

**BBVA** Compass

**2011 Corporate Responsibility**

# Annual Report



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

This report has been prepared at Global Reporting Initiative G3 (GRI) Application level B and was also independently reviewed to achieve level B+. The 2011 report is available as a single electronic document to reduce paper consumption and to be aligned with the environmental initiative of the bank. A printed Executive Summary of this report is available upon request.

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

At BBVA Compass, we view corporate responsibility as more than just a philosophy; its tenets are embedded in our business model. It informs everything we do — from the way we interact with customers and employees to the way we design and position our products and services.

Our customers want to bank with a financial institution that offers them transparency, simplicity and integrity. We are committed to providing that experience for our customers — a commitment that involves combining corporate responsibility and sound business practices into the same strategy.

Our aim is to be the best universal bank in the model of the BBVA Group — a responsible, ethical financial institution that offers real solutions to the people in our communities as their lives and circumstances evolve. Both BBVA Compass and the BBVA Group recognize how integral corporate responsibility is to this mission, including it as one of our organization's seven guiding principles — "Corporate social responsibility as an intrinsic part of development."

This is our fourth annual BBVA Compass Corporate Responsibility report, which details the bank's 2011 activities and discusses the ways in which we as an organization work to embody the BBVA Group's longstanding vision, we work for a better future for people, in our day-to-day actions.

In 2011, we worked hard to complete the development of a banking platform designed to post transactions in chronological order. Many of these will be posted in real time as they occur, empowering customers to make good financial decisions.

Additionally, recent enhancements to our risk infrastructure and governance, as well as ongoing efforts to move credit decisions closer to the customer, also stand out as key achievements. The bank has seen particular success in reducing non-performing loans, with most of them rehabilitated. We have also seen substantial

enhancements to our market risk platform, commercial loan origination system, and our commercial credit risk rating tool.

Finally, our journey towards developing a more holistic approach to banking continues — a balance of commercial, retail and wealth management that focuses more on our customers than on the products and services we sell. Our cross-sell business model drives us to build long-term relationships with our customers, and, in this time of outsized reliance on specific lines of business, we expect these relationships to thrive and endure.

Of course, the bank continues to uphold our commitment to corporate responsibility through traditional avenues as well — encouraging employee volunteerism, emphasizing our support of worthy causes through charitable contributions, and further strengthening the ties to our local communities by partnering with strong, effective nonprofit organizations. We believe in this work, because we know that as a financial institution we have a responsibility to lead by example — playing a central role in ensuring the vitality of our communities.

BBVA Compass' U.S. team is the cornerstone of our bank's success. We are very fortunate to have an active, engaged, passionate workforce — employees who are tireless advocates for BBVA Compass and represent us well in our communities as goodwill ambassadors. Their commitment to excellence, ethical practices and honesty is a reflection of our bank's values and the way we do business. My hope is that as you read this report you will learn more about what makes our organization great, and we welcome your feedback on our work.

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

# BBVA Compass Profile

BBVA Compass, a trade name of Compass Bank, is a subsidiary of BBVA Compass Bancshares, Inc., a wholly-owned subsidiary of BBVA (NYSE: BBVA) (MAD: BBVA).

Compass Bank, under the brand name BBVA Compass, is a leading U.S. banking franchise with operations throughout the Sunbelt Region and ranks among the 25 largest U.S. commercial banks based on deposit market share. BBVA Compass ranks as the second largest bank in Alabama, fourth largest bank in Texas, and fifth largest bank in Arizona. Headquartered in Birmingham, Alabama, it operates 710 branches throughout Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas and employs 11,828 people.

# BBVA Compass Profile

Through three major business units — Commercial Banking, Retail Banking and Wealth Management — BBVA Compass offers customers innovative, industry-leading products and services that provide financial solutions to meet their needs. Examples include commercial and wholesale banking, treasury management, Small Business Administration loans, international services, merchant processing, retail banking services, consumer loans, mortgages, home equity lines and loans, credit cards, personalized Visa® check cards, securities brokerage, mutual funds and annuities, financial counseling, wealth management, pension plan management and insurance.

BBVA Compass is a subsidiary of BBVA Compass Bancshares, Inc., a wholly-owned subsidiary of BBVA (NYSE: BBVA) (MAD: BBVA). BBVA is a financial services group with approximately \$800 billion in total assets, 50 million clients, 7,400 branches and approximately 111,000 employees in more than 30 countries. BBVA ranks among the top 20 largest financial institutions in the world based on market capitalization and 17th in *Global Finance* magazine's list of the "World's 50 Safest Banks" for 2011. BBVA provides its customers around the world with a full range of financial services, including commercial and wholesale banking, retail banking services, consumer loans, mortgages, credit cards, securities brokerage, wealth management, pension plan management and insurance. The BBVA Group maintains a leadership position in Spain, Mexico, Latin America and the U.S. Sunbelt region, as well as operations in China, France, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland, Turkey and the United Kingdom.

In 2011, BBVA Compass saw very few transformative changes in its organizational structure. Former head of Retail Banking Shelaghmichael Brown retired from the bank and became BBVA Compass' first female member of its board of directors. During her tenure, Brown played a crucial role in transforming the bank's Retail business from a product-driven approach to a relationship-based model, serving as an advocate for change and rallying the Retail team behind BBVA Compass' organizational vision. Brown's responsibilities were divided into a Retail Network and Products area led by Jeff Talpas and a Corporate Shared Services area led by Enrique Gonzalez — both of whom were named to the BBVA Compass Management Committee.

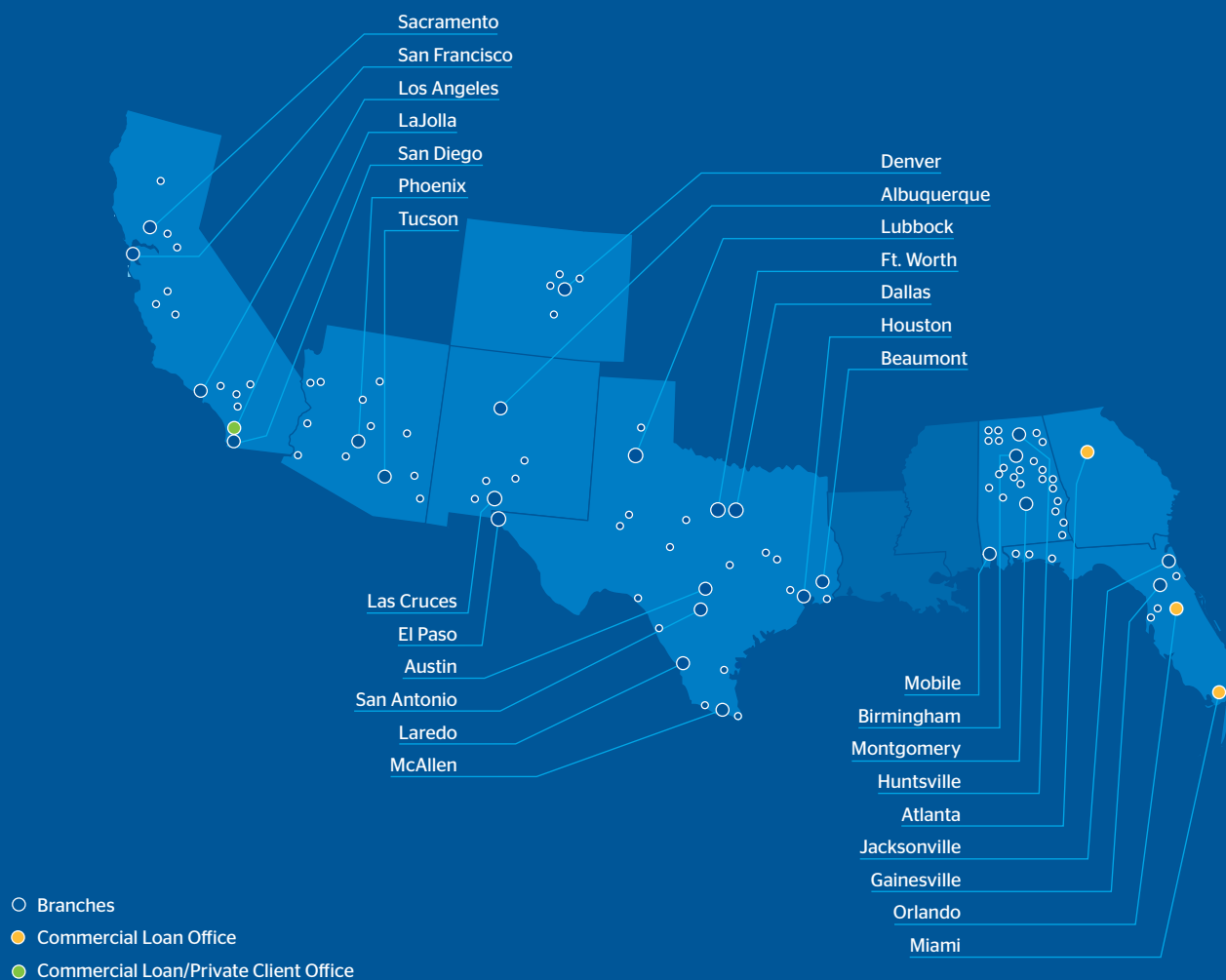
Amid these organizational structure changes, BBVA Compass continued to garner industry-wide recognition for its business model, executive leadership and commitment to community service.

BBVA Compass earned top honors as Retail Bank "Brand of the Year" according to a national Harris Poll EquiTrend® study. The bank received a score of 62.3 — more than five points ahead of the next bank and well above the industry average of 51.6 points. BBVA Compass also achieved a top-five ranking in the *American Banker's* second annual survey of the country's 30 most reputable banks. Making the biggest jump of any bank on the list (up 11 slots), BBVA Compass earned its highest score in the leadership category, which measures the availability and strength of its management team.

Additionally, BBVA Compass was recognized with 10 Greenwich Excellence awards, including seven in the small business segment and three in middle market. The awards, based on input from more than 13,000 small business customers and 11,000 middle market customers, are given to banks that distinguish themselves through service, products and lending. BBVA Compass ranked among the top 5 percent among the more than 750 banks evaluated.

The Financial Services Roundtable (FSR) — an advocacy group representing 100 of the largest integrated financial services companies, including BBVA Compass, that provide banking insurance and investment products and services to the U.S. consumer — recognized the bank for its 2010 community service. Among the 69 Roundtable member companies reporting, BBVA Compass placed second for the most community service projects completed and second for the most people served. In addition, U.S. Country Manager and BBVA Compass President and CEO Manolo Sánchez served as co-chairperson of FSR's Community Service Initiative during 2011 — going on to serve as chair in 2012.

Shelaghmichael Brown, former head of Retail Banking, was again named one of the 25 Most Powerful Women in Banking by *U.S. Banker* magazine. Brown ranked #12 on the list, up from #20 in 2010. Nathaniel Karp, Chief Economist, and his Economic team earned fifth- and sixth-place rankings on *Bloomberg News'* lists of Best Non-farm Payroll Forecasters and Best Unemployment Forecasters of 2011, respectively.



BBVA Compass Data	
Revenues	\$3,132,279,000
Operating costs	\$1,244,635,000
Employee wages and benefits	\$963,131,000
Payments to providers of capital	\$63,862,000
Payments to government	\$175,461,000
Total workforce	11,828
Number of branches	710
Number of suppliers	6,167
Community investments	\$5,184,386
Employee donations	\$1,689,873
Employee volunteer hours	60,039

The data in the adjoining table is intended to be an at-a-glance snapshot of the BBVA Compass organization's activity during calendar year 2011.

Branches by State		
	Employees	Branches
Alabama	4,266	93
Arizona	850	78
California	517	65
Colorado	395	37
Florida	434	45
New Mexico	146	21
Texas	5,193	371
Other*	27	—

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



# Stakeholder Engagement

By engaging stakeholders, we can create action plans as needed to mitigate risk and effectively manage our reputation.

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

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



For our 2011 report, the Corporate Responsibility and Reputation team (CRR) employed the Express Consultation approach to reporting on stakeholder engagement. This process involves three objectives: the identification of stakeholder groups, determining the issues that our stakeholders deem relevant, and identifying those stakeholder issues to include in our report.

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

## 2011 Milestones

### Customers

At the global level, the BBVA Group contracted the services of GlobeScan Radar 2011 to conduct face-to-face, online and telephone surveys in the 26 countries where the BBVA Group has a presence. The survey targeted nationally representative samples and included approximately 1,000 adults in each country, including the U.S. This wide-ranging survey covered topics related to the perception of the financial services industry (and the BBVA Group in particular) in 2011, including in what ways an organization is considered a responsible company and what economic issues continue to be causes for concern according to public opinion.

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

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

### Employees

BBVA Compass gauged employees' perceptions about the bank through various polls and surveys during 2011, including our annual Internal Reputation Survey that was conducted by the Reputation Institute in the summer of 2011 of 854 randomly selected employees across the organization. The sample was representative of two key groups: Retail employees (those directly in contact with the client) and non-Retail employees (employees from other lines of business and support areas).

### Nonprofits

During 2011, the CRR team continued its practice of conducting twice-monthly webinar training for nonprofit organizations applying for grant funding from the BBVA Compass Foundation.

### Conclusions

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

The results of the Globe Scan Radar 2011 survey found that participants are most concerned with uncertainties around the current economic environment and the unemployment crisis. Additionally, participants also rated as very high their concerns about corporate greed in the financial industry – citing excessive profits and executive pay as examples. A return to ethical practices is viewed as an urgent priority in the wake of the financial crisis. (According to the GlobeScan Radar 2011 Executive Summary, respect for the food, pharmaceutical, banking, mining, and oil/petroleum sectors has declined over the past year.)

Although they continue to rank as important a financial organization's involvement in its communities, its participation in environmental sustainability and renewable energy initiatives – regarding corporate social responsibility as a necessary imperative in an otherwise dismal economic situation – major emphasis is now being placed on the importance of transparent, ethical practices and how “a transparent approach to business is associated with an economic contribution that benefits everyone” (GlobeScan Radar 2011 Topline Trends).

BBVA Compass employees and customers surveyed in the U.S. independently throughout 2011 continue to agree that the top attributes for building and maintaining a strong reputation revolve around our organization's dedication to ethical conduct and customer-centric practices. Both internally and externally, BBVA Compass is regarded as an organization that delivers simple solutions in order to meet its stakeholders' needs.

These findings provide the foundation for the 2011 BBVA Compass Corporate Responsibility Annual Report.

# Corporate Responsibility Principles & Policy

At BBVA Compass, we work  
for a better future for people.

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

## Corporate Responsibility and Reputation

During 2011, BBVA Compass continued to pursue its three-year strategic plan for corporate responsibility, which is intended to build and maintain a best-in-class reputation among financial institutions in the U.S. At the core of the strategic plan, which is in its second year, is the commitment to corporate responsibility as an intrinsic part

of the enterprise, instilled in employees at all levels, in our corporate goals and philosophy, and in the products and services we offer. The primary commitments of the BBVA Compass corporate responsibility policy are to:

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

## Managing and Governing Corporate Responsibility

In terms of the management of the CRR function at BBVA Compass, corporate responsibility policy is approved by the Management Committee, and the Corporate Responsibility and Reputation (CRR) department is responsible for managing and coordinating that policy. In 2011, the CRR department maintained its role in managing corporate responsibility through the following offices:

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

This framework was instrumental in the transformation outlined in our strategic plan, which included the restructuring of our organization’s foundation, volunteer program, employee charitable giving program, and more — work that began in 2010 and continued through 2011.

CRR continues to make quarterly presentations to the Management Committee on the transformation of CRR policies and programs, and a plan was developed to launch a formal BBVA Compass’ Corporate Responsibility and Reputation Committee in 2011. (However, this launch was delayed and actually took place in January 2012.)

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

Additionally, in 2011 the BBVA Compass Foundation hosted its annual board meeting, which included both structural and leadership changes. New giving guidelines and policies formulated in 2010 were approved by the board, along with new officers, the appointment of staff, and the naming of BBVA Compass’ CRR Director as the executive director of the Foundation.

## Compliance System and Procedures

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

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

## Key Impacts, Risks and Opportunities

The BBVA Group releases an annual financial report that addresses the key impacts, risks and opportunities for each of its business areas and for its corporate activities (which are defined as any activities not included within the business areas). In addition, many of the BBVA Group’s individual country units likewise choose to release their own annual financial reports which also address any key impacts, risks and opportunities affecting that country unit. Because BBVA Compass does not produce an individual annual financial report, the key impacts, risks and opportunities affecting BBVA Compass may be found in the BBVA Group’s integrated annual report by visiting the following website: <http://accionistaseinversores.bbva.com/TLBB/micros/informes2011/en/ManagementReport/UnitedStates.html>.

## Corporate Governance

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

### BBVA Compass Board of Directors

Lawrence Uhlick (Chairman)	Manolo Sánchez
Eduardo Aguirre, Jr.*	Raúl Santoro*
Antonio Garza*	J. Terry Strange*
Charles E. McMahon*	C. Edward Whitworth*
Glen Roney	(retired, December 2011)
	Shelaghmichael Brown

\* Outside, Independent Directors

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

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

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

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

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

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

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

## National Memberships

During 2011, BBVA Compass maintained memberships in the following national industry and advocacy organizations:

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

## International Agreements

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

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

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

In addition, the BBVA Group respects the United Nations' Universal Declaration of Human Rights ([www.un.org](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)).

# Financial Inclusion

We strive to be a financially inclusive organization in the model of the global BBVA Group.

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

# Financial Education



## FDIC Partnership: Money Smart

In 2011, BBVA Compass continued its partnership with the Federal Deposit Insurance Corporation (FDIC) to utilize its financial education program

for adults called Money Smart. This program is designed to help individuals — even those with no prior banking experience — build financial knowledge, develop financial confidence, use banking services effectively, and create positive banking relationships. This partnership with the FDIC allows BBVA Compass employees and our nonprofit community partners to teach the Money Smart curriculum to adults — helping to ensure that the people in our communities are educated and exposed to how they can effectively manage their finances. Over the course of 2011, BBVA Compass employees and our nonprofit community partners together impacted more than 3,900 adults with these Money Smart presentations.

BBVA Compass also requires that all applicants of its First Time Home Buyer Mortgage product complete Money Smart's "Own Your Own Home" (Module 10) online course. In 2011, 488 first-time homebuyers completed this online course.

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

Financial Education Program	2011 Beneficiaries
Get Smart about Credit	5,042
Teach Children to Save	3,743
Money Smart	4,390



## American Banker's Association Education Foundation (ABAEF) Partnership

For the third consecutive year, BBVA Compass partnered with the American Bankers Association Education Foundation

(ABAEF), allowing our employees to connect with K-12 students and young adults and help them develop a stronger understanding of the importance of savings and how to use credit responsibly. BBVA Compass employees had the opportunity to volunteer for "Teach Children to Save" and "Get Smart About Credit" events in April and October.

During our "Teach Children to Save" event, more than 3,700 students at 40 elementary schools learned from our 48 employee volunteers how to count money, use a bank, save and earn interest on the money they deposited. In October, 60 employees across our footprint\* reached more than 5,000 high school and college students through our "Get Smart About Credit" event. This program is designed to teach high school students how to use credit wisely.

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

## Junior Achievement Partnership

In 2011, BBVA Compass partnered with 19 Junior Achievement affiliates throughout the U.S. footprint. Junior Achievement Worldwide is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. Its programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace.

The overall charitable contribution for 2011 to support Junior Achievement affiliates was \$144,025. This partnership allows employees to volunteer and provide financial education to students of all ages. BBVA Compass plans to continue to expand on its partnership with Junior Achievement so that students can put these financial education life-lessons into action and learn the value of contributing to their communities.

## Community Reinvestment

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

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

As such, BBVA Compass is subject to periodic CRA examinations that evaluate our record in helping meet the credit needs of our communities. BBVA Compass participated in its latest CRA examination during 2011 — the results of which will be available in 2012. Our performance on these examinations influence our organization's future growth, as it determines whether applications for future deposit facilities — including mergers and acquisitions — will be approved. Therefore, our organization's accordance with CRA requirements has a direct impact on BBVA Compass' ability to enter, operate in, and exit the communities we serve.





## CRA Lending and Investments

During 2011, 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, 2011, BBVA Compass had accounted for \$269,372,671 in CRA-qualified investments in its portfolio (which includes \$71 million in Low-income Housing Tax Credits). The majority of the qualified investments were categorized as affordable housing initiatives, which include Low-income Housing Tax Credit investments. The remainder were categorized as small business initiatives, community development projects or investments that otherwise help meet the needs of low- or moderate-income people and/or low- or moderate-income communities.

During 2011, BBVA Compass had a positive impact in many communities across our footprint by originating 65 Community Development Loans that totaled \$843,895,410. In addition, BBVA Compass originated 16,798 CRA-qualified Small Business Loans totaling \$975,729,000. BBVA Compass also made 2,002 loans to low- to moderate-income borrowers for a total \$213,525,000, and 1,110 mortgage loans in low- to moderate-geographies for a total of \$334,036,000 – continuing our commitment to compliance both with CRA and with the Home Mortgage Disclosure Act (HMDA).

2011 BBVA Compass CRA Loans

	Number of Loans	Total Loan Amount
Community Development Loans	65	\$843,895,410
CRA-qualified Small Business Loans	16,798	\$975,729,000
Loans to LMI borrowers	2,002	\$213,525,000
Loans made in LMI geographies	1,010	\$334,036,000

BBVA Compass continues to build on its reputation as one of nation's premier SBA lenders, earning a seventh-place ranking in SBA 7(a) loan volume for 2011, according to the *Coleman Report*, lending nearly \$275 million (a 22-percent increase).

## Access Points in Low-populated or Economically Disadvantaged Areas

BBVA Compass' systems for delivering retail banking services are accessible to essentially all segments of the bank's CRA assessment areas and meet the convenience needs of residents and businesses. As of December 31, 2011, 22 percent of BBVA Compass retail branches were located in low- to moderate income areas, and 24 percent of BBVA Compass' ATMs were located in low- to moderate-income areas.



## Initiatives to Improve Access to Financial Services for the Disadvantaged

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

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

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

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

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

## Fair Lending Policy Statement

BBVA Compass is fully committed to its responsibility of compliance with fair lending laws. The management of BBVA Compass intends that no one be illegally discriminated against in any aspect of a credit transaction with the bank. It shall be the responsibility of all employees to fully implement this commitment through appropriate conduct in their day-to-day business activities.

As an equal opportunity lender, BBVA Compass will not discourage a person from submitting an application for credit. It is our commitment to accept, consider and review applications in a consistent manner and in accordance with bank policy and procedures. We are committed to lending fairly within and outside our delineated communities, including low- and moderate-income neighborhoods.

BBVA Compass will comply with both the letter and the spirit of the fair lending laws. Appropriate BBVA Compass employees will receive training annually on the fair lending laws, the bank's policies regarding credit transactions, and equal treatment of customers and potential customers.

Management of the Fair Lending Program is the responsibility of the Fair Lending Group, part of BBVA Compass' Consumer Compliance Department. The responsibility and accountability for compliance is the responsibility of the entire organization – all employees, managers, executives, and directors.

The Fair Lending Program covers all aspects of banking operations, including but not limited to marketing, loan applications, underwriting, processing, adverse action, loan origination, and collections.



# Responsible Finance

BBVA Compass is a responsible financial institution, committed to ethical, transparent practices.

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

## Risk Management at BBVA Compass

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

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

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

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

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

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

## Bank Secrecy Act Compliance

BBVA Compass maintains comprehensive policies and procedures to comply with applicable United States laws and regulations under the Bank Secrecy Act (BSA), the USA PATRIOT Act, and laws and regulations administered by the U.S. Office of Foreign Assets Control. BBVA Compass has taken the following steps to ensure transparency and compliance:

**Currency Transaction Reports (CTRs):** CTRs are made to the U.S. Treasury Department for cash transactions of more than \$10,000 in any business day.

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

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

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

## Anti-money Laundering

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

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

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

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

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

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

In 2011, 9,813 employees, 99.86 percent of the 9,827 employees required to participate in the training (and approximately 83 percent of the total BBVA Compass workforce), completed the BSA anti-money laundering training.

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

## BBVA Compass Presence in Offshore Financial Centers

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



# Responsible Banking

At BBVA Compass, we believe in providing our stakeholders with simple solutions.

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



## Universal Banking Model

As part of our organization's alignment with the BBVA Group's customer-centric business model, BBVA Compass eliminated the outdated practice of placing customers in line-of-business silos and moved to the concept of the whole bank owning the customer relationship – with each line of business having equal access to that customer.

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

## Retail Banking

BBVA Compass Retail Banking works to deliver innovative, market leading products, services and solutions that simplify customer's lives. And 2011 saw the unit take another step in its continued efforts to fully align with BBVA's customer-centric business model.

Historically, Retail Banking's organizational structure has been focused on product development. In mid-year 2011, the structure was reorganized around two customer-centric segments – consumer and small business. The teams within each segment are focused on developing solutions that meet the needs of specific groups of customers within them.

The consumer segment is responsible for strategic plan development and execution, value proposition creation, product bundling, pricing and risk policy development, and channel distribution in support of specialized consumer segments.

The small business segment is responsible for the strategic plan development and execution, value proposition creation, product bundling, pricing and risk policy development, and channel distribution in support of specialized industries.

2011 also saw a changing regulatory environment, particularly impacting the Retail Bank. But, the bank continues to navigate the challenging landscape by working to find and implement services and products in which customers see value.

## Retail Banking – Responsible Products and Services

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

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

**Build My Savings<sup>SM</sup>:** BBVA Compass' Build My Savings product helps customers meet their savings needs via an innovative and straightforward process. In addition to easy-to-use online tools, Build My Savings also includes an annual match to encourage and reward commitment to specified savings targets created by the customer. When customers stick to their savings plan, BBVA Compass will match a percentage of their transfers up to \$250 each year. An annual "Match Bonus" is based on the account's opening balance, transfer amount and length of plan. Customers can use an interactive savings calculator to determine how to maximize their savings and match potential.

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

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

- Pricing terms, tied to a Prime Rate index, that will not change for the life of the card
- No default pricing
- No annual fee
- No unexpected or hidden fees
- Rewards for good payment behavior
- Free credit bureau monitoring
- Free identity theft coverage
- CompassPoints rewards program

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

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

**Visa Signature® Card:** The Visa Signature Credit Card has all the features that the BBVA Compass ClearPoints Credit Card<sup>SM</sup> offers and includes interest rate terms you can count on, identity theft /credit monitoring, and no default pricing. Additional Visa Signature benefits include: no preset spending limit; Visa Signature core enhancements and discounts; access to special events, concierge service, and travel and dining discounts; and a 125-basis-point airline discount at the 25,000 point redemption level (\$315 value). The following Signature features are provided at no extra charge: travel accident insurance; travel and emergency assistance services; Visa Signature access (sports and entertainment); Visa Signature concierge; Visa Signature dining; Visa Signature privileges; and all the Visa benefits that come with the BBVA ClearPoints Credit Card.



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

**Home Care Mortgage:** BBVA Compass' Home Care program is ideal for first-time home buyers and borrowers who may not qualify under other programs. The program:

- Eliminates the need for a large cash down payment by financing nearly the home's entire price.
- Keeps monthly payments affordable by helping customers avoid private mortgage insurance.
- Allows customers to use gift funds to help qualify for their mortgage.

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

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

**Visa® Charge Card:** The Visa Charge Card is a financial product offering customers the rewards and security of a credit card with the greater spending control of a charge card. It carries no interest expense with on-time payments. The new card requires a full payment of the monthly balance, helping customers avoid overspending and interest charges. Additionally, the card includes the CompassPoints rewards program, with one point earned for every \$1 spent — plus bonus points for purchases at designated retailers, as well as an auto-pay option for further financial control.

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

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





**Healthcare Financial Solutions:** An integrated approach for customers in the health care industry, including doctors, pharmacists, dentists and veterinarians among others. Benefits include:

- An experienced team of banking professionals that work across lines of business to serve the customer's needs
- Enhanced credit capabilities and expertise through extended terms for commercial real estate and term loans, preferred pricing for all loan and line products, and specialized lending solutions for unique health care provider needs.
- Complimentary BusinessClass Preferred Plus enrollment for the practice for at least one year, which includes deposit, loan, and cash management benefits. Specific benefits include complimentary Business Build to Order Checking (\$143 value), complimentary merchant terminal after rebate (\$300 value), and complimentary remote deposit scanner with no monthly service charge (\$1,400 value).

- Complimentary Consumer Preferred Plus enrollment for the owner, which includes complimentary checking and no fee ATMs for at least 12 months (\$140+ value), among other benefits.
- Professional program focused on personal lending needs of health care professionals including mortgage, personal term loans/lines of credit and credit card.
- Partnership Banking benefits for their employees

**Small Business Online Banking Enhancements:**

- Online banking, bill pay and mobile banking are free with all small business checking accounts
- Additional small business functionality added in 2011 includes:
  - Ability to send ACH payments electronically
  - Send state and federal tax payments electronically
  - Send wires
  - Ability for the administrator to set different levels of access for each employee

## Commercial Banking

BBVA Compass' Commercial Banking group provides support and innovative solutions to build successful businesses. From cash management to international banking, Commercial Banking takes a forward-thinking approach to meeting business needs and supporting strategic objectives for its clients.

Despite a difficult economic year, Commercial Banking finished 2011 with strong production in several categories, including its first \$1 billion month in loan production. In addition, the group established a strong foothold in the health care industry and government and institutional banking, two key areas for growth in the coming years.

Along with specialized industry expansion, Commercial Banking also expanded geographically with new locations in California, as well as loan production offices in Orlando and Miami.

Commercial Banking has made tremendous progress toward the strategic initiatives launched in 2010, including the establishment of a new culture of risk and portfolio management, the enhancement of the value proposition through a broader array of products and services and the diversification of its loan portfolio through geographic expansion and industry specialization.

Technology upgrades further support the group's initiatives with a state-of-the-art loan origination and risk management framework, which will move decision-making closer to the customer. The group's renewed commitment to simplifying its processes will make it easier for customers to do business with BBVA Compass and keep the group on the path to becoming the best universal bank in the U.S.

Building on the solid foundation established in 2011, Commercial Banking moves into 2012 with a sharpened focus on enhancing both the customer experience and the employee experience with initiatives such as Ease and Agility in Doing Business and the Best Place to Work Journey.

## Wealth Management

Wealth Management offers tailored advice and investment services for individuals of substantial means, families and organizations. The bank's comprehensive, fully-integrated wealth management model includes the wealth planning, investment management, banking and lending, risk management, and trust and fiduciary services necessary to address each client's personal and business circumstances.



For example, Wealth Management consultants can customize client portfolios through the SmartPath program. This option allows customers to make socially responsible investments. Customers can choose to exclude "sin stocks" such as adult entertainment, tobacco or gaming investments from their portfolios. They can also choose investments based on a company's track record on environmental, human rights and labor issues.

In 2011, Wealth Management contracted with the Cannon Financial Institute to give BBVA Compass relationship managers an edge in customer service through knowledge of a wide variety of wealth management resources. Relationship managers received training on various topics including charitable giving, gifting to descendants and stock options. (More detailed information can be found in the "Wealth Management Client Experience" section under the "Quality, Satisfaction and Customer Service" subhead in this chapter.)

Meanwhile, International Wealth Management began to emphasize its life insurance product – a client need that was identified during 2011. The product allows for business planning by augmenting succession plans and therefore access to capital and credit validation. Life insurance offerings can improve estate planning because they allow business partners to easily purchase and distribute a deceased owner's interests. (More detailed information can be found in the "Wealth Management Client Experience" section under the "Quality, Satisfaction and Customer Service" subhead in this chapter.)

Also in 2011, Wealth Management and International Wealth Management opened offices in La Jolla, California, Colorado Springs, Colorado, and Gainesville and Pensacola, Florida, to meet its growing clientele of customers.

## Quality, Satisfaction and Customer Service

At BBVA Compass, we are committed to building and maintaining long-term relationships with our customers. We work to better understand them so that we may meet their ever-changing needs and provide them with the best experience.

We desire to enhance customer loyalty and confidence by prioritizing and developing the most value-added functions that will best satisfy our customers' needs and interests. An internal program — Passion for Customers (PfC) — was created to organize our work in supporting the needs and interests of customers. In its infancy, the program focused on driving improvements for the Retail bank. In the fourth quarter of 2011, the program was expanded to support the Commercial and Wealth business units. The Passion for Customer initiative is composed of the following five components:

- “Customer First” project teams — Cross-functional project teams are empowered to focus on key areas for improving the client experience. In 2011, the team worked to streamline the account opening process for IRA accounts and the dispute process for \$5 or less transactions.
- Customer Experience advisory board — The advisory board is composed of representatives from the support and customer-facing areas of the bank. They meet quarterly to provide feedback that will improve the customer experience. In 2011, the board identified the need for a centralized processing area for corresponding with customers who have been victims of fraud.

- Frontline Friday — Each quarter, a group of executives spend half a day in a branch or call center. They gain insight into how their decisions impact the customer experience. In 2011, the executives suggested improvements be made to the customer relationship management system that would improve response times and the flow of collecting customer information.
- Customer service training — We developed a training program that focuses on improving customer service based on the key drivers of customer satisfaction. In the fourth quarter of 2011, the Bank Operations support staff participated in the training.
- Passion for Customers Accelerator — This web-based tool offers a comprehensive, real-time view of results that reinforce the customer service plan across the organization. Dashboards allow for a quick glance at customer service levels; action plans serve as a coaching tool for managers. In addition, the system allows employees to identify and act on the key drivers of the customer experience, alerting employees to complaints so they can be acted on within 24 hours. In 2011, survey information for Mortgage and Small Business customers was made available to managers.

In addition to the improvements identified through the Passion for Customers initiative, the following key items will drive our strategy for improved customer satisfaction in 2012:

- Continue revising policies and procedures that drive the higher percentage of clients who perceive they have had a problem.
- Focus on problem prevention and resolution.
- Improve our account initiation/on-boarding programs to improve the client understanding of their account(s).
- Increase individual empowerment levels to improve the resolution process when problems/errors occur.



## Retail Client Experience

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

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

By this analysis, we continue to rank ahead of Bank of America and Citibank, but are far from our goal of being in the top quartile by 2012. Key improvements in 2011 included:

- Three points on the Overall Satisfaction Index, from 728 to 731. (1,000 point scale)
- Improved in-person transaction elements of promptness speed of transaction, courtesy and knowledge of employees.

Our goal is to create a comprehensive program for measuring the client experience through all channels and products. Through our Passion for Customers Accelerator program, we spoke with more than 155,000 customers in 2011, gaining perceptions of their experiences in each of our banking centers and feedback about the bank in general. From the PfCA surveys, we learned that:

- 66 percent of our Retail Network customers are likely to recommend BBVA Compass.
- All channels' recommend scores trended down in the fourth quarter of 2011 — primarily driven by customer reactions to checking account re-pricing.
- Satisfaction with BBVA Compass also trended down at the end of 2011, after having remained steady for the first eight months. The year-to-date score for the Retail Network was 86.7.
- Customers rated their overall satisfaction with their last banking center visit a 91.5 out of 100.
- The percentage of customers who experienced a problem in the last three months averaged 21.3 percent for the year. The incidence rate remained steady for most of the year. However, in September, the incidence rate increased from 19 percent to 25 percent, where it remained each month through December. 'Fees' were the most noted cause of problems.

## Commercial Client Experience

We have expanded our scope to include an end-to-end approach to Commercial Client Experience delivery. First, we hired a dedicated Commercial Client Experience manager to ensure that the client is at the center of everything we do. Every interaction with a client creates an impression, and we believe it's everyone's job to ensure those impressions are positive.

The Commercial line of business also began surveying clients to gauge their likelihood of recommending BBVA Compass to friends or colleagues and relationship manager performance. Meeting client needs in an ever-changing economic landscape requires a culture of continuous improvement. As processes are put into place or enhanced, cross-functional teams are engaged to determine the impact on ease of doing business. We value client feedback and know that we cannot meet our financial objectives without it.

During 2011, BBVA Compass received three Greenwich Excellence Awards in Middle Market Banking. While 750 banks were evaluated throughout the U.S., only 39 (or 5.2 percent) — including BBVA Compass — received any form of recognition. Recognitions included:

- Overall satisfaction at the national level
- Financial stability at a national level
- Overall satisfaction in Treasury Management at the regional level (Southern U.S.)

Commercial clients expect a lot from their financial services provider. They want a strategic partner who can bring solutions to the table that address the challenges facing their particular industry. To that end, relationship managers assume a holistic approach to meeting not only the needs of the business, but the executives and the employees of the business. We believe that our level of service is essential to delivering on our brand promise and proactively surpassing expectations is critical not only to client retention but to attracting new clients to our franchise.

## Wealth Client Experience

Wealth Management sought the help of an outside resource, contracting with the Cannon Financial Institute, to give our relationship managers an edge in customer service. The training included classroom and self-paced learning on various topics related to better client service and developing a better understanding of the types of financial issues faced by our clients.





A total of 13 wealth management issues, condensed into 10 training modules, were required to attain a Certified Wealth Strategist (CWS) certification. These included:

- Investments
- Liabilities
- Insurance
- Executive compensation
- Stock options
- Protection strategies
- Qualified Retirement Plans (QRP)/IRA distribution
- Business succession planning
- Gifting to children and descendants
- Charitable gifting
- Distribution issues at death

The results of the training were measured by the marginal additions our clients added to their accounts with BBVA Compass and the overall satisfaction experienced with their relationship managers. A total of \$301,640,000 in managed loans, \$402,095,000 in deposits and \$2.1 million in non-interest income were gained due in part to the training.

Additionally, BBVA Compass International Wealth Management (IWM) identified a substantial client need for business planning, estate planning, education financing, and tax planning. IWM reviewed its product offering to evaluate how they could further facilitate their clients' planning needs. After a thorough review, it was decided that the team would emphasize its life insurance product during 2011 – a powerful tool to help their clients plan efficiently.

The life insurance product offering is a versatile tool that can enhance the clients' financial planning goals. The product allows for business planning by augmenting succession plans and therefore access to capital and credit validation. Life insurance offerings can improve estate planning because they allow business partners to easily purchase and distribute a deceased owner's interests.







## 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 Regulations, and the Right to Financial Privacy Act.

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

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

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

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

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

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

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

## Transparency, Advertising and Labeling

Within the current economic and financial context, transparency is an important commitment to BBVA Compass customers. In this respect, BBVA Compass has the following measures in place to reinforce transparency and clarity in our product and services campaigns:

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

## Multi-channel Banking

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

Mobile Banking is one of the fastest-growing channels in the U.S., and this has been particularly true at BBVA Compass during 2011 – exceeding the growth rate of any of our other delivery channels. To better prepare us for the future, during 2011 we developed an internal infrastructure to support mobile apps as a stand-alone channel, independent of Online Banking – an innovative approach in the market. All of the current versions of our mobile apps, including versions for the iPhone, iPad, BlackBerry and Android operating systems, will be converted to the new platform to take advantage of this capability. And with this new infrastructure being an in-house solution, future development is guaranteed to be faster and more in tune with our customers' needs than outsourced solutions.

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

BBVA Compass continues to offer Online Banking and Bill Pay services that are free for nearly all accounts\*.

- Online Banking allows customers via the Web to transfer funds between BBVA Compass accounts, view their account balances and transactions (including CDs and IRAs), and see which of their checks have cleared. It also offers online statements, allows customers to opt out of receiving paper statements, view images of their cleared checks, and set up alerts that will notify them of their account balances and any important changes to their account balances (such as an insufficient funds alert).

\*Online Banking is free with all accounts except Basic Checking.

- Online Bill Pay allows customers to pay their bills online and offers the following features: customers can sort their payment history by an individual payee; they can assign categories to each of their payments for budgeting purposes; they can designate a preferred payment account; and they can use "Payment Assistant" to display all information related to a particular payee on a "Payment Center" screen.



## Social Media

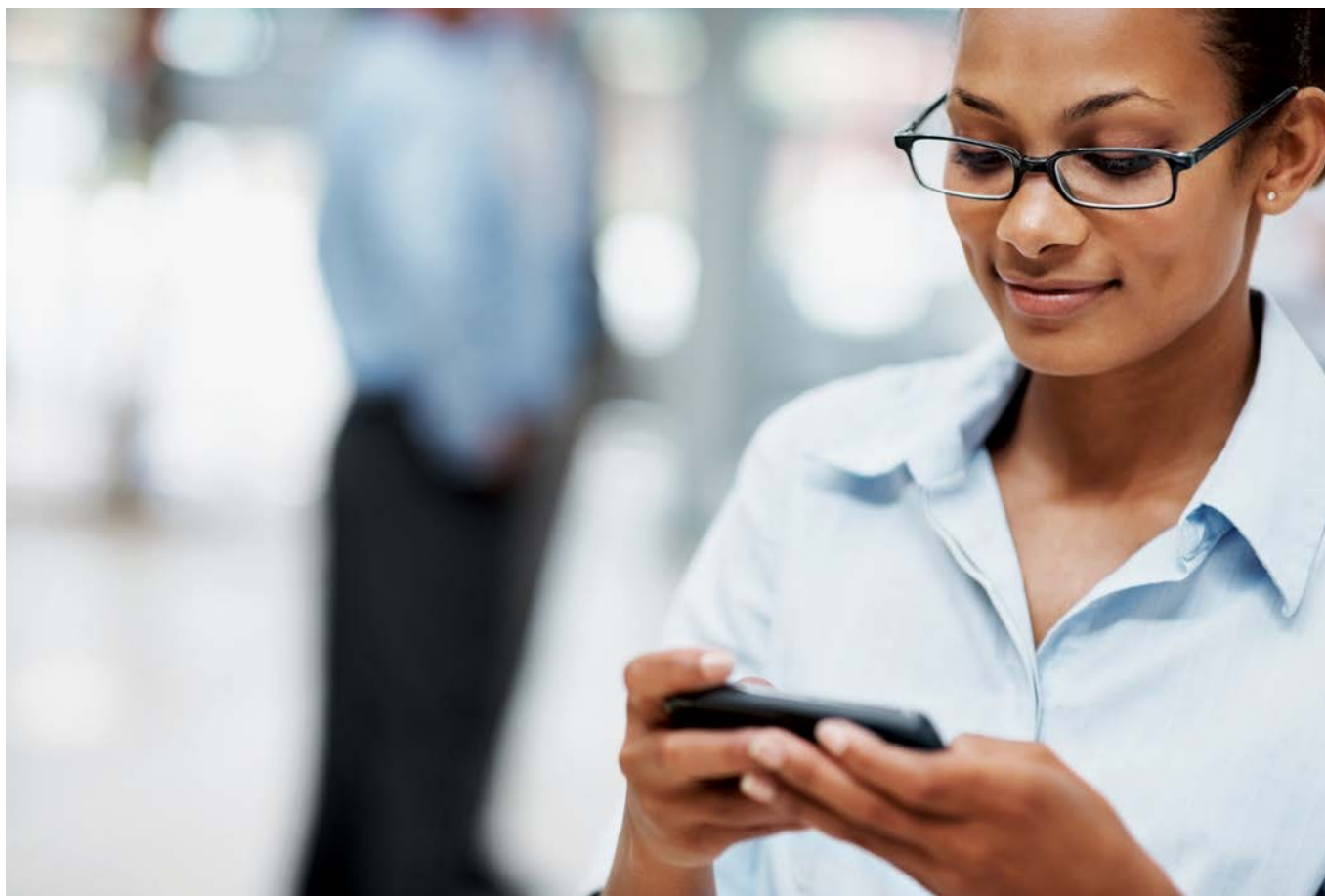
The emergence of social media has revolutionized the way we communicate. Sites such as Facebook, Twitter and LinkedIn have evolved beyond facilitating interpersonal connections and are now increasingly making an impact on the business world – and offering tremendous opportunities for innovation and growth along the way. BBVA Compass has embraced these tools and now boasts an active presence on these three social media sites – taking a proactive approach by creating a specially trained social media customer service team to handle customers' comments in a professional, expedient manner. In fact, social engagement was one of the primary reasons we were selected as the 2011 Harris Poll EquiTrend® Retail Bank Brand of the Year.

In 2011, the Social Media team partnered with the Corporate Responsibility and Reputation team to promote the bank's "Team. Works. in Schools<sup>SM</sup>" and "Team. Works. on Tour<sup>SM</sup>" initiatives, as well as the bank's national sponsorship of the March of Dimes and a host of other causes and programs. With each of these efforts, we used our social channels to engage and share with our audiences both the causes themselves and the bank's commitment to our communities. At the same time, we

continued supporting clients through social media channels – providing transparent engagement and honest dialogue to clients no matter where they are. Sometimes this even meant talking to them on Twitter while they were waiting in our drive-thru lanes.

In April of 2011, the state of Alabama was hit by devastating tornadoes. At a time when a cell phone was the only working electronic device many people in the state were able to access, we were there. Through our social media channels, we spread the word about where and how we were helping communities, detailing our mobile ATM locations, donation locations, special product offerings for affected customers and more.

In December, we took our efforts to help Feeding America to new heights with our "Mission to Feed a Million." For the second year, we created a holiday card that could be shared through a variety of social media channels, and for every "share" of the card we donated a meal through local Feeding America-affiliated food banks across our footprint. In cooperation with those local food banks, we reached more than 46,000 people with a message about supporting families in need during the holiday season.

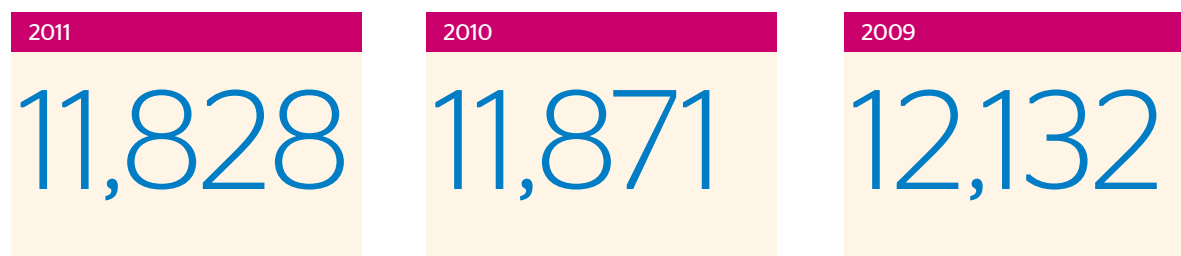


# Responsible Management of Human Resources

## From Transformation to Recognizable Value Creation

In 2011, Human Resources embarked upon an ambitious path of transformation, solidifying and finalizing its transition to the BBVA Group's HR model. Charged with the goal of moving "From Transformation to Recognizable Value Creation," Human Resources produced a number of new initiatives and projects that had a measurably beneficial impact on employees. Many of these projects were intended to provide enhanced access to HR, and two in particular have transformed the way employees interact with HR: HR Solutions and the HR Partner Center. Both of these resources provide a centralized point of contact and serve as a "front desk" for customer service when employees need assistance with HR-related topics.

## Number of Employees



## Employment and Recruitment

HR's renewed focus on simplicity and accessibility was clear in several recruiting and employment services initiatives implemented in 2011. Many of these new applications were focused on making processes and resources available to people managers online, eliminating the use of paper forms and streamlining approaches. Others were focused on providing a seamless onboarding process for new employees.

### New Employee Orientation (NEO)

In 2011, BBVA Compass' New Employee Orientation (NEO) took a giant leap into the future. Now, rather than attend an in-person information session on their first day of employment, new hires are introduced to BBVA Compass through guidance from a video avatar. The 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.

Through this innovative online approach, new hires can not only access the presentation prior to starting the job, but they can also go back to complete or revisit the presentation any time they want. It is also available to all employees, not just new hires, so that anyone can view it at any time for information about the BBVA Compass employment experience.

The revamped NEO ensures that new employees in all areas of our footprint receive a consistent welcome and get all the information and resources they need to get started off on the right foot. Because it resides on the 4UfromHR Portal, it is also conveniently accessible to new hires and employees 24/7 from any Internet connection.

### Online Onboarding Documentation and I-9 Verification

The paperwork side of the onboarding process is also more efficient, thanks to the introduction of an online onboarding documentation system. This resource enables new hires to submit their required onboarding documentation online, rather than give forms to their managers for processing when they report for work, thus eliminating the need for managers to forward paperwork to Recruiting Support. Another component of the system allows managers to verify new employees' Employment Eligibility Verification Form I-9 electronically, rather than process and submit a paper form. These online enhancements were designed to help managers save valuable time, ensure that BBVA Compass remains in compliance with federal regulations, and provide a smooth transition for new employees.

### Online Requisition System

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

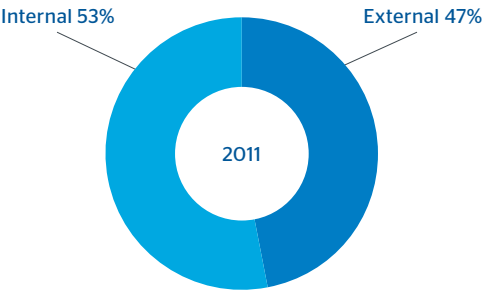
### Virtual Employment Campus and Employee Referral Site

Recruiting made major strides in attracting the best and brightest external talent through the launch of the Virtual Employment Campus. Through this online portal, candidates can get important background information about each BBVA global unit, browse a list of current job opportunities and formally submit their interest in a position. The Employee Referral Site is another important tool for attracting strong candidates, as it allows current BBVA Compass employees to take a proactive role in the process of referring external candidates for open positions.

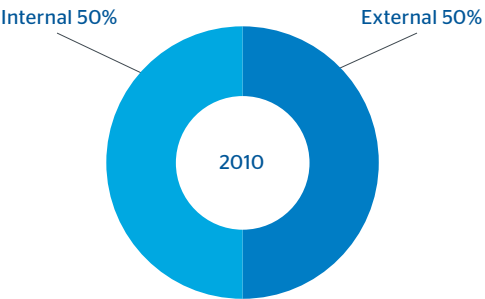
**Enhancements to Internal Career Site**

Human Resources also remained committed to filling vacancies internally whenever possible and to that end made enhancements to the subscription service on the Internal Careers Site. This subscription service not only helps employees take a proactive step in their own career development, but it also streamlines the job application process and shortens the amount of time it takes to fill vacancies with qualified internal talent.

**Growth in Internal Vacancies**



All vacancies filled January - December 2011



All vacancies filled January - December 2010

**NETprofile My Portfolio Tab**

In an effort to develop a pipeline of internal talent, throughout 2011 Human Resources reminded and encouraged employees to register information about their work skills, educational backgrounds and relocation preferences in the My Portfolio tab of *NETprofile*. The information employees provide serves to create an internal database that will help HR identify internal candidates who are well-suited for available job vacancies.

**Non-Discrimination and Equal Opportunities**

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

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

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

BBVA Compass, from time to time and in the ordinary course of its business, may receive claims, including litigation, alleging violations of employment laws. As of December 31, 2011, BBVA Compass was not involved in any regulatory actions related to alleged employment discrimination and working conditions that were material to our financial position. Furthermore, BBVA Compass has a firm commitment to equal employment opportunity and non-discrimination, as evidenced by widely disseminated policies prohibiting discrimination in all aspects of the employment relationship. Employees are afforded numerous avenues to raise complaints, including through management, Human Resources, the Office of General Counsel, Corporate Human Resources or by anonymous reporting through telephone hotlines.

While we do not prohibit freedom of association, as of December 31, 2011, there were no BBVA Compass employees covered by collective bargaining agreements. We have not identified any operations where the right to exercise freedom of association and collective bargaining may be at significant risk.

## Employee Development

BBVA Compass holds firm to the belief that the ongoing development of employees and the effective deployment of their talents are the keys to creating value. Talent Management and Training was instrumental in offering a variety of programs and initiatives in 2011 that focused on helping employees develop the key skills, abilities and knowledge required to succeed.

	Number Completions <sup>1</sup>	% of Total Completions	Number of Participants
Training completions	<b>476,713</b>	<b>100%</b>	<b>305,579</b>
Live Training	155,786	32.7%	13,349
Online training	320,927	67.3%	292,230
Employees trained in 2011	<b>14,353</b>		
Total investment in training (in dollars) <sup>2</sup>	\$4,397,312.00		
Training investment per employee	\$367.36		

<sup>1</sup> BBVA Compass' systems are not able to calculate the number of training hours per unique employee, but do calculate the number of training course completions per unique employee. The data in this column represents the total number of course completions that occurred during 2011.

<sup>2</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.

### Competencies Development Process (CDP)

BBVA Compass began its second round of participation in the Competencies Development Process (CDP) in 2011. The CDP is a global BBVA Group initiative in which all employees simultaneously participate every two years, and it represents a systematic approach to competencies development that enables the organization as a whole to achieve better results.

Primary components of the CDP include:

- Competencies Assessments contrast each employee's current abilities, knowledge and/or technical skills against areas of development opportunity. In 2011, BBVA Compass achieved a 99-percent completion rate in this phase of the CDP, with a total of 23,484 assessments completed.
- Professional Development Interviews allow managers and employees to discuss Competencies Assessment results.
- Individual Development Plans are designed jointly by employees and managers based on Competencies Assessment results in order to provide employees with clear direction about training resources to strengthen skills and knowledge in competencies required to succeed in their roles. In 2011, BBVA Compass achieved a 99-percent completion rate in this phase of the CDP, with 9,026 employees assigned an IDP. The total number of assigned actions to complete in 2012 as part of these IDPs is 28,898.

### CareerMap4U

In late 2011, Talent Management and Training introduced CareerMap4U, an important new career growth tool that helps employees take responsibility for their career planning at BBVA Compass. Rather than focus only on available opportunities, this program takes a long-term approach toward career growth, allowing employees to determine the areas in which they would like to evolve. Employees can view a range of functional profiles across the lines of business, regardless of whether a vacancy for a particular functional profile currently exists. Employees can register interest in profiles for which they meet the critical skills required and discuss career interests with an HR Partner.

### Associates Program/leap

Talent Management and Training also continued to develop the Associates Program. After long months of hard work and intensive rotations, the 29 associates of the inaugural class received their placements and began careers at BBVA Compass in positions in Commercial Banking, Retail, Risk, Wealth Management and the support units. Focusing on the four foundational pillars of the program – learning, evaluation, application and placement – the program was renamed and rebranded "leap" for its second year. In July, the next group of 30 of the best and brightest college graduates arrived in Birmingham to begin their training and careers with BBVA Compass.

## Leadership Development

Talent Management and Training was also rigorous in its approach to developing leaders, launching a wide range of initiatives designed to help managers build their leadership abilities. Through these leadership development programs, Talent Management and Training provided well over 17,000 hours of training to the BBVA Compass leadership community during 2011.

### Continuous Learning Requirement (CLR)

One important program was the Continuous Learning Requirement, a leadership development strategy designed to ensure that all people managers remain focused on keeping their skills sharp. This program required all managers who have at least one direct report to complete a minimum of six hours of Continuous Learning by the end of the year, using a variety of easily-accessible tools and resources. The Continuous Learning Requirement will continue into 2012 and beyond and run on a calendar year basis.

### Harvard ManageMentor

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





### Leadership Essentials

Leadership Essentials, a new program offered exclusively to new people managers, leverages Harvard ManageMentor modules focused on topics aligned with our competency model and the Leap to the Future Plan. The program also ensures that new people managers are knowledgeable regarding critical HR policies and procedures via an ongoing series of targeted communications and webinars.

### Targeted Leadership Training

Talent Management and Training offered targeted development solutions for other segments of the leadership population as well, including a series of training programs for members of the Executive Management Team. Throughout the year, members of this leadership group attended programs on the campus of the BBVA School of Management in Madrid, including the Global Leadership Development Program, Building a Customer Centric Organization Leadership Development Program, Corporate Leadership Program, and Senior Executive Program in Strategy for the Financial Sector.

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

In September, a group of 34 senior BBVA Compass leaders participated in the second annual BBVA Compass School of Management on the campus of The University of Texas at Austin (UT). Sponsored by Talent Management and Training in partnership with the McCombs School of Business at UT, this comprehensive educational program explored topics including strategic change, value creation, managing innovation and creativity, and leading high-performance teams.

### Talent Planning

Talent Management and Training also introduced a new Talent Planning process in 2011 which will help lay a foundation for a stronger future. This initiative is designed to identify employees who demonstrate great potential for growth and advancement into leadership positions. People managers were involved in the initial implementation of the system in September, and going forward they will be part of the Talent Planning evaluation process on an annual basis.

Employees by professional category (percentage)			
	2011	2010	2009
Steering Committee and Corporate Managers	0.1	0.1	0.1
Senior Management	1.1	0.8	1.0
Middle Management	23.7	23.2	23.0
Specialists	15.7	14.6	12.8
Sales Force	19.5	19.6	19.5
Entry-level	40.0	41.8	43.7

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

## Performance Appraisal

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

## Personal Benefits

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

### Employee Benefit Plans

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

In 2011, employees were again given the opportunity to lower their health care premiums by earning Wellthy Credits. By completing up to three wellness activities (Tobacco Cessation/ Non-tobacco User Incentive, Biometric Data, and Health Assessment), made available through the Wellthy for Life wellness program, employees could reduce their health care premium deductions each pay period for an annual savings of up to \$720.

Employees participating in the Wellthy Credits Premium Reduction Program (percentage)	
Employees with no Wellthy Credits	4%
Employees with one Wellthy Credit (\$10 reduction)	29%
Employees with two Wellthy Credits (\$20 reduction)	20%
Employees with three Wellthy Credits (\$30 reduction)	47%
Total	100%

\* Percentages are based on the total number of employees (9,308) participating in the BBVA Compass Health Plan as of December 31, 2011.



### Defined Benefit Plan

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

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

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





### **Total Compensation Statements**

"Total Awareness + Total Understanding = Total Appreciation" was the tagline adopted by the Total Rewards team as they rolled out Total Compensation Statements, a resource designed to help employees understand the full investment BBVA Compass makes on their behalf, beyond just take-home pay. Total Compensation Statements, which are available via the link in the left navigation menu on [www.mybbvacompassbenefits.com](http://www.mybbvacompassbenefits.com), break down employees' annual total compensation into several categories, including cash compensation, retirement benefits, company-paid health and welfare benefits and other benefits.

### **Paid Time Off**

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

### **Continuous Time Away**

In 2011, BBVA Compass placed renewed emphasis on the Continuous Time Away work-life balance and leave policy. 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, their regularly assigned duties during the required time away. Certain employees who work in identified high-risk areas or who are involved with high-risk responsibilities may be required to remain continuously away from their job duties for 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 due to medical necessity, personal emergency or another necessary absence. Short-term disability benefits are provided to eligible employees, and long-term disability benefits may be available for employees who cannot return to work because of health problems.

### **SeeMyW2**

In January 2011, HR made it easier and more convenient for employees to access information they need with the launch of SeeMyW2. This web-based application allows employees to view and print Form W-2 Wage and Tax Statements online, rather than wait for hard copies of the form to be mailed to their homes. It also houses forms from previous years, in addition to the current year's form, providing convenient and secure access to this important information from any internet connection, 24/7.

## Health and Safety at Work

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

### Virgin HealthMiles

Taking the first steps to live and maintain a healthier lifestyle can often be the hardest. Yet, for thousands of employees, that process has become easier, thanks to the Virgin HealthMiles program. Introduced at BBVA Compass in 2011, Virgin HealthMiles is a fun, effective and, most of all, rewarding way to help employees manage and improve their health. When program members create healthy habits and do active things, they earn points, called HealthMiles. These activities are tracked using a GoZone pedometer, along with a personalized LifeZone website. The more physical activity members do, the more HealthMiles they earn, working their way toward reaching designated reward levels. At each reward level, they receive a HealthCash cash payout for their efforts, adding up to a grand total of \$800 during their 12-month enrollment cycle.

The Virgin HealthMiles program offers a win-win for both employees and the organization. In addition to earning cash, participants can also improve their level of health – which may in turn reduce their out-of-pocket medical costs. When these costs go down, overall medical costs are lower for employees and for BBVA Compass.

Another great advantage of the program is that teamwork and community play an important part. Members are encouraged to create personal profiles and can create challenges for each other, or even whole departments or groups, to help keep them motivated and earning HealthMiles toward cash payouts.

As of December 31, 2011, 4,991 employees were enrolled in the Virgin HealthMiles program.

### 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).

#### Average length of service of workforce (years)

2011	2010	2009
6.4	6.2	5.3

## Passion for People

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



### See Share Smile

In late April, employees shared something special with their children by bringing them to participate in See Share Smile :). This fun half-day program, formerly known as "Take Your Children To Work Day," was designed to teach children

about the banking industry and the importance of saving, as well as give them a glimpse of the BBVA Compass work day.

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



### Come & Go

Come & Go, a reciprocal homestay exchange for children of BBVA Compass employees in the U.S. and children of BBVA Group employees in Spain, continued in 2011. Nine teenaged children of BBVA Compass employees in Birmingham and Houston traveled to Madrid, Spain for three weeks, where they lived with host families who are employed by

the BBVA Group. At the end of these three weeks, the children returned to the U.S. accompanied by Spanish "host brothers" and "host sisters," who in turn were hosted by the BBVA Compass employees' families in Birmingham and Houston during a reciprocal three-week stay.





#### **Campus LFP**

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

To enter for the chance to attend, children of BBVA Compass employees were asked to write a short essay on why they wanted to attend Campus LFP.

# Introducing the 4U...from HR :) Portal

## Get connected...



Click here

Enter your Employee ID Number as your user name and password adelante



### Aspire Recognition Program

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

### Employee Banking Perks Program

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

New additions to the program in 2011 included the Care Package program, which offers employees exclusive discounts on medical services and common carrier insurance; MyPrivacy, which removes employees' sensitive personal information from the Internet; and a free 3"x5" or smaller safety deposit box (where available) or a 50-percent discount on boxes larger than 3"x5". Special discounts on products, services and entertainment opportunities are also available through selected vendors with whom BBVA Compass contracts.

### Scholarship Programs

In an effort to support academic achievement, two scholarship programs are made 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 2011, 40 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

Human Resources transformed the way it communicates with employees through the introduction of two important new channels in 2011.

### 4UfromHR Portal

While its benefits are many, there was one primary motivating factor behind the launch of the 4UfromHR Portal: to connect employees with Human Resources and the HR information and resources that matter most. The innovative 4UfromHR Portal offers employees a new level of convenience and accessibility, taking all the HR-related content that was previously available on multiple Intranet pages and organizing it on one easy-to-navigate site.

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

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

### 4UfromHR e-Newsletter

In March, employees began receiving news and updates from HR in an innovative new format: the 4UfromHR e-Newsletter. This online resource was launched to help keep employees informed about events and developments in Human Resources that have an impact on their employment experience. Visually engaging and easy to read, the electronic e-Newsletter with page-turning features is distributed on a regular basis and serves as an important outlet for keeping the lines of communication open between employees and Human Resources.

# Responsible Procurement

The desire to build relationships with diverse vendors is never in short supply at BBVA Compass.

## Procurement Model and Policy

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



BBVA Compass' Supplier Diversity Council, which is composed of representatives from Procurement, Corporate Responsibility and Reputation, Marketing, and Communications, met twice during 2011. During these meetings, agenda topics included the approval of the Supplier Diversity Council Charter, a discussion of 2011 supplier diversity milestones, reviews of Supply Chain Management presentations to executive management, and BBVA Compass' participation in various supplier diversity conferences and events.

## Principles Applicable to Those Parties Involved in the Procurement Process

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

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

## Responsible Projects with Suppliers

BBVA Compass' supplier diversity initiative encourages the use of historically underutilized businesses in order to build our organization's reputation while helping community members build wealth and stability. To this end, a Supplier Diversity director position was created and staffed within the Supply Chain Management structure during 2011.

Continuing its effort to forge connections with minority business owners, BBVA Compass was proud to be for the second straight year a platinum sponsor of the annual Houston Minority Supplier Development Council's (HMSDC) EXPO, which

hosted more than 1,500 corporate buyers and 1,000 minority business executives. BBVA Compass and Troy Lindsey, director of Real Estate, Procurement and Services, were honored for their support at the EXPO's Rigel Award Luncheon.

BBVA Compass also participated in the National Minority Supplier Diversity Conference in Atlanta, whose primary objective is to provide a direct link between "Corporate America" and minority-owned businesses. The 2011 event drew thousands of corporate CEOs, purchasing executives, minority business owners, and authorities on minority supplier development, boasting a total attendance of over 6,700 – the fifth-highest turnout in the conference's 36-year history. BBVA Compass was among the nearly 500 exhibitors and more than 780 booths at the conference's Annual Business Opportunity Fair and also participated in a meeting of the Financial Services Roundtable for Supplier Diversity, Inc. (FSRSD). Comprised of regional, national and global financial services companies with formalized supplier diversity programs, BBVA Compass plays an active role in FSRSD's developmental and benchmarking initiatives.

In addition, the Supply Chain Management team, through our relationship with our contracted office supply company, executed a contract with South Coast Paper, a minority-owned business certified by the National Minority Supplier Development Council. Founded in 1999, South Coast Paper produces private label, nationally branded and specialty paper products for both home and office use, including Hewlett-Packard branded paper. Its management team has more than 60 years of combined paper-industry experience, and the company values diversity, advocating the importance of maintaining a high level of quality and trust while embracing the diverse experiences, cultures and needs of its customers.

## Improvements to the Procurement Process

In its continuing effort to centralize spending, Supply Chain Management partnered with stakeholders across BBVA Compass during 2011 – from lines of business to support areas – to take a collaborative approach to the procurement process. This centralized procurement effort entails the Supply Chain Management team working with its stakeholders to complete all aspects of the sourcing process – from conducting an industry analysis and developing a proposal request to negotiating pricing and facilitating the legal review of the contract. Since its implementation, centralized procurement spend has increased from 26 percent to 76 percent – a success rate that places BBVA Compass within the same centralized procurement spend range as the BBVA Group.



## Awareness Building Initiatives

### Partnering with Companies that Value Sustainability and Social Responsibility

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

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

# Environmental Management and Climate Change

Environmental responsibility is a hallmark of the BBVA Group, and our environmental and natural resources program supports the BBVA Global Eco-efficiency Plan.

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

The plan has five line-of-action blocks, each containing a large number of individual initiatives. It is managed by means of a scorecard that has six specific indicators, each linked to a target for 2012, to make it easier to monitor and evaluate compliance.

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

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

In 2011, BBVA Compass began a recycling program in a small number of its locations, with the goal of extending that program bankwide in the future. The bank also implemented the CA Eco-efficiency software, which allows for a more reliable way of tracking electricity, water and diesel consumption — while also allowing the Corporate Services and Real Estate Management team the ability to identify potential anomalies at locations throughout our footprint.

Additionally, the bank continued its branch remodeling initiative during 2011 — implementing environmental efficiency upgrades such as low-water toilets and urinals, motion sensor lighting and new teller lines made from renewable materials. Five newly constructed Retail branches that were finished in 2011 benefit from these upgrades as well and also utilize solar power and systems that harvest daylight in order to reduce energy use by artificial light. The new branches are on track to receive LEED® certification (with the exception of one) and are designed to achieve the following reductions over code requirements:

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

While the bank did not have any zero-landfill projects in 2011, a minimum of 123 tons of construction debris were kept out of landfills, with the highest diversion rates achieved during the construction of the Kingwood (84.5 percent based on weight) and The Grove (82 percent based on weight) branches.



BBVA Compass also financed the construction of a new state-of-the-art corporate office building in Houston — the BBVA Compass Plaza. The 380,000-square-foot structure, replete with eco-efficient LEED® Gold standard features, is scheduled for completion in 2013 and will be the first major office building constructed in the Galleria area of Houston in 30 years.

To further bring ourselves into alignment with the BBVA Group Global Eco-efficiency Plan, BBVA Compass has set the following goals for 2012:

- Reduce CO2 output by 5 percent;
- Reduce paper consumption by 5 percent;
- Reduce water consumption by 5 percent;
- Reduce electricity consumption by 3 percent; and
- All new construction and renovations in 2011 will contain many environmental efficiency upgrades with LEED certification and zero landfill goals.

## Conservation

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

### Technology vs. Travel

BBVA Compass continues to invest in technology in order to reduce business travel. Meetings conducted via videoconference increased in 2011 with 4,517 uses, and the bank hosted 273 telepresence meetings. In addition, BBVA Compass hosted 92,741 audio conferences, which includes conference calls as well as web-based meetings. In 2011, the bank recorded 35,337,301 km traveled via air transportation.



### **Diesel**

In 2011, BBVA Compass consumed 30,241 liters (1,102.48 GJ) of diesel fuel. Diesel fuel is used by BBVA Compass to power generators in emergency situations. In 2011, generators were used in BBVA Compass facilities located in Northern and Central Alabama in the wake of the April 2011 tornadoes.

### **Electricity**

Though not yet complete, we launched an initiative in 2009 to install programmable thermostats in our banking centers when they are undergoing substantial renovation; hence, standardizing to a single, high-quality programmable thermostat that is easy for facility managers and technicians to understand. This will keep all upgraded locations programmed with the corporate standard operating set points for occupied and unoccupied times and temperatures for peak performance and energy conservation.

In 2011, the total electricity consumption for all of BBVA Compass' properties combined was 143,364,722 kilowatt hours (516,113 GJ).

Additionally, the bank participated for the third straight year in the international Earth Hour energy conservation event. Several of our landmark buildings, including our Corporate Headquarters in Birmingham and River Oaks office building in Houston, went dark for one hour on Saturday, March 26, 2011 in solidarity with our counterparts who recognize climate change as an ongoing global concern.

### **Water**

In 2009, we installed at some of our properties in-ground moisture sensors that communicate wirelessly with our irrigation controllers. When ground moisture is sufficient for plant material, the irrigation system will be disabled until moisture needs rise. This new system replaces outdated rain gauges for enhanced performance. This process is ongoing and will continue until all BBVA Compass properties are outfitted with the new sensors.

In 2011, the total water consumption for all of BBVA Compass' properties combined was 1,305,472 m<sup>3</sup>.

### **Solid Waste**

In 2011, BBVA Compass consumed 1,288,412 kg of paper with an average of 4 percent recycled input material, and we recycled more than 3,964,222 kg of paper. In addition, 2,784 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 2011.

### **Green Product Standards**

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

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



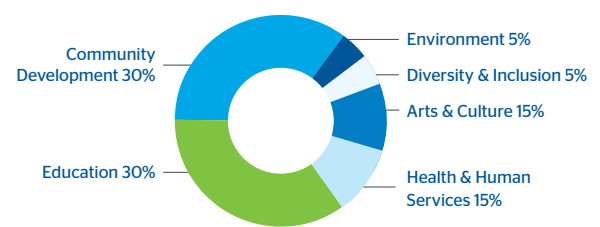


# Community Involvement

At BBVA Compass, our vision – one that we share with the global BBVA Group – is to work for a better future for people.

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

BBVA Compass Foundation Contribution Targets (By Focus Area)



## BBVA Compass Foundation

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

The BBVA Compass Foundation is a private foundation that funds eligible 501(c)(3) organizations through six focus areas: Community Development (including Financial Education), Education, Health and Human Services, Arts and Culture, Diversity and Inclusion, and Environment and Natural Resources. The Foundation considers grant requests from nonprofit organizations serving the neighborhoods and communities where we have a presence, including those in Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas. In 2011, more than \$5 million was donated through the Foundation to support endeavors in our six focus areas.

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

Our automated grant application system, which launched in April 2010, allows nonprofits to apply online and enables BBVA Compass the ability to make more educated decisions about funding requests at the local level. Our partners get all the information they need in one place, [www.bbvacompass.com/foundation](http://www.bbvacompass.com/foundation), so that they can review our eligibility requirements, giving priorities and the Foundation's funding limitations. BBVA Compass benefits by having a streamlined, orderly process by which the CRR team can review and evaluate grant requests. There are many advantages of the online

BBVA Compass 2011 Foundation Contributions (By Focus Area)	
Education	\$1,247,151
Health and Human Services	\$1,628,971
Community Development (Including Financial Literacy)	\$1,411,325
Environment and Natural Resources	\$70,891
Arts and Culture	\$531,392
Other	\$294,656
Total BBVA Compass Foundation Contributions in 2011	\$5,184,386

system, including the ability to collect robust information from nonprofits about their organization, programs and impact, the creation of a historical database for Foundation contributions, and better methods of tracking and reporting the charitable investments we make throughout our footprint.

Following their initial review, applications are then submitted to each local market's charitable contributions review committee. Our local charitable contributions review committees are an essential component to the Foundation's success. Committees are composed of market leaders representing our three lines of business (Retail, Commercial and Wealth Management), who work in partnership with the CRR team to evaluate local charitable requests. These committee members make charitable contributions that follow the Foundation's guidelines and address the needs specific to their communities. Together, the committee asks a series of questions in evaluating each grant submission: Are our employee volunteers already involved with this nonprofit? If not, should they be involved? What's the impact of the nonprofit on the local community? Does its work fit our giving priorities? Will our gift "move the needle" in terms of producing significantly better results? This strategic approach allows market leadership to manage their Foundation dollars at the local level while also impacting their communities in ways that align with the Foundation's focus areas.

Additionally, the CRR team hosts bimonthly webinars to educate nonprofits about our application process and funding priorities – fielding questions from participants towards the end of each 90-minute session. More than 1,800 organizations have participated in these webinars since their inception in April 2010. In return, they receive rich information about BBVA Compass and the BBVA Compass Foundation, the Foundation's eligibility requirements and receive a step-by-step tutorial on our grant submission process.

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

# BBVA Compass' Annual Holiday Food Bank Initiative

Employees in 13 markets across our seven-state footprint volunteered to package and sort food during the 2011 holiday season — marking the third consecutive year that BBVA Compass has contributed to our communities in this way. Additionally, more than \$150,000 was donated through the BBVA Compass Foundation to local food banks in the Feeding America network. BBVA Compass also was able to leverage the BBVA Group's relationship with the National Basketball Association (NBA), bringing in NBA players and mascots in a few of our markets to work alongside employees.



## Employee Involvement

Over the course of 2011, CRR's Office of Employee Involvement continued to deliver expanded programs that work to strengthen our community involvement through active and engaged employees. Signature volunteer programs encourage employees to contribute their time and talents via the BBVA Compass Volunteers program and make charitable donations via payroll deduction through the BBVA Compass Charity program. Both programs are designed to empower employees to become philanthropists in their communities.

Both programs utilize Volunteer Connection – an online, state-of-the-art employee involvement resource that was introduced in 2010. It is a one-stop online shop for all things related to employee involvement – a website where employees can search and sign up for individual volunteer opportunities and team events, record hours they spend engaged in community involvement initiatives, and direct all aspects of their BBVA Compass Charity contributions. For added convenience, Volunteer Connection is accessible to employees at work or from any computer with Internet access.

## BBVA Compass Volunteers

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

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

- BBVA Compass' financial education program is composed of the robust, multi-faceted Money Smart curriculum for adults through a partnership with the FDIC and offers the American Bankers Association Education Foundation's (ABAEF) "Get Smart About Credit" and "Teach Children to Save" curriculums for teenagers and children, respectively. (Additional information is available on page 14).
- Reading Counts, BBVA Compass' literacy program aimed at improving educational opportunities for disadvantaged students in kindergarten through third grades, put 7,850 books into the hands of children across our footprint during 2011. (Additional information is available on pages 51.)
- For a third consecutive year, the BBVA Compass Foundation and BBVA Compass Volunteers joined together in a holiday service initiative to support food banks in 13 markets across our footprint. (Additional information is available on page 51.)
- New for 2011: BBVA Compass Volunteers in six of the bank's major markets participated in a school revitalization initiative in partnership with NBA Cares called "Team. Works. in Schools<sup>SM</sup>." (Additional information is available on page 52.)

The depth of data employees provide on each volunteer activity recorded in Volunteer Connection allows for enhanced reporting capabilities for both CRR and BBVA Compass' Community Reinvestment Act (CRA) team. During 2011, more than 2,400 BBVA Compass employees contributed over 60,000 hours of volunteer service across our footprint. These self-reported volunteer hours were given by employees, both as individuals and in teams, on the bank's behalf.

Additionally, the CRR team worked with local market leadership throughout 2011 to launch BBVA Compass Volunteers chapters across the bank's seven-state footprint. In all, the CRR team launched eight chapters over the course of the year.

### 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 2011, BBVA Compass continued its relationship with Scholastic, Inc. to donate books to disadvantaged children across our footprint through our signature literacy program, Reading Counts. The program, which made its footprint-wide debut during the 2010-11 school year, promotes the importance of reading to young children. BBVA Compass employees were given the opportunity to volunteer to read to kindergarten through third-grade children in low- to moderate-income schools near their BBVA Compass offices and banking center locations. Employees outfitted with branded reusable book bags – each containing English, Spanish or bilingual Scholastic books – visited their local schools, read one of the books to a classroom of students, and left behind the books for the children to take home and the book bag for the teacher.

The BBVA Group's relationship with the NBA also allowed for additional opportunities for book donations. As part of the bank's "Team. Works. on Tour<sup>SM</sup>" road show, BBVA Compass provided a "Reading Moment" with NBA Legends in three of our markets – Albuquerque, New Mexico, Denver and Jacksonville, Florida – and donated 1,000 books at each event to the children who attended. Additionally, 300 books were donated during a "Reading Moment" in San Antonio that featured participation from WNBA Players and Legends.

Over the course of 2011, 7,850 books were donated through BBVA Compass' Reading Counts literacy program.



## “Team. Works. in Schools<sup>SM</sup>” School Revitalization Initiative

During the Spring of 2011, BBVA Compass teamed up with NBA Cares on a “Team. Works. in Schools<sup>SM</sup>” initiative to refurbish schools in six of BBVA Compass’ major markets and a special seventh event in Los Angeles during the 2011 NBA All Star Game. More than 680 volunteers across the BBVA Compass footprint – joined by NBA Legends Bob Lanier, Felipe Lopez and a host of other NBA and WNBA Players and Legends, as well as many local dignitaries – participated in the initiative. Volunteers’ contributions included the painting of murals and classrooms, landscaping work, furniture assembly, library book registrations and much more.







### March of Dimes “March for Babies” Initiative

During 2011, BBVA Compass employees supported the March of Dimes’ “March for Babies” walks in each of our seven states. In total, more than 2,000 BBVA Compass employees participated in 36 “March for Babies” walks. Additionally, employee fundraising for the cause totaled more than \$270,000 footprint-wide.

BBVA Compass received the following national recognitions for its employees’ participation in the 2011 March for Babies events:

- Ranked number 15 nationally out of 20,000 participating corporations.
- Ranked number six nationally within the financial services industry.
- Had the number one fundraising team in Birmingham, Ala.
- Had the largest attendance at the Houston walk.
- Had the number nine team in Texas.
- Received a special achievement award at the March of Dimes Volunteer Leadership Conference in Dallas.

### BBVA Compass Charity

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

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

In terms of giving, 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 2011, employees donated more than \$1.6 million to qualified nonprofits through BBVA Compass Charity.

# Diversity and Inclusion

We embrace our differences because they make each of us unique, and because diversity is a key driver of our collective innovation.

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

## Strategy

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

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

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

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## Human Resources

As in years past, in 2011 BBVA Compass participated in a number of benchmarking surveys and awards applications related to Diversity and Inclusion, including “Best Places to Work” and “Human Rights Campaign Corporate Equality Index (CEI)”.

One way BBVA Compass is advancing in its promotion of diversity in human resources is the expansion of the Gender Diversity Initiative from the BBVA Group into BBVA Compass. This initiative was announced in late 2011 and will be implemented in 2012 in the U.S.



## Supply Chain Management

Supplier diversity continued to gain momentum for BBVA Compass in 2011, with a second meeting of the Supplier Diversity Council the hiring of a Supplier Diversity Manager for the bank. CRR also partnered with Supply Chain Management to conduct various forms of outreach at conferences and events aimed at reaching diverse vendors, which is referenced in the Responsible Procurement chapter.

Workforce: Breakdown by gender & average age in years (percentage)					
	Gender		Average age		
	Males	Females	<25	25-45	>45
2011	38.3	39.7	9.0	60.2	30.8
2010	38.1	39.2	10.3	59.3	30.4
2009	38.0	39.0	11.8	55.5	32.6

Voluntary resignations of the workforce (turnover) and breakdown by gender <sup>1,2</sup> (percentage)			
	Total turnover	Males	Females
2011	16.8	33.7	66.3
2010	15.4	30.2	69.8
2009	11.9	24.9	75.1

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

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



## Community Involvement

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

Contracts by gender (percentage)

	2011		
	Males	Females	Total
Full-time	36.3	63.8	93.7
Part-time	22.3	77.7	6.2
Temporary	44.4	55.6	0.1

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



Functional distribution by sort and professional category (percentage)

	2011		2010		2009	
	Males	Females	Males	Females	Males	Females
Steering Committee and Corporate Managers	100.0	0.0	88.9	11.1	90.0	10.0
Senior Management	81.8	18.2	84.0	16.0	82.8	17.2
Middle Management	42.1	58.0	39.9	60.1	39.0	61.0
Specialists	39.7	60.3	39.8	60.2	35.6	64.4
Sales Force	50.2	49.8	46.5	53.5	44.6	55.4
Entry-level	21.1	78.9	18.6	81.4	17.7	82.3





# Supplementary Information

# BBVA Compass 2011 Goals & Status

Goal		Status
Responsible Banking	<b>CR Principles and Policy</b>	
	Hold the first meeting of the CRR Committee.	0%
	Appear before BBVA Compass Board of Directors, National Advisory Board and Management Committee as needed.	100%
	Achieve B+ level on 2010 Annual CR Report with assurance services provided by Deloitte & Touche LLP.	100%
	<b>Stakeholder Engagement</b>	
	Create and follow an annual stakeholder engagement plan.	0%
	Conduct annual internal reputation survey.	100%
	Continue reputation tracking via RepTrak.	100%
	Keep U.S. employees informed on CRR activities and programs via multiple channels.	100%
	<b>Financial Education</b>	
	Renew financial education relationships with the ABA Education Foundation and FDIC Money Smart.	100%
	Reach 8,000 children with ABA Education Foundation financial literacy curriculum.	100%
	Reach 5,000 adults with FDIC Money Smart financial literacy curriculum via employees as instructors and through nonprofit partnerships.	88%
	<b>Financial Inclusion</b>	
	Expand partnerships with CDFIs to include grant support and concessionary credit as appropriate.	Ongoing
	Continue involvement in U.S. microfinance and CDFI trade associations and gatherings.	100%
	Expand partnerships for banking the unbanked via "Bank On" initiatives.	Ongoing
	<b>Customer Focus</b>	
	Continue innovative outreach to NGOs for Compass for Your Cause product.	Ongoing
	Foster alternative information and access channels for banking services including online, mobile and social media.	Ongoing
	Support product development at BBVA Compass to incorporate CR principles and policies into products as appropriate.	Ongoing
	<b>Responsible Finance</b>	
	Implement BBVA Group policies on Equator Principles and Defense Sector Finance.	Ongoing
	Collaborate with Risk Management on reputation risk as needed.	Ongoing
	<b>Responsible Management of Human Resources</b>	
	Continue Associates Program to add management trainees to the workforce.	100%
	Support expansion of Talent Management and Training offerings to employees.	Ongoing
	<b>Responsible Investment</b>	
	Introduce WM to BBVA Group opportunities in Socially Responsible Investing (SRI) pools.	Ongoing
	<b>Responsible Procurement</b>	
	Continue Supplier Diversity program within Procurement and hire Supplier Diversity Manager.	100%
	Support the use of environmentally-friendly office products, the building/leasing of LEED Certified facilities and the use of utilities using renewable energy sources.	Ongoing

# BBVA Compass 2011 Goals & Status

Goal	Status
<b>Environment and Natural Resources</b>	
Contribute to the advancement of specific objectives in the BBVA Group's Global Eco-Efficiency Plan.	Ongoing
Participate in Earth Hour, including signature buildings in major markets.	100%
Reduce consumption in CO2 emissions, paper, water and energy.	Ongoing
<b>Community Involvement</b>	
Host annual BBVA Compass Foundation board meeting.	100%
Align BBVA Compass Foundation giving to company strategy.	85%
Launch BBVA Compass Volunteers chapters in major markets with signature programs.	100%
Support partnership with NBA through community programming.	100%
<b>Diversity</b>	
Continue and expand relationships with national organizations serving minority populations.	Ongoing
Deliver on U.S. portion of BBVA Group Gender Diversity program.	Ongoing

# 2012 BBVA Compass Goals

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

\*The first meeting of the CRR Committee was held on January 20, 2012.



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors, Shareowners, and Stakeholders  
BBVA Compass Bancshares, Inc.  
Birmingham, Alabama

We have reviewed the accompanying Corporate Responsibility Report of Compass Bank (BBVA Compass is the trade name of Compass Bank, which is a subsidiary of BBVA Compass Bancshares, Inc., the "Company") for the year ended December 31, 2011. The Company's management is responsible for the Corporate Responsibility Report.

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

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

Based on our review, nothing came to our attention that caused us to believe that the Corporate Responsibility Report does not include, in all material respects, the required elements of the Global Reporting Initiative G3 Sustainability Reporting Framework for Application Level B; that the 2011 amounts included therein have not been accurately derived, in all material respects, from the Company's records, or that the underlying information, determinations, estimates, and assumptions of the Company do not provide a reasonable basis for the disclosures contained therein.

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

*Deloitte & Touche LLP*

October 31, 2012  
Detroit, Michigan

# Report Criteria

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

BBVA Compass has developed and disseminated annual corporate responsibility reports since 2008. The 2011 report, which covers the 2011 calendar year, includes information for the BBVA Compass portion of the U.S. business unit (including any leased facilities, subsidiaries, etc.). Any changes in data reported in prior years are due to improvements in the methods for quantifying and measuring the variables affected or in the criteria used. The salient points in this year's BBVA Compass report are listed below:

- The relevant issues have been rearranged in line with the current economic and financial context.
- The 2011 data relevant to Puerto Rico is again included under Latin America and has been excluded from this report.

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

The BBVA Compass report is supplemented by the BBVA Group's 2011 Financial Report and by the information available via BBVA Compass' website, [www.bbvacompass.com](http://www.bbvacompass.com).

## Restatements

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

# GRI Indicators

Profile	Pages
<b>1. Strategy &amp; Analysis</b>	
1.1 Statement from the CEO and chairperson.	4
1.2 Description of key impacts, risks and opportunities.	11
<b>2. Organizational profile</b>	
2.1 Name of the organization.	5
2.2 Primary brands, products and/or services.	6
2.3 Operational structure of the organization.	6
2.4 Location of organization's headquarters.	5
2.5 Number of countries where the organization operates.	6
2.6 Nature of ownership and legal form.	6
2.7 Markets served.	5, 7
2.8 Scale of the reporting organization.	5-7
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	6
2.10 Awards received in the reporting period.	6
<b>3. Report Parameters</b>	
<b>Report Profile</b>	
3.1 Reporting period for information provided.	2, 62
3.2 Date of most recent previous report (if any).	2, 62
3.3 Reporting cycle (annual, biennial, etc.).	2, 62
3.4 Contact point for questions regarding the report or its contents.	66
<b>Report Scope and Boundary</b>	
3.5 Process for defining report content.	2, 8-9, 62
3.6 Boundary of the report.	2, 62
3.7 State any specific limitations on the scope or boundary of the report.	2, 62
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2, 62
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	2, 62
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	62
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2, 62
<b>GRI Content Index</b>	
3.12 Table identifying the location of the Standard Disclosures in the report.	63-65
<b>Assurance</b>	
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	2, 61-62

## GRI Indicators, continued

4. Governance, Commitments and Stakeholder Engagement	
Governance	Pages
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	6, 11-12
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	11
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body who are independent and/or non-executive members.	11
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	9
4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangement), and the organization's performance (including social and environmental performance).	11-12
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	11-12
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	11-12
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	10-12
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	11-12
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	11-12
Commitments to External Initiatives	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	17-18
4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	12
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	12
Stakeholder Engagement	
4.14 List of stakeholder groups engaged by the organization.	8-9
4.15 Basis for identification and selection of stakeholders with whom to engage.	8-9
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	8-9
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	8-9



# Disclosure on Core Indicators

Economic Performance Indicators		Pages
EC1. Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		7
EC3. Coverage of the organization's defined benefit plan obligations.		36
Environmental Performance Indicators		
EN1. Materials used by weight or volume.		46
EN2. Percentage of materials used that are recycled input materials.		46
EN3. Direct energy consumption by primary energy source.		46
EN4. Indirect energy consumption by primary source.		46
EN8. Total water withdrawal by source.		46
EN22. Total weight of waste by type and disposal method.		46*
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		44-46
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		46
Social Performance Indicators: Labor Practices and Decent Work		
LA1. Total workforce by employment type, employment contract and region.		7, 32, 35
LA2. Total number and rate of employee turnover by age group, gender and region.		55*
LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		36-37
LA4. Percentage of employees covered by collective bargaining agreements.		33
LA8. Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		38
LA10. Average hours of training per year per employee by employee category.		34*
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.		56*
Human Rights Performance Indicators		
HR4. Total number of incidents of discrimination and actions taken.		33*
HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		33
Society Performance Indicators		
SO1. Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.		14
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.		12, 18-19
Product Responsibility Performance Indicators		
PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		25-27
PR6. Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.		28
Financial Services Sector Supplement Performance Indicators		
FS13. Access points in low-populated or economically disadvantaged areas by type.		15
FS14. Initiatives to improve access to financial services for disadvantaged people.		16
Product Responsibility Performance Indicators		
FS15. Policies for the fair design and sale of financial products and services.		16
FS16. Initiatives to enhance financial literacy by type of beneficiary.		14

\*Denotes partial GRI credit.

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

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# BBVA Compass

