which took place June 29 through July 6. All participants spent a week in the picturesque setting of Hotel Montanyà Resort and Spa in Seva, Spain, learning and practicing soccer skills with world-class trainers and coaches.

### 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, wealth management and brokerage services, the CompassPlus® discount program and more.

In 2014, the bank introduced a new protection product, BBVA Compass ClearBenefits, which offers a number of benefits, including roadside assistance, identity-theft restoration, cellphone protection, shopping and entertainment discounts, extended service protection on manufacturer's warranties and more.



Special discounts on products, services and entertainment opportunities are also available through selected vendors.

### Scholarship Programs

In an effort to support academic achievement, two scholarship programs are available 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 2014, 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.

## HR Communications

### You&BBVA Portal

As part of an ongoing effort to strengthen the employee value proposition, in late 2014 BBVA unveiled a new global HR brand: You&BBVA.

You&BBVA is about the relationship between employee and employer. The new brand focuses on fostering a two-way relationship that is mutually beneficial, emphasizing the dynamic relationship that exists between the organization and the ones who keep it running.

The primary platform for HR news, information and resources has a fresh look and feel and features new user-friendly categories that organize information from an employee-centric point of view. It will continue to be developed.

### You&BBVA e-Newsletter

Employees stayed apprised of the latest in Human Resources news throughout the year with the newly revamped You&BBVA e-Newsletter, which was redesigned following the You&BBVA brand launch. Visually engaging and easy to read, the e-Newsletter with page-turning features is distributed regularly and serves as an important outlet for keeping the lines of communication open between employees and Human Resources.

### HR Solutions Self-Service Application

Employees can search for information regarding Human Resources-related policies, practices and programs via the HR Solutions Self-Service Application. This resource offers another avenue for accessing HR Solutions, the team of HR professionals dedicated to being responsive to employees' HR-related questions and needs. HR Solutions is also available via email at [HRHelpus@bbva.com](mailto:HRHelpus@bbva.com) and over the phone at 1.888.HRHELP5.

### Employee Satisfaction Survey

In September, employees got the chance to participate in an important global BBVA initiative: the Employee Satisfaction Survey. The survey, which takes place every two years, is designed to gauge employees' opinions about their day-to-day work experience and identify both strengths and areas for improvement. More than 110,000 employees across all BBVA units worldwide were able to provide valuable feedback, and BBVA Compass achieved a 74 percent participation rate.

Although 2014 results show a slight decline as compared with the 2012 survey, feedback does reveal areas for optimism. When asked if they would agree with the statement, "Taking everything into account, I would say this is a great place to work," 70 percent of employees responded positively.

Ninety-seven percent of employees responded to an open-ended question inquiring if there is anything unique or unusual about this company that makes it a great place to work, and three themes appeared most often in the responses: people/camaraderie, benefits and work-life balance.

However, results indicate that there is room for improvement in other areas. Employees expressed a desire for transparency and consistent two-way communication.

Based on 2014 survey results, we are focusing on three key areas for improvement:

- **Transparent communication:** We must share information, admit mistakes and speak with good purpose.
- **Appreciation:** We must put greater emphasis on showing appreciation for employee efforts.
- **Resources:** We must identify resource-constrained areas, listen to employees' concerns and offer support to balance workloads.

Beginning in 2015, the BBVA global Employee Satisfaction Survey will take place annually, giving us the opportunity to more frequently take the pulse of our employees and work toward changes that will make a difference. The new annual survey will focus only on the Great Place to Work Institute's Trust Index Survey, which measures the quality of relationships between employees and management, employees and their job/the company and employees and other employees.

Number of Employees		
2014	2013	2012
10,481	10,933	11,228

Average Length of Service of Workforce (years)		
2014	2013	2012
7.07	6.7	6.5

Employees by professional category (percentage)*			
	2014	2013	2012
Senior Management	6.9	7.0	7.0
Middle Management	9.4	9.0	9.4
Entry-level Management	1.3	3.6	3.7
Professional	17.8	17.3	16.6
Technical	4.3	4.6	4.5
Sales	27.7	24.8	22.5
Clerical	32.6	33.7	36.3

\*This table includes full-time, part-time and temporary employees. The labor data covers BBVA Compass Bank, excluding Bank Simple because its facilities are not on the company's payroll. The data included in the report have been adjusted from prior years to reflect subcategories currently used by the human resources system, facilitating the ability to better compare performance going forward.



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

	Gender		Average age		
	Males	Females	<30	30-50	>50
2014	37.7	62.3	21.2	56.9	21.9
2013	36.9	63.1	22.4	56.2	21.4
2012	35.9	64.1	23.8	55.4	20.8

**Functional distribution by gender and professional category (percentage)**

	2014		2013*		2012	
	Females	Males	Females	Males	Females	Males
Senior-level Management	32.2	67.8	31.9	68.1	33.4	66.6
Middle Management	57.9	42.1	58.1	41.9	57.6	42.4
Entry-level Management	56.8	43.2	76.1	23.9	78.7	21.3
Professional	61.3	38.7	61.0	39.0	61.2	38.8
Technical	35.0	65.0	36.0	64.0	34.6	65.4
Sales	50.4	49.6	49.6	50.4	49.8	50.2
Clerical	84.4	15.6	84.3	15.7	84.0	16.0

\* The data included in the report have been adjusted from prior years to reflect subcategories currently used by the human resources system, enabling better comparison of performance going forward.

**Workforce: Breakdown by employment type & gender (percentage\*)**

	2014		
	Males	Females	Total
Full-time	38.5	61.5	94.7
Part-time	23.2	76.8	5.2
Temporary	0.0	100	0.1

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

**Voluntary turnover<sup>1,2</sup>**

	Total turnover	Males	Females
2014	20.5	20.2	20.6
2013	17.5	18.2	17.1
2012	16.9	17.5	16.6

1) Voluntary turnover rates adjusted from prior period to better reflect industry standard calculation: (total voluntary terminations over 12-month period/average headcount over 12-month period) x 100

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



**New Hire Rate**

	Total	Males	Females
2014	23.8	25.6	22.8
2013	22.7	26.6	20.5

# Diversity and Inclusion





**Diversity and inclusion includes the material aspects of supportive workplace and ethical management. BBVA Compass believes that diversity is inherent in our business, from our relationships with clients of different backgrounds, to our local and international team members, to the work we do with minority and women-owned vendors operating as suppliers to the organization. The CRR department, Human Resources and Procurement work in parallel to ensure a solid infrastructure for diversity and inclusion.**

## Strategy

Our strategy for diversity and inclusion focuses on three core areas: Human Resources, Procurement and Community Involvement. Working together with the Office of the CEO, we issued BBVA Compass' 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 communities, we make diversity a competitive advantage.**

## Procurement

In 2014, BBVA Compass sponsored and exhibited at a national diverse supplier conference. Participating in these types of events allows us to meet new and qualified companies that might not appear on our radar during normal business practices. In addition, it enables BBVA Compass to expand its brand to a new group of businesses. These discoveries assist us in broadening our database of potential suppliers to consider for our sourcing events.

We are members of the Women's Business Enterprise National Council (WBENC), which is one of the most respected organizations in the United States for corporate and business members. The bank also participated in the Houston Minority Supplier Development Council's event in 2014. We have drafted a regional sourcing strategy initiative that can be a valuable tool to demonstrate a "practitioner's approach" as a participating corporation.

## Human Resources

In 2014, BBVA Compass reached a milestone in its Blending the Best Workplace Diversity & Inclusion effort: 99 percent of people managers attended in-person Blending the Best workshops, and 95 percent of employees completed the Blending the Best e-learning course. Additionally, the e-learning course is now required for new hires and new people managers, so every day brings increased awareness and cultural change to the organization.

The Workplace Diversity & Inclusion Council, comprising 24 dedicated employees representing each line of business, remains committed to championing workplace diversity and inclusion across the organization. The Council continues to follow its five-phase Progression Strategy to guide WD&I efforts to deliver value at every stage, to build a sustainable effort and guide growth and maturity year over year.

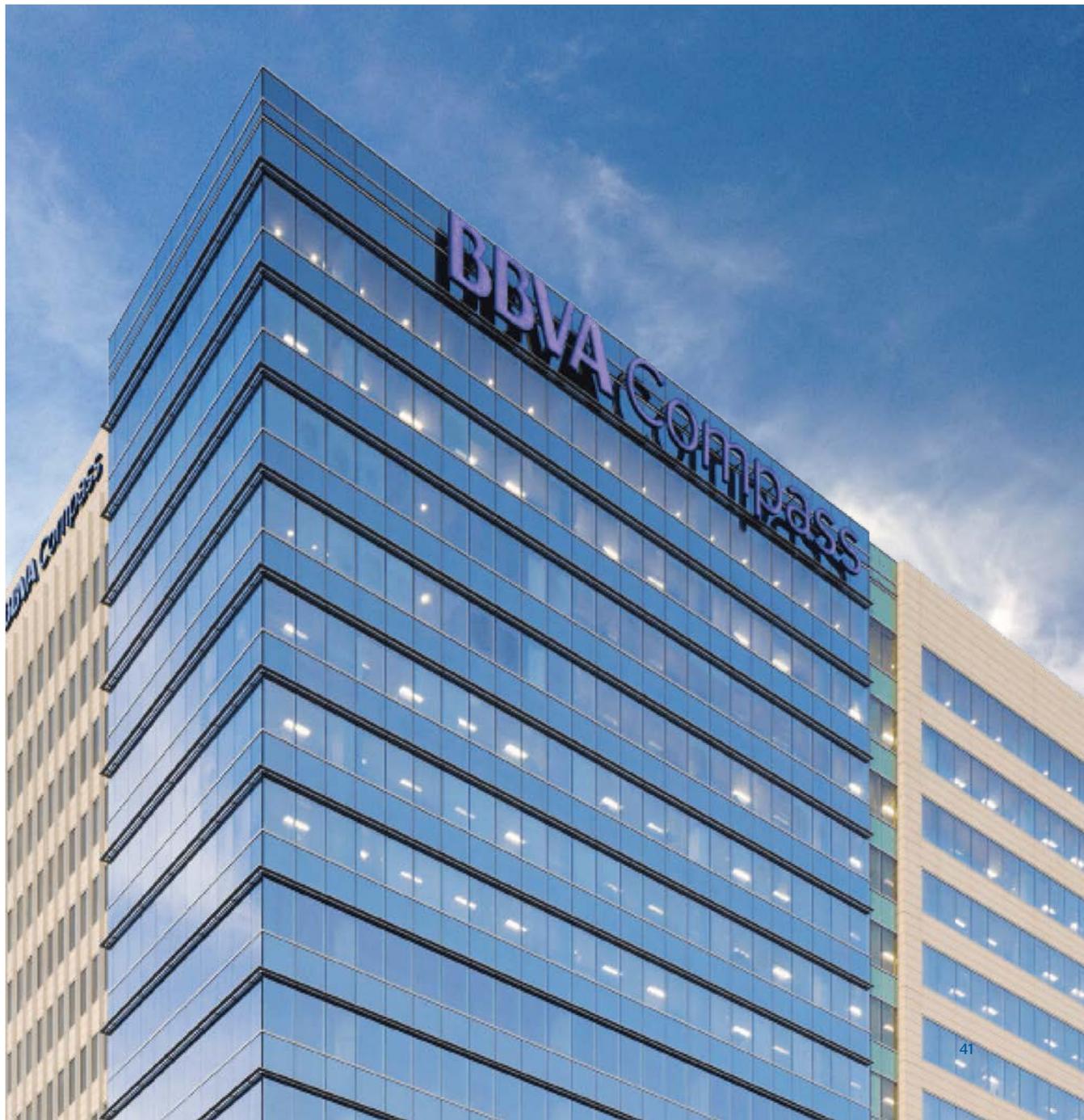
In 2014, we introduced a common language and defined "diversity and inclusion" for employees. Now, the company will begin moving beyond simply recognizing differences and similarities toward creating a more inclusive environment in which every employee feels valued and respected.

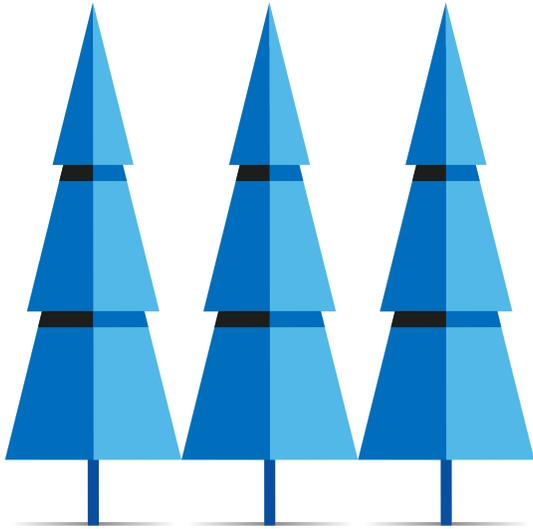
Our commitment to workplace diversity and inclusion is underscored publicly on [www.bbvacompass.com](http://www.bbvacompass.com), our recruiting portal and all of our social media sites.

## Community Partnerships

BBVA works closely with organizations nationally and locally across our footprint that represent the voices of diverse populations. At the national level, we are actively involved in supporting the National Association for the Advancement of Colored People (NAACP), National Council of La Raza (NCLR) and the Human Rights Campaign (HRC), among others.

# Responsible Procurement and Environmental Management





**Representing the material aspect of environmental responsibility, BBVA Compass continues to make progress in support of BBVA Group's Global Eco-efficiency Plan. The BBVA Group prioritizes sustainable development. As a financial institution, the Group's activities have a significant impact on the environment: be it through its consumption of natural resources, management of its properties, use of paper, travel, etc. (direct impacts), or through the consequences for the environment of the products and services it provides, particularly those related to financing, asset management and management of its chain of suppliers (indirect impacts).**

The BBVA Group Global Eco-efficiency Plan for 2013-15 established the following objectives:

- 6% reduction in CO2 emissions (per employee)
- 3% reduction in paper consumption (per employee)
- 3% reduction in water consumption (per employee)
- 3% reduction in energy consumption (per employee)
- 33% of employees working in buildings awarded environmental certifications

**BBVA Compass initiatives that support the Eco-efficiency Plan include:**

- Separation and recycling of solid urban waste and hazardous waste
- Separation and recycling of computer waste
- Reduction of electricity consumption per employee
- Reduction of paper consumption per employee
- Establishing sustainability criteria for purchasing
- Increase the number of ISO 14001 certifications
- Use of videoconferences to reduce the number of business trips
- Offsetting CO<sub>2</sub> emissions and reforestation
- Training, dissemination and education programs

**In support of the BBVA Group's Global Eco-efficiency Plan, the following measures were implemented in 2014:**

- A new electricity, water and diesel Portfolio Energy and Environmental Reporting System (PEERS) to track not only consumption, but also the impact of efficiency projects implemented across the footprint. This system also allows the Real Estate Management team to identify anomalies with the usage of these utilities by location and analyze the performance of locations across the portfolio.
- Transitioned to a third-party bill pay system, which provides daily feeds of utility usage via upload into PEERS. The new system eliminates a four-week lag time from the time of payment to the data entry into the system, providing quicker and better information to the Real Estate Management team for analysis.
- Added the position of Energy Manager to track energy consumption and implement bank-wide efficiency projects and energy-saving initiatives.
- Completed xeriscape landscape upgrades at 39 sites. Xeriscape landscaping uses desert rock and drought-tolerant plants with low irrigation, drip emitter systems to conserve water and lower maintenance costs. This method of landscaping replaced turf at many locations, thereby lowering not only water use, but also the expense of mowing and fertilizing.
- Researched additional water-saving technologies for California branches in response to severe drought conditions.
- Retrofitted 20,274 Light Emitting Diode (LED) lamps across 152 sites this year. The new lamps offer up to 75 percent energy savings and a lifespan of 10 years, reducing not only utility usage but also future maintenance expense.
- Replaced 74 Heating Ventilation and Air Conditioning (HVAC) units at 43 sites, upgrading to more energy-efficient and environmentally friendly 13 Seasonal Energy Efficiency Ratio (SEER) units with R-410a refrigerant. These units replaced those with R-22 refrigerant, thereby minimizing any potential contribution to ozone depletion.
- Piloted Pace Controls technology on several HVAC systems. This technology is anticipated to improve performance by 15 to 20 percent with a return on investment of less than 3 years.
- Commissioned a wireless lighting-control system at the Birmingham Service Center. The 1st phase of this project (third floor) is showing a 62 percent energy savings. Wireless occupancy sensors were installed throughout the floor and are providing data that are controlling the lighting system based on occupancy and not a traditional time schedule. This occupancy data is being reviewed for application to control the HVAC zones and to provide Occupancy Planning information on how the space is being utilized.

## Energy Conservation

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

## Energy and Emissions

In 2014, BBVA Compass consumed 34,413 liters (1,323 GJ) of diesel fuel, which is used by the bank to power generators in emergency situations and test these generators throughout the year to ensure readiness.

In 2014, the total electricity consumption for all of BBVA Compass' properties was 142,323,099 kWh, which translates to 98,139 metric tons of CO<sub>2</sub>. Around 20 percent of this amount was estimated for leased sites or those with shared utilities, based on extrapolated usage by square foot from similar buildings reporting actual meter readings. In 2014, BBVA also consumed 31,885 dekatherms of natural gas, which resulted in GHG emissions of 1,693 metric tons of CO<sub>2</sub>.

The bank participated for the sixth straight year in the international Earth Hour energy-conservation event. Several of our landmark buildings, including our Corporate Headquarters in Birmingham, went dark for one hour on Saturday, March 29, 2014, in solidarity with our counterparts who recognize climate change as an ongoing problem.

Energy & GHG Emissions			
	2014	2013	2012
Diesel (Liters)	34,413	42,205	40,424
Natural Gas (dekatherms)	31,885	NR*	NR*
Electricity (Kwh)	142,323,099	132,950,885	139,940,494
Scope 1 GHG emissions (metric tons CO <sub>2</sub> )	1,787 (diesel and natural gas)	107 (diesel only)	100 (diesel only)
Scope 2 GHG emissions (metric tons CO <sub>2</sub> )**	98,139	65,712	84,579

\* Not reported due to lack of data.

\*\* The following gases are included in the GHG inventory: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs. We utilized Greenhouse Gas Protocol Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute for reporting the GHG inventory. We utilized the latest available emission factors for each fuel type and region and Global Warming Potential factors from the Second Assessment Report (SAR) published by Intergovernmental Panel on Climate Change to calculate GHG inventory.



## Technology vs. Travel

BBVA Compass continues to invest in technology with a goal of reducing business travel. The bank increased the number of videoconference and audioconference meetings it hosted during 2014, and also saw an increase in air travel (via both its corporate jet and commercial air travel). These increases are the result of business growth and other business needs. BBVA Compass remains committed to this goal, and we expect to report a decrease for 2015.

Air-travel data were gathered from a third-party travel agency. Conversion to GHG emissions followed the GHG Protocol Corporate Standard distance-based conversion methodology, and 2013 DEFRA emission factors as provided by the 2013 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting.

Technology and Travel			
	2014	2013	2012
Videoconferences (n <sup>o</sup> )	8,788	5,516	4,036
Audioconferences (n <sup>o</sup> )	125,724	88,730	106,515
Telepresences (n <sup>o</sup> )	206	206	185
Air travel (km)	40,291,173	36,874,610	25,611,370
Air travel (CO <sub>2</sub> in tons)*	8,776	6,913	3,031

\* The following gases are included in the GHG inventory: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs. We utilized Greenhouse Gas Protocol the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute for reporting the GHG inventory. We utilized the latest available emission factors for each fuel type and region and Global Warming Potential factors from the Second Assessment Report (SAR) published by Intergovernmental Panel on Climate Change to calculate GHG inventory.

## Water

In 2014, total water consumption for BBVA Compass' properties was 1,013,752 m<sup>3</sup>. This amount covers municipal water data only. Around 24 percent of this amount is estimated for leased sites or those with shared utilities, based on extrapolated usage by square foot from similar buildings reporting actual meter readings.

## Solid Waste

In 2014, BBVA Compass' national recycling program resulted in the tracking of 3,082,736 kg of total waste, 2,408,193 kg of which was trash and 674,543 kg was recycled.

In 2014, BBVA Compass consumed 790,430 kg of paper with an average of 15.61 percent recycled input material, and we recycled more than 2,075,860 kg of paper. Recycled input material percentage is calculated by dividing paper purchased that contains some recycled material, as well as other sustainably sourced materials (which varies for different paper products) by total paper purchased for the year. The weight of the paper that the bank sent for recycling outweighs the amount of paper that the bank purchased during 2014 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 2014, BBVA Compass' technology vendor reported that an estimated aggregate total of 28,046 kg of computer equipment was either recycled or destroyed on the bank's behalf. Additionally, 432 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 2014.

## Green Product Standards

Since 2008, BBVA Compass has been working with our janitorial vendors to develop programs to ensure all cleaning supplies and cleaning policies meet LEED requirements for a "High Performance green cleaning program." This includes our banking center drive-thru lanes, which are cleaned by waterless concrete and asphalt cleaners using natural agents. In addition, our pest-control and exterior landscape partners integrated pest-management techniques and other sustainable concepts.



**Responsible procurement aligns with the material topic of ethical management.**

## Procurement Model and Policy

BBVA Compass' procurement model follows the structure developed by the BBVA Group, and is aligned to industry best practices. BBVA Compass manages the supply chain to deliver and sustain value across the organization by building and managing an external supplier network that meets the operational needs of the organization in a responsible manner and at minimal cost. This is achieved by adopting procurement best practices, by establishing partnerships across BBVA Compass to expand category coverage and by continuing to secure savings.

## 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 guidelines include respect for the law, commitment to integrity and transparency, competition, objectiveness, value creation and confidentiality. Additionally, procurement at BBVA Compass is governed by the procedures outlined in BBVA Compass; Management Manual, Policy Section 109 – "Procurement of Goods, Engagement of Services and Contract Administration."

The contract and supplier-management group under the Procurement umbrella also performs many tasks to ensure that BBVA Compass is in compliance with regulatory requirements and best practices such as financial health assessments, supplier risk assessment and supplier performance-management scorecards. The financial health assessment is a process to evaluate the financial well-being of a supplier to ensure that the company has the financial strength and stability to provide the goods and services requested. The risk assessment and supplier performance management scorecards enable objective scoring to ensure protection of customer data, and a measure of whether the supplier is meeting its service-level agreements.

The Procurement team works together with the BBVA Compass Corporate Reputation and Responsibility (CRR) and the Diversity and Inclusion team for supplier opportunities and small-business banking initiatives.

## Recycling

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, 73 percent of the 5,104 toner cartridges purchased in 2014 were Sustainable Earth Remanufactured Toner.



BBVA donated 100 computers and the BBVA Compass Foundation gave \$20,000 to create four new computer labs at some of the busiest domestic violence shelters run by the Urban Resource Institute in New York City.

# Community Involvement





**At BBVA Compass, our vision – shared 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. Community involvement includes the material aspect of community impact.**

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.

## Charitable Contributions

### BBVA Compass Foundation

BBVA Compass’ charitable giving is managed through the BBVA Compass Foundation – working with local contributions committees in our markets. Using this approach, we continue to embrace a localized, focused and inclusive community-giving strategy dedicated to responding to needs in low- to moderate-income communities.

The BBVA Compass Foundation is a private foundation that funds eligible 501(c)(3) organizations in six focus areas:

- Community Development (including Financial Education)
- Education
- Health and Human Services
- Arts and Culture
- Diversity and Inclusion
- Environment and Natural Resources



The Foundation accepts 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.

On an ongoing basis, BBVA Compass hosts monthly webinars to educate nonprofits about the online application, funding priorities and processes. At the end of each 60-minute session, participants have the opportunity to engage with the team in a question-and-answer session. In 2014, over 1,000 participants received a step-by-step tutorial on eligibility requirements for the grant-submission process within the online platform.

The automated grant-application system, which was launched in 2010, allows BBVA Compass to streamline the review and evaluation process efficiently and effectively. Following an initial review, applications are submitted to each local market’s charitable contributions review committee. These local review committees are an essential component of the Community Relations Committee and are composed of market leaders throughout the organization who work in partnership to help evaluate local charitable requests. These committees follow the Foundation’s guidelines to address the needs specific to their communities. Visit [www.bbvacompass.com/foundation](http://www.bbvacompass.com/foundation) for more details on the BBVA Compass Foundation.

In 2014, BBVA donated more than \$7.4 million through the Foundation and charitable sponsorships to support endeavors in our six focus areas. Although the Foundation supports an array of mission-driven nonprofits, the CRR team continues to focus on Community Development and Education as two major areas of need – allocating 70 percent of the Foundation’s total giving to these strategic focus areas. Aligned with the BBVA Group’s recognized work in reducing traditional barriers to financial well-being for low- to moderate-income communities – the focus areas result in a better educated, more informed and smarter customer base that, in turn, strengthens BBVA Compass’ position in our communities.

### Signature Programs

In addition, the BBVA Compass Foundation has built signature programs and grant-making initiatives to highlight our strategic emphasis on community development and education. In 2014, this included Project Blue Elf and the announcement of the 2014 Community Development Financial Institution (CDFI) Grant Program.

Project Blue Elf, an initiative of the BBVA Compass Foundation, seeks to bring hope and promise to children of low- and moderate-income families who attend schools in communities where BBVA Compass operates. In December 2014, BBVA Compass Volunteers provided financial education and toys to more than 2,000 children in need through the Project Blue Elf initiative. Now in its second year, the program expanded to host events at 18 low-income elementary schools across six states including Alabama, Arizona, California, Colorado, New Mexico and Texas.



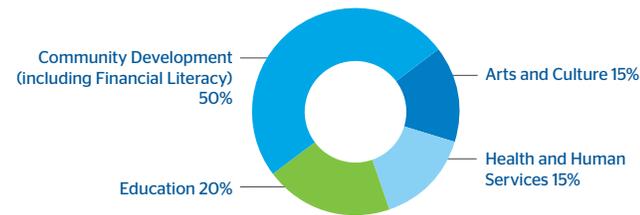
2014 BBVA Compass Foundation Contribution Summary	
Total value of contributions:	\$7,419,158.22
Volunteer hours and pre-tax employee contributions:	91,834 hours and \$1,211,312



The 2014 CDFI Grant Program awarded \$1 million in high-impact grant awards of \$50,000 or more across the bank's footprint in an effort to bolster activity and build capacity for leading local organizations engaged in community development. This included providing access to capital and lending, coaching and financial training for individuals and small businesses who have had limited access to traditional financing products and services.



### BBVA Compass Foundation Contribution Targets (By Focus Area)



Environment and Natural Resources, Diversity and Sustainability remain discretionary



# Employee Involvement

Over the course of 2014, BBVA Compass continued to deliver programs that 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 empower employees to become philanthropists in their communities.

Both programs utilize Volunteer Connection – an online, state-of-the-art employee involvement resource. It is a one-stop shop to facilitate employee involvement – a website where employees can search and sign up for individual volunteer opportunities and team events, record volunteer hours and direct their BBVA Compass Charity contributions.

## 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 the company's primary focus areas:

- BBVA Compass' financial education program, in partnership with EverFi and Junior Achievement, is composed of the robust, multi faceted Money Smart curriculum for adults through a partnership with the FDIC and offers the American Bankers Association Community Engagement Foundation's (ABACEF) "Get Smart About Credit" and "Teach Children to Save" curricula (For more information, see page 17).
- Reading Counts, BBVA Compass' literacy program aimed at improving educational opportunities for disadvantaged students in kindergarten through third grades, put more than 4,700 books into the hands of children across our footprint during 2014. (For more information, see page 51.)
- Project Blue Elf, our annual holiday service project, funded by the BBVA Compass Foundation, is an opportunity for BBVA Compass volunteers to provide financial education and a gift to children in low-income schools. (For more information, see page 50.)
- BBVA Compass Volunteers in two of the bank's major markets partnered with NBA Cares and EverFi on their joint "Future Builders Program." (Additional information is available on page 52.)

In 2014, BBVA Compass launched its inaugural bank-wide week of service. During the week of service, volunteers lent both their financial and professional expertise to micro lending organizations and community nonprofits that serve low- to moderate-income individuals. Over 1,200 employees provided more than 6,500 hours of volunteer service.

The depth of data employees provide on each volunteer activity recorded in Volunteer Connection allows for enhanced reporting capabilities for BBVA Compass. During 2014, more than 3,300 BBVA Compass employees contributed 91,834 hours of volunteer service across our footprint. These self-reported volunteer hours were recorded 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 2014 to launch and advise BBVA Compass Volunteers chapters across the bank's seven-state footprint. In 2014, there were 21 active BBVA Compass volunteer chapters.

## 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 2 million 501(c)(3) nonprofits to be the beneficiaries of their gifts. The program is voluntary.

The BBVA Compass Charity program was supported by an annual campaign that encouraged employees who already participate in the program to review their charitable contribution choices and to consider increasing their gifts. In addition, the campaign encouraged employees who are not in the program to consider becoming active donors. In 2014, employees donated more than \$1.2 million to qualified nonprofits through BBVA Compass Charity.

## 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 2014, 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 promotes the importance of reading to young children. BBVA Compass employees have the opportunity to read to kindergarten through second-grade students in low- to moderate-income schools near their BBVA Compass offices and banking center locations. Employees outfitted with reusable book bags – each containing English or Spanish Scholastic books – visited their local schools, read one of the books to a classroom of students and left 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 allowed for other Reading Counts book-donation opportunities during special educational events.

In all, more than 1,080 books were donated through BBVA Compass' Reading Counts literacy program in 2014.

## BBVA Compass Future Builders Program

BBVA Compass teamed up with NBA Cares for the fourth consecutive year on our joint Team. Works. In Schools® initiative in Houston, Dallas, Phoenix, San Antonio, Birmingham and McAllen. The program included approximately 190 volunteers across the BBVA Compass footprint, along with NBA legends Bob Lanier, Felipe Lopez and a host of other NBA and WNBA players and legends, as well as many local dignitaries. Students had opportunities to take part in financial education lessons, receive book donations for themselves and their school libraries, participate in an NBA FIT Clinic (hosted by NBA and WNBA Legends) and take part in the BBVA Compass Financial Scholars Program through EverFi.



## “Building a Better Houston” Initiative with the Houston Dynamo

BBVA Compass and the Houston Dynamo teamed up during 2014 to boost the city's East End as part of our joint “Building a Better Houston” campaign.

Volunteers and Dynamo officials painted, landscaped and made repairs to a home occupied by an underprivileged family for the initiative's “Building a Better Community” event. The home was selected by Rebuilding Together, and the effort was made possible largely by a \$25,000 contribution from the BBVA Compass Foundation.

Additionally, BBVA Compass and Dynamo Charities adopted The Rusk School for its “Building a Better Mind” program. Volunteers delivered the American Bankers Association Education Foundation's “Teach Children to Save” financial education curriculum and shared a BBVA Compass Reading Counts reading moment with students in grades K-2 to emphasize the importance of reading.

# Supplemental Information



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Board of Directors and Stockholder  
BBVA Compass Bancshares, Inc.  
Houston, Texas**

We have reviewed the accompanying 2014 Corporate Responsibility Report of BBVA Compass Bancshares, Inc., (the "Company") for the year ended December 31, 2014. 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 sustainability 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 the 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. The selection of different but acceptable measurement techniques can result in materially different measurements. Different entities may make different but acceptable interpretations and determinations. The Corporate Responsibility Report includes information regarding the Company's corporate sustainability 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 G4 Sustainability Reporting Guidelines under its "In accordance level Core"; that the 2009 - 2014 data 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 2009 were not reviewed by us and, accordingly, we do not express any form of assurance on them.

*Deloitte & Touche LLP*

January 25, 2016

# BBVA GRI Indicators

PROFILE	PAGES
<b>Strategy &amp; Analysis</b>	
G4-1 Statement from the CEO and chairperson.	4
G4-2 Description of key impacts, risks and opportunities.	9
<b>Organizational profile</b>	
G4-3 Name of the organization.	6
G4-4 Primary brands, products and/or services.	6
G4-5 Location of organization's headquarters.	6
G4-6 Number of countries where the organization operates.	6
G4-7 Nature of ownership and legal form.	6
G4-8 Markets served.	6
G4-9 Scale of the reporting organization.	6-7
G4-10 Employee statistics.	7
G4-11 Percentage of employees covered by collective bargaining agreements.	29
G4-12 Description of the organization's supply chain.	45
G4-13 Significant changes during the reporting period in the size, structure and ownership of the organization.	6
G4-14 Precautionary approach.	25
G4-15 Externally developed initiatives.	11
G4-16 Memberships of associations.	11
<b>Identified Material Aspects and Boundaries</b>	
G4-17 Report boundary.	6, 56
G4-18 Process for defining report content.	13-15, 56
G4-19 Material aspects.	13-15
G4-20 Material aspect boundaries within the organization.	15
G4-21 Material aspect boundaries outside the organization.	15
G4-22 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	56
G4-23 Significant changes from previous reporting periods in the scope, boundary, or measurement methods.	56
<b>Stakeholder Engagement</b>	
G4-24 List of stakeholder groups engaged by the organization.	13-14
G4-25 Basis for identification and selection of stakeholders with whom to engage.	13-14
G4-26 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	13-14
G4-27 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	13-15
<b>Report Profile</b>	
G4-28 Reporting period for information provided.	56
G4-29 Date of most recent previous report.	56
G4-30 Reporting cycle (annual, biennial, etc.).	56
G4-31 Contact point for questions regarding the report or its contents.	56
G4-32 GRI 'in accordance' option and GRI Content Index.	56
G4-33 Policy regarding external assurance.	56
<b>Governance</b>	
G4-34 Governance structure of the organization, including committees under the highest governance body.	11
<b>Ethics and Integrity</b>	
G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	24

# BBVA GRI Indicators

SPECIFIC STANDARD DISCLOSURES	PAGES	OMISSION
<b>Category: Economic</b>		
<b>Aspect: Economic Performance</b>		
G4-DMA Disclosure on management approach.	6	–
G4-EC1. Direct economic value generated and distributed.	7	–
G4-EC3. Coverage of the organization's defined benefit plan obligations.	33	–
<b>Aspect: Indirect Economic Impacts</b>		
G4-DMA Disclosure of management approach.	33	–
G4-EC8 Significant indirect economic impacts, including the extent of impacts.	17-20	–
<b>Category: Environmental</b>		
<b>Aspect: Materials</b>		
G4-DMA Disclosure on management approach.	42	–
G4-EN1 Materials used by weight or volume.	44	–
G4-EN2 Percentage of materials used that are recycled input materials.	44	–
<b>Aspect: Energy</b>		
G4-DMA Disclosure on management approach.	42	–
EN3. Energy consumption within the organization.	43-44	Energy consumption reported in local units of measure for comparability with the US-based reporting context.
<b>Aspect: Water</b>		
G4-DMA Disclosure on management approach.	42	–
G4-EN8 Total water withdrawal by source.	44	–
<b>Aspect: Emissions</b>		
G4-DMA Disclosure on management approach.	42	–
G4-EN15 Direct greenhouse gas emissions by weight.	43	–
G4-EN16. Indirect greenhouse gas emissions by weight.	43	–
G4-EN17. Other relevant indirect greenhouse gas emissions by weight.	43	–
<b>Aspect: Effluents and Waste</b>		
G4-DMA Disclosure on management approach.	42	–
G4-EN23 Total weight of waste by type and disposal method.	44	–
<b>Aspect: Compliance</b>		
G4-DMA Disclosure on management approach.	42	–
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	44	–
<b>Category: Social</b>		
<b>Sub-Category: Labor Practices and Decent Work</b>		
<b>Aspect: Employment</b>		
G4-DMA Disclosure on management approach.	28	–
G4-LA1 Employee turnover rates.	38	Regional data not available.
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	32-36	–
<b>Aspect: Labor/Management Relations</b>		
G4-DMA Disclosure on management approach.	28	–
G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	29	–
<b>Aspect: Training and Education</b>		
G4-DMA Disclosure on management approach.	29-30	–
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	29-32	–

## BBVA GRI Indicators (continued)

SPECIFIC STANDARD DISCLOSURES	PAGES	OMISSION
<b>Aspect: Diversity and Equal Opportunity</b>		
G4-DMA: Disclosure of management approach.	30, 40	–
G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	38	–
<b>Sub-Category: Human Rights</b>		
<b>Aspect: Non-Discrimination</b>		
G4-DMA Disclosure on management approach.	29	–
G4-HR3 Total number of incidents of discrimination and corrective actions taken.	29	–
<b>Aspect: Freedom of association and collective bargaining.</b>		
G4-DMA Disclosure on management approach.	29	–
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	29	–
<b>Sub-Category: Society</b>		
<b>Aspect: Local Communities</b>		
G4-DMA Disclosure on management approach.	17-18	–
FS13 Access points in low-populated or economically disadvantage areas by type.	18	–
FS14 Initiatives to improve access to financial services for disadvantaged people.	17-20	–
<b>Aspect: Anti-Corruption</b>		
G4-DMA Disclosure on management approach.	24-25	–
G4-SO4 Communication and training on anti-corruption policies and procedures.	22, 24-25	–
<b>Aspect: Anti-competitive behavior</b>		
G4-DMA Disclosure on management approach.	22	–
G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	56	–
<b>Sub-Category: Product Responsibility</b>		
<b>Aspect: Product and Service Labeling</b>		
G4-DMA Disclosure on management approach.	24	–
G4-PR5 Results of surveys measuring customer satisfaction.	13, 23	–
<b>Aspect: Marketing Communications</b>		
G4-DMA Disclosure on management approach.	22	–
G4-PR6 Sale of banned or disputed products.	9	–
<b>Sector Specific Aspect: Product Portfolio</b>		
G4-DMA Disclosure on management approach.	17	–
G4-FS7: Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	17	–
<b>Sector Specific Aspect: Audit</b>		
G4-DMA Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	11, 22	–
<b>Sector Specific Aspect: Active Ownership</b>		
G4-DMA Disclosure on management approach.	24	–
G4-FS11 Percentage of assets subject to positive and negative environmental or social screening.	13, 23	Data is not currently available. Planning to report on or before 2017.

# Report Criteria

BBVA Compass has developed and disseminated annual corporate responsibility reports annually since 2008. This report, which covers the 2014 calendar year, includes information for the BBVA Compass Bancshares, Inc. portion of the U.S. business unit (including any leased facilities, subsidiaries, etc.). The BBVA Compass report is supplemented by the BBVA Group's 2014 Financial Report and by the information available via BBVA Compass' main website, [www.bbvacompass.com](http://www.bbvacompass.com), and its investor relations website, <http://bbva.investorroom.com>.

## Additional Context

As of the publish date of this report, BBVA Compass is not aware of the need for restating any material from previously published reports. This report reflects BBVA Compass Bancshares, following the company becoming an SEC registrant in January 2014. Prior reports focused on BBVA Compass Bank. In 2014, there were no relevant legal actions with a final ruling against BBVA Compass related to anti-competitive behavior.

## GRI G4 Content Index

This report is organized and presented in accordance with the GRI G4 guidelines, using the "Core" option including financial services sector disclosures. Deloitte & Touche LLP provides a review report on this report. Statement of assurance is located on page 54.

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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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