

Annual Report 2009
Corporate Responsibility

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



Contents

This is BBVA Compass' second Corporate Responsibility annual report, and it contains information on the organization's related performance during calendar year 2009. This report only includes 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 situation. 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 written reflecting the Global Reporting Initiative (GRI) and rated C by GRI-G3. It includes Guaranty Bank, unless stated otherwise. This year's report is available as a single electronic document to reduce paper consumption and to be aligned with the environmental initiative of the bank.

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Chairman's Letter

June 23, 2010
José María García Meyer
BBVA Compass

BBVA Compass makes it a priority to embrace corporate responsibility in everything we do here in the U.S market – demonstrating the BBVA Group's vision of working for a better future for people by actively building solutions around the communities where we have a presence. In fact, the very foundation of our organization's business model is based on our seven corporate principles – one of which is "Corporate social responsibility as an intrinsic part of development."

This is the second of BBVA Compass' annual Corporate Responsibility reports, which chronicles our 2009 efforts and identifies the areas in which we hope we excel – both in our near as well as distant future. Although we have already achieved a great deal in a relatively short amount of time, there remains much work to be accomplished.

In order to build on our 2009 accomplishments, our Corporate Responsibility and Reputation (CRR) team is delivering expanded and first-time programs at BBVA Compass that will strengthen our community involvement and facilitate many ways for employees to be engaged and active. CRR has divided its activities and resources into six "offices," each with specific goals and lines of delivery: The Office of Community Giving, The Office of Employee

Involvement, The Office of Financial Education, The Office of Diversity and Inclusion, The Office of Environment and Natural Resources and The Office of Responsible Practices. These offices will allow CRR to concentrate its scope of work in the most strategic and holistic ways.

Now more than ever, BBVA Compass' commitment to being an ethical, transparent, *principled* financial institution – one whose business model is founded on building long-term relationships, not just merely selling products – differentiates us from our competitors. As such, we are proud to be developing a strong corporate responsibility program here in the U.S. that is poised to deliver the best of BBVA Compass to our customers, employees, shareholders and communities.

As with any successful business, the strength of our organization lies within our people. We are proud to claim a team of outstanding individuals here in the U.S. that act as goodwill ambassadors to our communities. Their tireless efforts, coupled with their enthusiastic support of our organization's principle-based business model, allow us the opportunity to implement the actions reflected in this 2009 Corporate Responsibility Report.

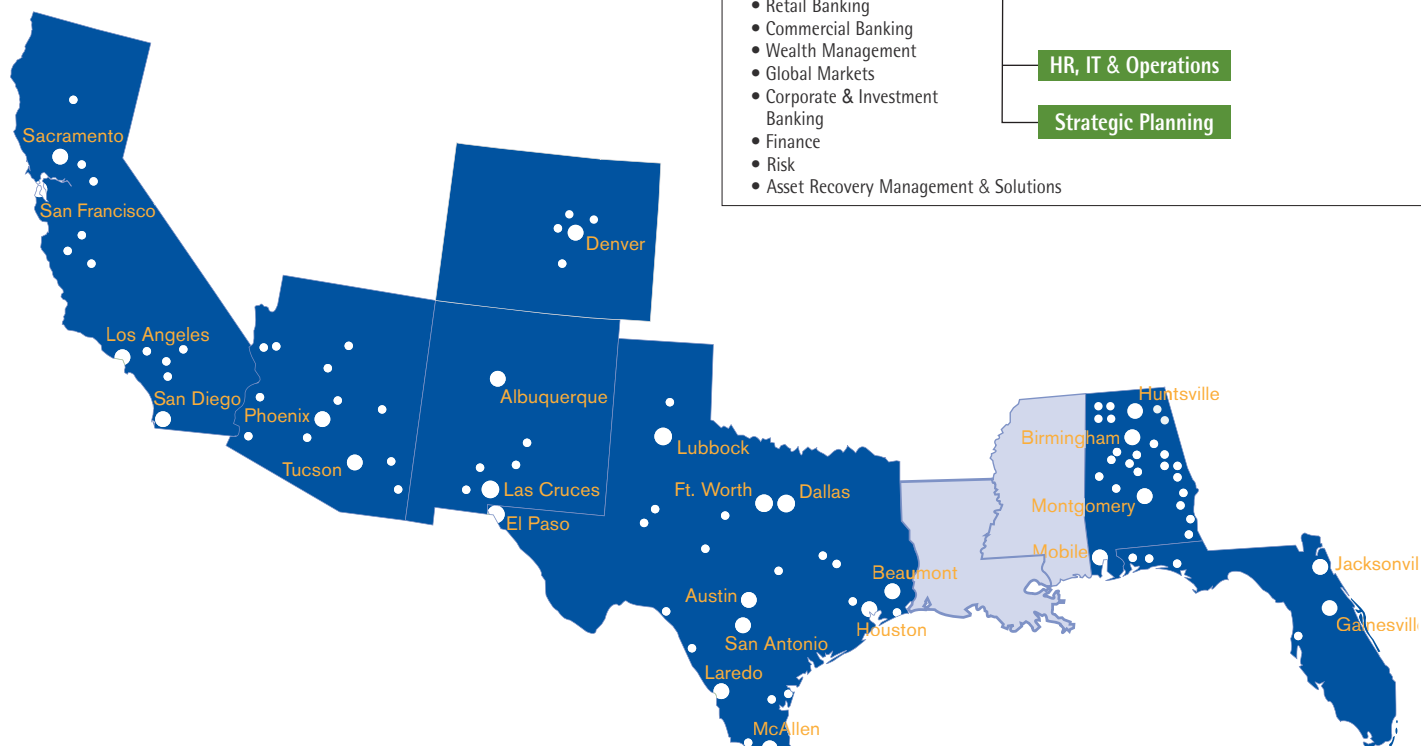
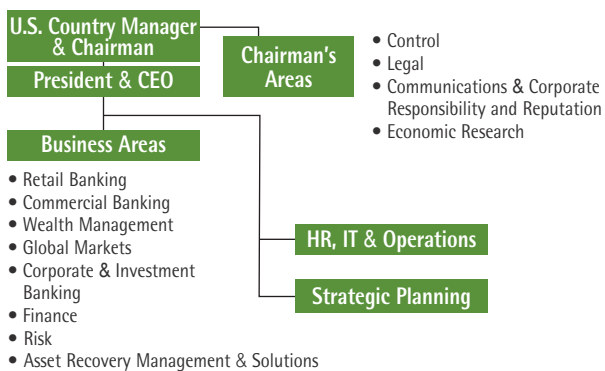


Profile

→ BBVA Compass' major milestones in 2009



→ Governance Structure



→ BBVA Compass Data

Revenues	2,921,399,000
Operating costs	792,883,000
Employee wages and benefits	850,377,000
Payments to providers of capital	163,970,000
Payments to government	235,546,000
Total workforce	12,132
Number of branches	742
Number of major suppliers	8,430
Community investments	4,595,697
Employee donations	2,204,477
Employee volunteer hours	80,470

BBVA Compass is a leading U.S. banking franchise located in the Sunbelt region. BBVA Compass is the 15th largest U.S. commercial bank based on deposit market share and ranks as the third largest bank in Alabama, fourth largest bank in Texas and fifth largest bank in Arizona. Headquartered in Birmingham, Alabama, it operates more than 742 branches throughout Texas, Alabama, Arizona, California, Florida, Colorado and New Mexico. BBVA Compass employs 12,132 people and provides financial services to more than 1.4 million households.

In August 2009, BBVA Compass acquired the banking operations of Guaranty Bank based in Austin, Texas, from the Federal Deposit Insurance Corporation (FDIC). BBVA Compass acquired \$12.0 billion of assets and assumed \$11.5 billion of deposits. In addition, BBVA Compass entered into a loss-sharing agreement with the FDIC that covers all of the acquired loans – where the FDIC will bear 80 percent of the first \$2.3 billion of losses and 95 percent of the losses above that threshold. Guaranty Bank operated 105 branches in Texas and 59 branches in California.

Through three major business units – Corporate Banking, Retail Banking and Wealth Management – BBVA Compass offers customers unique and industry-leading products and services with a focus on providing customers with financial

solutions to fit their lives. These products and services 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, a trade name of Compass Bank, is a subsidiary of Compass Bancshares, Inc., a wholly-owned subsidiary of BBVA (NYSE: BBV) (MAD: BBVA). BBVA is a financial services group with more than \$785 billion in total assets, 46.8 million clients, 7,466 branches and approximately 105,000 employees in more than 30 countries. BBVA provides its customers around the world with a full range of financial services, including commercial and wholesale banking, retail banking services, consumer loans, mortgages, credit cards, securities brokerage, wealth management, pension plan management and insurance. The BBVA Group maintains a leadership position in Spain, Mexico, Latin America and the Sunbelt region of the United States, as well as operations in China, France, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland and the United Kingdom.



Corporate Responsibility Principles and Policy

Vision

BBVA Compass has a corporate vision and goal that drives our ambitions as an organization: We work for a better future for people.

BBVA Compass will become a leader in Corporate Responsibility in the United States, delivering the utmost possible value to our direct stakeholders — customers, employees, shareholders and suppliers — and to the communities in which we operate.

Corporate Responsibility and Reputation

At BBVA Compass, we take our commitment to corporate responsibility very seriously. We understand that as a major financial institution in the United States, we have a duty to all of our stakeholders to deliver not just economic value and positive returns, but also ethical behavior, transparency in our product offerings and a sustainable enterprise. We also believe that the communities in which we operate should benefit from our presence — not just through charitable giving — but through the time

and expertise of our employees, through the deployment of capital into the community as a responsible lender, as well as through a thoughtful approach to our environmental impact in the community.

Corporate Principles

At the global level, the BBVA Group strives to be a company that listens to its stakeholders and integrates their expectations and concerns, to the best of its ability, in all facets of its operations. The BBVA Group addresses its stakeholders within the Global Corporate Responsibility Policy. The BBVA Group's identity and brand positioning are defined by combining three main focal points that summarize the Group's vision and are the pillars upon which our business strategy, brand and reputation rest: being true to our seven corporate principles, prioritizing innovation and *working through people for people*.

Corporate Responsibility and Reputation (CRR) is the department at BBVA Compass charged with delivering on the commitment to corporate responsibility in the United States and with managing the company's reputation here.

BBVA Compass' Seven Corporate Principles



The main commitments of the BBVA Compass corporate responsibility policy are:

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

2008–2009 Strategic Focus

Based on the pillars offered by the BBVA Group’s Corporate Responsibility Strategic Plan, BBVA Compass initiated its work in the area of Corporate Responsibility in 2008 and 2009 with a focus on financial inclusion and education. As a financial institution, this alignment to our core business practices meant that we worked to consider

ways to reach populations and geographies that are not currently in the financial mainstream so that we could then offer our products and services to them. We also began to coordinate our offerings in the area of education, especially financial education. As a result, community service projects for employees in 2009 were focused more around educational activities and financial literacy than in prior years.

When population segments are excluded from the financial mainstream, they are more exposed to unscrupulous practices and have more limited opportunities for financial success. The continued complexity of the global and domestic economic situation means that strengthening the knowledge and understanding of finance for consumers through financial education is important for a financial institution like BBVA Compass. By playing a role in having better educated consumers of financial products and services, the organization is better able to manage risk, and the overall economy benefits from more responsible borrowers and empowered savers.

Managing and Governing Corporate Responsibility Policy

A Corporate Responsibility and Reputation (CRR) Committee will be established in 2010 at BBVA Compass. This committee will be responsible for driving the integration of BBVA Group initiatives and practices into the BBVA Compass platform in the United States, as well as supporting the creation and delivery of CRR programs and activities for our employees and communities. The committee will have members from various important areas of the BBVA Compass management structure: Retail Banking, Commercial Banking, Wealth Management, Risk, Human Resources, Procurement, IT & Operations, Innovation and Development and Finance. The committee will be chaired by the U.S. country manager.

The principal body for managing corporate responsibility and reputation is the CRR department, which has two critical roles: coordinating and implementing corporate responsibility policy and programming and managing corporate reputation. These two roles are pursued through the following offices established at the end of 2009:

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

The CRR department developed a three-year strategic plan in 2009, which was written after important benchmarking and best practices research was conducted to compare with our peers in the industry the current state of offerings and programs at BBVA Compass. The strategic plan outlines the work to be done in reassessing and restructuring our organization's foundation, volunteer program and other programs and policies managed by CRR.

Compliance System and Procedures

The BBVA Group's Compliance System continues to be the framework under which BBVA Compass operates, and it provides the institutional oversight at the global and local level. BBVA Compass thus conducts all operations and businesses in accordance with strict codes of ethical conduct embodied in the BBVA Group Code of Conduct.

The Compliance team at BBVA Compass manages compliance risks that affect the following issues, among others:

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

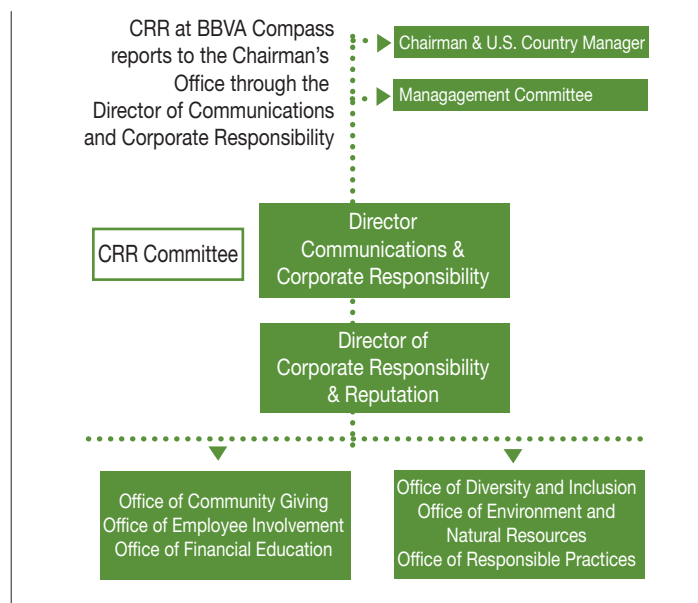
Code of Conduct

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 — customers, employees, shareholders, and suppliers — and to the communities in which we operate.

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):

- Capital Markets Code of Conduct
- Compliance Committee Charter
- Board of Directors Charter
- Principles applicable to parties involved in the BBVA Compass procurement process
- Audit Charter

→ Corporate Responsibility at BBVA Compass



Legal Compliance

As of December 31, 2009, BBVA Compass was not involved in any regulatory actions related to violations of environmental laws or litigation related to employment discrimination and employment working conditions that were material to our financial position.

International Agreements

The BBVA Group adheres to the following international initiatives and protocols:

- United Nations Global Compact (www.globalcompact.org)
- United Nations Environmental Program (www.unepfi.org)
- Equator Principles (www.equator-principles.com)
- United Nations Principles for Responsible Investment (www.unpri.org)

In addition, the BBVA Group respects the United Nations' Universal Declaration of Human Rights (www.un.org), the basic employment legislation of the International Labour Organization (www.ilo.org) and the OECD Guidelines for Multinational Enterprises (www.oecd.org). In 2009, major suppliers in the United States received communications from the Supply Chain Management department, affirming BBVA Compass' commitment to the UN Global Compact and urging them to learn more and to support the Human Rights portion of the compact.



Stakeholder Engagement

BBVA Compass Stakeholders

As a part of the organization's mission to build a better future for people, BBVA Compass has as an important priority a positive and engaging relationship with its stakeholders. It is through these interactions that the organization becomes grounded in the universe in which it operates and can respond to salient issues as they develop.

BBVA Compass stakeholders are any groups of people, institutions or organizations that significantly affect the company's activity and decisions, while at the same time may be affected by them. We are interested in offering as much more information and transparency as possible in order to differentiate ourselves as an organization, gain trust and thus positively influence stakeholder opinion and behavior towards us.

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

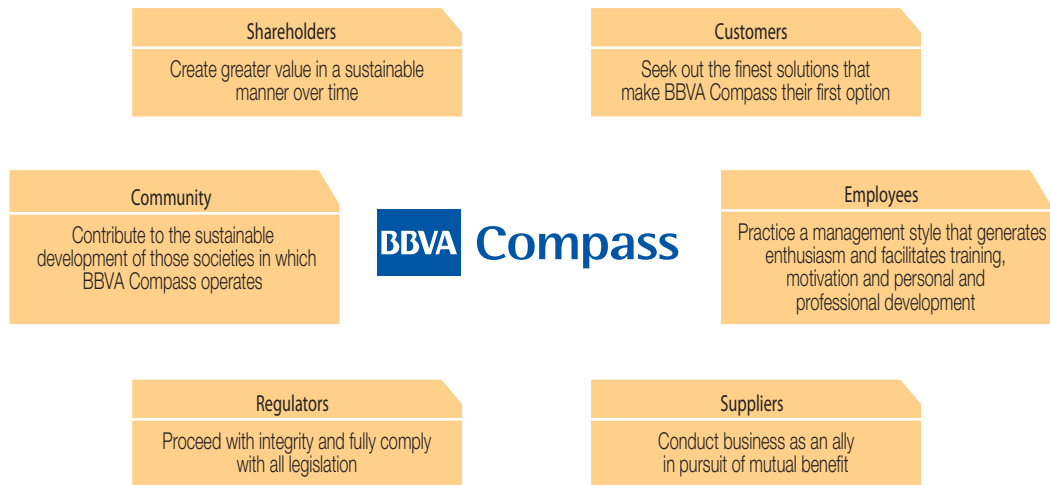
2009 Milestones

During the 12 months in 2009, the CRR department engaged stakeholders in a variety of ways, from surveying customers, receiving input from advisory boards, and outsourcing a study to better understand current positioning and needs with various stakeholder groups. While 2009 provided a great start, plans are being formed for a further refinement of employee, customer and supplier input into our understanding of important issues. In 2010, we also expect to include activity in new markets added to the BBVA Compass footprint through the Guaranty acquisition that was completed in August of 2009.

Customers

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

Main BBVA Compass stakeholders and our commitment to each



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 conducted various polls and surveys with employees in 2009, including the creation of a new weekly survey tool on our organization's Intranet called the "Quick Poll." On a bi-annual basis, there is a global employee satisfaction survey that will next be conducted in 2010.

Formal Stakeholder Consultation Process

In April of 2009, the company engaged the services of Responsables Consulting to conduct its first-ever formal stakeholder consultations, which were conducted via a telematic process. These consultations were able to reach a number of employees, customers, suppliers, shareholders and nongovernmental organizations (NGOs). The resulting analysis supported the development of the three-year CRR strategic plan and also continues to be used as a resource in the creation of programs and policies for CRR.



Customer Focus

Quality, Satisfaction and Customer Service

At BBVA Compass, we recognize that to better serve our customers, we need to better understand them, their current needs and their evolving needs. This is not just a question of understanding customer insights. We track every single customer transaction with the bank across all channels in order to understand the way our customers interact with us. This allows us to anticipate their future needs — thus, improving our product and service offerings, as well as pricing and risk processes.

BBVA Compass is committed to building and maintaining long-term relationships with our customers and in 2009 began aligning to the BBVA Group's customer-centric business model.

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.

Our goal is to move from the second-to-last position in overall customer satisfaction in Retail Banking with a score of 728 (according to J.D. Power and Associates Retail Banking Study) to being in the top quartile by 2012.

We were encouraged by 2009 customer feedback, which indicates we are moving in the right direction.

Based on J.D. Power's nationally syndicated retail banking study, published in April 2009, we improved:

- 19 points on the Overall Satisfaction Index to 705. (The national average in 2009 declined by three points to 734 on a 1,000 point scale.)
- 39 points on In-person Transactions Index to 764. (The national average was 781.) We ranked last in 2008; however in 2009 we were ahead of several banks, including Bank of America.
- Four-point decrease in Problem Incidence percentage, from 21 percent to 17 percent of customers reporting problems in last 12 months.
- Our overall rank ranking among our peers remained the same – however, we gained on the industry average.

Results from the J.D. Power-targeted study of BBVA Compass customer satisfaction in December 2009 showed continued improvement:

- Overall Satisfaction Index score was 728 on a 1,000-point scale.
- In-person Transactions Index was 791.

Brand Promise

In the second quarter of 2009, BBVA Compass launched a new brand promise, "Solutions built around you" and advertising campaign, "banking built for you." These statements reflect our organization's focus on offering quality products and services designed to meet customers' individual, ever-changing needs. Further, they support the BBVA Group's vision of "working for a better future for people" and our customer-centric business model.



banking built for you.SM

1.4

Consumer & Commercial
BBVA Compass households
(volume in millions)

728

Customer Satisfaction
Index (2009 J.D. Power &
Associates)

iPhone

Introduced iPhone app

Our ability to improve the in-person banking center experience was guided by the utilization of the Customer Experience Feedback Process (CEFP), a real-time "voice of the customer" tool used since 2007. In 2009, we spoke with more than 73,000 customers via telephone surveys, gaining perceptions of their experiences in each of our banking centers and feedback about the bank in general. From the CEFP surveys, we learned that:

- 64 percent of customers "definitely will" recommend the banking center where they last transacted to family, friends and co-workers.
- On average, customers rated their overall satisfaction with their last banking center visit an 8.8 on a 10-point scale.
- The percentage of customers who experienced a problem in last 12 months, including on their last banking center visit, decreased from 22.8 percent in Quarter 1 to 19.9 percent in Quarter 4, 2009.

In 2010, we plan to institute more robust and consistent "touch point" measurement/feedback programs designed to provide near real-time feedback of telephone centers and other channels.

The following key action items will drive our strategy for improved customer satisfaction:

- Continue revising policies and procedures that drive the higher percentage of clients who perceive they have had a problem
- Improve our account initiation/on-boarding programs to improve client understanding of their account(s)
- Increase individual empowerment levels to improve the resolution process when problems/errors occur
- Adopt Six Sigma measurements
- Compare ourselves with other BBVA business units
- Measure all channels
- Ensure adherence to recently instituted "lobby management" standards to improve the in-branch experience for our customers

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 disclaimers 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.

Innovation and technology are key aspects to implementing the BBVA Group’s proven business model. In support of these initiatives, BBVA Compass in 2009 upgraded its mobile banking applications, which included the introduction of applications for the iPhone™ and iPod® Touch with an aim towards testing similar applications for both the BlackBerry® and the Android operating system in 2010.

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



These two images showcase the BBVA Compass Virtual Banker that was piloted in 2009.



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

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

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

In 2009, we piloted new technology called the Virtual Banker – a custom-made, fully interactive, high-end video conference platform that allows BBVA Compass to offer specialized one-on-one services such as mortgages and investment advice, regardless of the banker’s geographic location, directly to any branch. The Virtual Banker platform has already received accolades from customers and industry experts alike, garnering the 2009 “Innovation in Delivery Channel Technology” award from *The Banker* magazine.



Financial Inclusion

BBVA Compass President and CEO Manolo Sánchez helps a young girl open a Young Savers Account with \$10, which was given to her by our organization for participating in a financial literacy learning activity.

Financial Education

As part of our vision of working for a better future for people, BBVA Compass is dedicated to improving the lives and financial well-being of the children, teens and young adults in our communities. One way we fulfill our commitment is through financial literacy education.

Benchmarking

During 2009, a review was conducted on the various available teaching tools for financial education. Following this assessment, it was concluded that the **FDIC Money Smart** program is the industry standard and was adopted for the BBVA Compass Financial Education Plan. This selection was made in collaboration with the BBVA Compass CRA team and is in support of the bank's CRA and financial literacy goals.

Two methods of delivery were established for ongoing Financial Education:

- Employee volunteers
- Non-profit organizations, clubs and other community partners

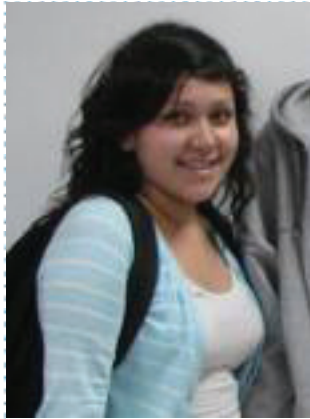


Program Delivery

Financial Literacy: The FDIC Money Smart program will be fully launched in 2010. In August 2009, BBVA Compass and the American Bankers Association Education Foundation (ABAEF) joined forces to co-brand financial education toolkits, which enabled employees to teach young children and teens about saving and credit. Efforts in 2009 were focused on the ABAEF curriculum, which was adopted specifically for the national Teach Children to Save and Get Smart About Credit initiatives.

As part of a pilot program, BBVA Compass team members reached out to their communities in the seventh annual **Get Smart about Credit Day**, a national initiative by the ABAEF designed to educate consumers on the fundamentals of credit use. They taught in the Dallas Independent School District (DISD), the 12th largest school district in the nation, serving as guest teachers during economics classes at local high schools.

Later in the fall, BBVA Compass volunteers gave **Teach Children to Save** lessons to second grade students in Dallas elementary schools, educating them on how to count money, use a bank, save and earn interest on the money they deposited.



High school student Diana Gonzalez said of the Get Smart about Credit activity: "When it comes to credit cards, you should read the fine print and make smart decisions about credit. I learned a lot in the class today, and I think it will be really useful."

386

Teach Children to Save
student participants

2,233

Bank On accounts generated

\$362

Community Development
Loans (volume in million USD)

→ Teach Children to Save Results

Number of classrooms	17
Number of volunteer instructors	39
Number of students	386
Total teaching time in minutes	1050

Banking the Unbanked: Initiatives to improve access to financial services for disadvantaged people were implemented through BBVA Compass' participation in the *Bank On* initiative.

Bank On is a collaborative effort to bring unbanked individuals into the financial mainstream. By facilitating access to basic and low-cost banking products and services, the program increases the health and sustainability of the most fiscally vulnerable people in our communities.

Goals for *Bank On* include:

- Increasing the supply of starter account products for low-income unbanked populations.

- Raising awareness among unbanked customers about the benefits of account ownership and encouraging them to open accounts.
- Making quality money management education more easily available to low-income populations.
- Raising the awareness of the unbanked problem and offering potential solutions.

BBVA Compass had an active partnership with *Bank On* California and *Bank On* Houston during 2009. Plans are under way for new partnerships to be activated with four other cities in 2010, with a view to further expand to a total 17 cities the following year.

of new accounts opened by BBVA Compass
via the *Bank On* program in 2009

2,233

of employees trained in the
Bank On initiative in 2009

60

"At BBVA Compass, we believe that teaching children about financial literacy at a young age will help empower them to make wise financial choices as they grow up," North Texas Regional Commercial Executive Steve Mitchener said. "Teaching children about money is an investment in the future; the more children who have access to learning opportunities, the more financially secure future generations will be."



BBVA Compass Volunteers participate in Teach Children to Save learning events.



CRA Lending and Investments

In 2009, 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, 2009, BBVA Compass had \$208,085,741 in CRA-qualified investments in its portfolio. 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 which otherwise help meet the needs of low- or moderate-income people and/or low- or moderate-income communities.

During the same period, BBVA Compass had a positive impact in many communities across our footprint by originating \$362,465,559 in Community Development loans. In addition, BBVA Compass originated 14,925 CRA Small Business Loans totaling \$733,211,000.

BBVA Compass was named by the U.S. Small Business Administration as the 2009 SBA 7(a) Lender of the Year for large financial institutions. Furthermore, BBVA Compass was ranked (by \$ volume) third largest 7(a) lender in the nation and fourth largest 504 lender in the nation.

Access to Financial Services

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, 2009, 23 percent of BBVA Compass retail branches are located in low- or moderate-income areas, and 24 percent of BBVA Compass ATMs are located in low- or moderate-income areas.

Recently in Washington, D.C., Small Business Administration (SBA) Division Manager Greg Clarkson accepted the SBA First Mortgage 504 Lender of the Year Award on behalf of BBVA Compass. This is the second year in a row that BBVA Compass has been recognized as one of the nation's premier SBA lenders. For 2009, BBVA Compass was named the 7(A) Lender of the Year.



Through a partnership with community-minded real estate investors, the city of Houston and BBVA Compass, a run-down neighborhood received the beginning of a transformation. There had been no new development in this part of town for more than 20 years, but today low-income families now have the option to live in a comfortable, clean and secure environment at The Reserve at Bankside.

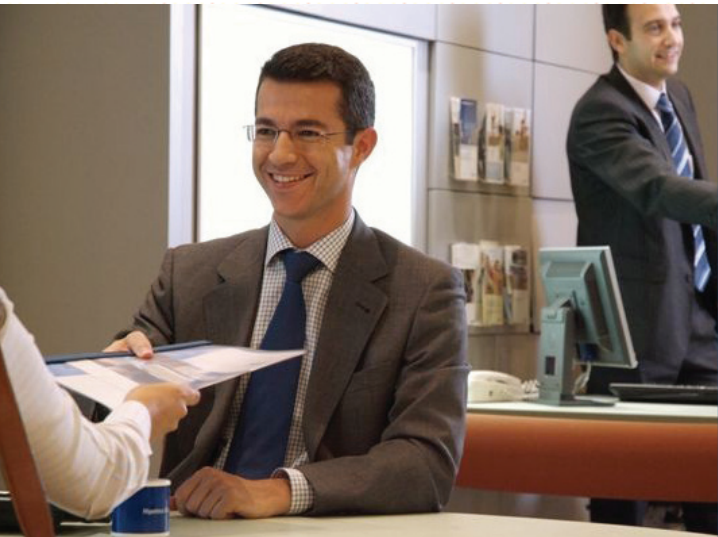
Initiatives to improve access to financial services for the disadvantaged

BBVA Compass makes use of flexible lending practices in serving the credit needs of its markets and many affordable housing loan programs are offered. 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:

Basic Checking Account: BBVA Compass continues to offer Basic Checking accounts for customers who have previously been turned down for a checking account or who need to rebuild their credit history. A customer can open a Basic Checking account with as little as \$25, and no

minimum balance is required. It offers the following features: unlimited check writing, \$7.95 monthly service charge, free online banking and a free Visa® check card.

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 financial system in the U.S. 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.



Responsible Finance

As a member of the BBVA Group, BBVA Compass follows the strict policies and protocols established by the Group, and risk management is one of its main pillars. Following is information on our Bank Secrecy Act compliance and training, our Anti-money Laundering protocols and procedures, as well as a description of our presence in an offshore financial center.

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, 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.

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 Products and Services

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.

Business Model Transformation

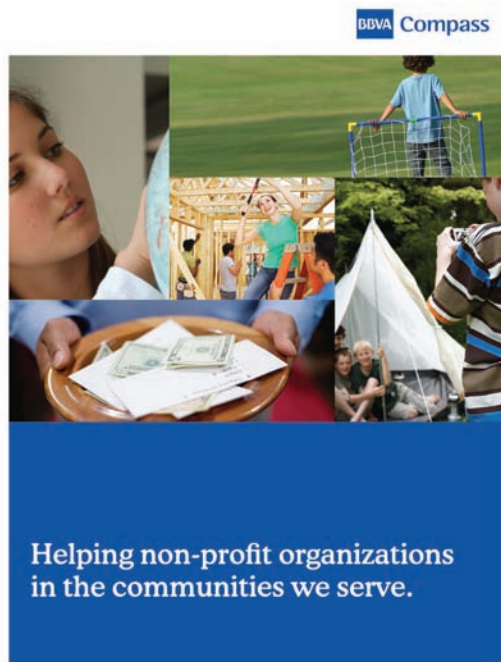
As part of our organization's alignment with the BBVA Group's customer-centric business model, BBVA Compass eliminated the outdated practice of placing customers in line-of-business silos and moved to the concept of the whole bank owning the customer relationship – with each line of business having equal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

Innovative Solutions

Compass for Your CauseSM: Our customer-centric business model is built on being an important member of the communities we serve. During this economic downturn,



Compass For Your Cause (left), the BBVA Compass ClearPointsSM credit card (below) and the BBVA Compass Optimizer CardSM (bottom right) were products and services that BBVA Compass released in 2009 designed to build solutions around our customers' unique needs.



non-profit organizations have been among the hardest hit. To that end, BBVA introduced Compass for Your Cause, a program that offers banking services to non-profit organizations as well as a donation program for supporters. In this program, the non-profit opens a checking account with BBVA Compass and is given a program ID. Supporters of that non-profit who open a checking account with BBVA Compass, or those who already have an account, can tie their account to the non-profit. For each new account, the non-profit 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 non-profit organization. In essence, Compass for Your Cause creates an annuity stream of income for the non-profit.

E-statements: In order to further protect our customers' identities, we engaged in a campaign to turn off paper statements and enroll customers in e-statements. The program is free for all customers, and 16 months of previous statements are always available online. Additionally, we provide e-mail notifications to let customers know when their statements are ready and available.

E-statements are a win-win. They offer our customers the convenience of seeing their statements as soon as they are ready and not having to wait until statements arrive in

the mail. From the bank's perspective, e-statements help us be more environmentally friendly and reduce our costs by allowing us to use less paper. More than 225,000 customers took advantage of this opportunity to turn off their paper statements.

One of the BBVA Group's foundational principles is "Innovation as the engine of progress." BBVA Compass was proud to introduce the following innovative products and services during the past year, and they are responsible for driving new revenue growth to the bank.

Virtual Banker: In 2009, we piloted new technology called the Virtual Banker – a custom-made, fully interactive, high-end video conference platform that allows BBVA Compass to offer specialized one-on-one services such as mortgages and investment advice, regardless of the banker's geographic location, directly to any branch. The Virtual Banker platform has already received accolades from customers and industry experts alike, garnering the 2009 "Innovation in Delivery Channel Technology" award from *The Banker* magazine.

Improved Credit Card Offerings: The 2009 CARD Act is designed to protect customers from predatory lending practices. In response to this legislation, BBVA Compass revamped our entire credit card offering. We introduced the BBVA Compass ClearPointsSM credit card in October with

Earn cash when you refer your friends and family.

\$25 for each referral, then \$5 more, and \$5 more, and...



the main purpose of providing 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 new credit 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

In addition, the **BBVA Compass Optimizer CardSM**, a secured credit card tied to a customer's savings account, was introduced in fourth quarter of 2009.

Business Build-to-Order Free Checking: This product, much like our consumer Build-to-Order Checking, allows small businesses to choose the services they need via an a-la-carte menu. As their business grows and their needs change, this checking product can be updated to fit their needs. Another unique aspect of Business Build-to-Order is that customers can personalize their debit cards with their company's photo or logo. We like to think of it as an advertising opportunity for the small business each time they use the debit card.

Refer-a-Friend program: This is a low-cost program that offers existing clients an opportunity to earn money simply by referring a friend to the bank. The idea of the program is to leverage our existing customers by offering them cash for referrals while allowing the bank to attract low-cost deposits.

Cross-border Advantages

Because of the global strength of the BBVA name, we are able to provide a variety of services to Hispanic clients as

we assist them with their unique financial needs. Specifically, given our common ownership with BBVA Bancomer in Mexico, we are leveraging those ties to support cross-border businesses of all kinds. These products and services serve as points of differentiation for us within the U.S. Hispanic community.

Secure-Send: BBVA Compass can provide high net-worth Latin American expatriates the same level of service they are accustomed to receiving in their home country. Secure-Send, for example, is a product of BBVA Bancomer Transfer Services (BTS) that provides customers with the ability to use an ATM card to send money remittances anywhere in the world. The advantage of providing this transaction is that it's very efficient from both a bank and customer perspective.

International Customer Centers: Because of the strength of the BBVA name, BBVA Compass is experiencing a surge in business as Mexican nationals choose to bank with a recognized provider. With an aim to providing unique banking solutions, we are locating International Customer Centers in select sites in order to offer services to Mexican nationals as they relocate to the U.S. This is not a mass market strategy, but rather one that is oriented towards the affluent and high net-worth client. Through the International Customer Centers, we offer a wide variety of products while working closely with BBVA Bancomer to import their credit and customer history.

Foreign National Mortgages: We offer a foreign national mortgage program that is designed to assist qualified foreign nationals with the ability to purchase a home in the U.S.

Bi-national Mortgages: Working closely with BBVA Bancomer, we are funding mortgage loans for customers in U.S. dollars for which their property in Mexico serves as collateral. To purchase land in Mexico, you need a broker and a trust set up in Mexico. With BBVA Bancomer on the Mexican side and BBVA Compass in the U.S., we have a sales opportunity that no other U.S. bank can offer.

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.

Spotlight on Small Business

Recently in Washington, D.C., Small Business Administration (SBA) Division Manager Greg Clarkson accepted the SBA First Mortgage 504 Lender of the Year Award on behalf of BBVA Compass. This is the second year in a row that BBVA Compass has been recognized as one of the nation's premier SBA lenders. For 2009, BBVA Compass was named the 7(A) Lender of the Year.

"This is an honor for the bank and recognizes the dedication and commitment of our entire SBA lending team," Clarkson said. "This award acknowledges our continued efforts to provide small business with the capital to grow in a challenging economic environment."

BBVA Compass' participation in the 504 program, in which the bank provides first mortgage loans that make up the private-sector portion of 504 financing packages, is a key element of our relationship with small business customers. The award recognizes BBVA Compass' efforts to expand 504 outreach across the bank footprint, an effort that over the past year has resulted in a more than 200 percent increase in 504 loan volume.

"At a time when other financial institutions are cutting back on access to credit, BBVA Compass has continued to lend," BBVA Compass President and CEO **Manolo Sánchez** said. "Small businesses represent the lifeblood of the communities in which we live and work, and we are committed to supporting their vital role in driving economic growth." In the keynote speech at the awards ceremony, SBA Administrator Karen Mills said, "Lenders are essential partners of both small businesses and the SBA. By working together [during this past recession], we've supported over \$29 billion to small businesses, which has helped not only save but also create hundreds of thousands of jobs." BBVA Compass, along with other award winners, was further recognized by President Barack Obama during a presentation in the White House Rose Garden.

The award was presented as part of National Small Business Week, in which BBVA Compass was one of 10 financial institutions from across the country honored. Every U.S. President since John F. Kennedy has celebrated National Small Business Week in recognition of the small business' contribution to the economic health of the country. This contribution is significant, as more than half of Americans either own or work for a small business, and small businesses are responsible for the creation of 60 percent to 80 percent of new jobs each year.



SBA Administrator Karen Mills and SBA Division Manager Greg Clarkson



Greg Clarkson,
executive vice
president and SBA
division manager



Mills with President Barack Obama at a presentation in the White House Rose Garden



Responsible Management of Human Resources

In 2009, BBVA Compass entered a new stage in its approach to human resource management. With the adoption of a new HR brand – 4U...fromHR :) – and a renewed dedication to employee engagement, Human Resources has instituted and developed a number of practices and programs designed to improve employees’ quality of life, both within and beyond the workplace. In seeking to emulate the BBVA Group’s vision of working for a better future for people, BBVA Compass is committed to finding ways to offer better solutions for the benefit of some of our organization’s most important stakeholders – our employees.

The BBVA Group is one of the most widely respected financial institutions in the world — recognized for innovation, integrity and diversity. At BBVA Compass, we are committed to carrying that recognition forward here in the United States by providing our people with the resources, rights and responsibilities they need to improve their quality of life, both within and beyond the workplace.

Employment and Recruitment

Human Resources’ policies must provide a means of promoting talent throughout the organization that extends beyond different functions, lines of business or geographic

areas, while creating consistent management practices across the footprint.

Management practices aim to ensure the constant flow of talent for management while at the same time provide employees with personal and professional development opportunities. This is achieved by identifying talent within the organization itself, then working on its development, and by attracting the best talent available in the market.

In 2009, our Executive Management Team was enhanced by members of the Group who brought significant expertise during our transformation process as we began to align our organization with the BBVA global model. Their guidance proved particularly beneficial within this challenging economic environment. Of the BBVA Compass Executive Management Team, approximately 10 percent are not local, which is defined as from the U.S.

→ Recruitment of employees

	2009
United States	1,844
Of which new recruits:	
United States	1,708

→ Employees by professional category

(percentage)

	2009		
	Overall	Men	Women
United States			
Steering Committee and Corporate Managers	0.10	90.9	9.09
Senior Management	1.07	74.79	25.21
Middle Management	23.08	39.34	60.66
Specialists	13.97	37.59	62.41
Sales force	13.97	43.48	56.52
Entry-level	18.82	17.84	82.16
	42.96	46.50	53.50

12,132

employees

30.57

hours of training
per employee
(excludes Guaranty)

BBVA Compass embraces an Equal Employment

Opportunity statement while reinforcing other already established policies and procedures. This statement follows:

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, veterans' status or any other status or classification protected by federal, state or local law. This policy includes all job groups, classifications and organizational units. With regard to employment, this policy extends to applicants and covers our recruiting, hiring, promotion, transfer, demotion, discipline, termination, benefits, compensation and training practices as well as social and recreational activities.

The new BBVA Compass internal careers Web site launched in 2009 and was a popular destination for employees across the footprint. In its first two weeks the site received more than 50,000 hits. Recruiting and Employment Services received an increasing number of internal applications from employees applying for positions through the new tool.

In 2010, the Recruitment & Employment Services department at BBVA Compass will be aligned to closer resemble the BBVA global model. These exciting changes will enable our organization to offer specialized recruiting

solutions to internal clients while maximizing efficiency and productivity.

Professional Development and Performance Appraisal

In 2009, BBVA Compass took a step towards a closer alignment with BBVA's professional development model by participating for the first time in the Competencies Development Process (CDP). The CDP is a global BBVA initiative in which all employees simultaneously participate every two years, and it represents a systematic approach to competency development that enables the organization as a whole to achieve better results. Primary components of the CDP include:

- Competencies Assessments, which contrast each employee's current abilities, knowledge and/or technical skills against areas of development opportunity.
- Professional Development Interviews, in which managers and employees discuss competencies assessment results.

→ Average length of service of workforce

(Years)

	2009
United States	5.6

→ Voluntary resignations of the workforce (turnover) and breakdown by gender⁽¹⁾

(percentage)

	2009		
	Total turnover	Men	Women
United States	11.38	25.43	74.57

(1) Turnover = [Voluntary discharges (excluding early retirement) / no. employees at the start of the period] x 100.

Passion for people

Prevention is the best cure.

Flu

Do you know how to avoid getting the flu?

Take measures to protect yourself by following these recommendations:






Sneeze and cough into your elbow rather than your hands, or cover your mouth with a tissue. Throw the tissue in the trash after you use it.

Frequently wash your hands with soap and water.

If you are sick with flu-like illness, help prevent spreading the flu to others by staying home for at least 24 hours after your fever is gone.

Have questions or concerns about the flu? Registered nurses are available 24/7.
Wellthy for Life • 1-866-WELLTHY • www.wellthyforlife.com

4U... from HR :) BBVA Compass

Well•thy (wel'thē) *adj.*, 1. being rich in good health; of sound mind, body and spirit. 2. an attitude that welcomes stairs instead of elevators; marked by a sensible diet and a profound passion for a balanced, healthy lifestyle. 3. realizing every action or inaction today affects tomorrow; believing that even small steps are steps in the right direction; looking to the future with hope and optimism; striving to reach beyond the status quo.

assessments results in order to provide employees with clear direction about training resources to strengthen skills and knowledge in the competencies required to succeed in their roles.

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. In 2009, all performance reviews and merit increases transitioned to a common effective date of April 1.

Talent Management and Training

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. The goal of the Talent Management and Training department is to provide a tailored learning plan for every employee in the

organization that is focused on strengthening the key skills, abilities and knowledge required to succeed.

Through Talent Management and Training, employees have access to a wide variety of resources to assist them in their professional development. Training programs are offered to help employees improve performance in their current jobs or acquire new skills needed for advancement into other opportunities within the organization. In addition to our internal training opportunities, external training resources are utilized to improve or maintain essential professional, technical or managerial skills.

With the integration of Guaranty Bank, 2009 was a critical year for Talent Management and Training. BBVA Compass is committed to the growth and development of transitioning former Guaranty Bank employees, and Talent Management and Training worked diligently to ensure these employees would have access to the training and resources necessary for a successful and productive integration process.

Training and knowledge management

At BBVA Compass, training and development is a shared commitment between the organization and the employee. We support our employees in reaching their full potential through the following tools and resources:

Wellthy for Life

The Wellthy for Life program offers employees and their families a myriad of resources to help improve their overall health and well-being.

- **Wellness Programs** – Through options such as Tobacco Cessation and Weight and Stress Management programs, participants can take advantage of online programs and resources, as well as personal coaching, to assist them as they make changes to develop and maintain a healthy lifestyle.
- **Professional Medical Support** – Through programs such as the 24-Hour NurseLine (1-866-WELLTHY) and Live Nurse Chat (available on www.wellthyforlife.com), employees have round-the-clock access to licensed medical professionals trained to address participants' health questions and concerns.
- **Maternity Support and High Risk Pregnancy Support Services** – These programs provide expectant mothers with nursing support and resources to help ensure healthy pregnancies and full-term births. Participants also receive a free car seat for completing the program.
- **Employee Assistance Program (EAP)** – The Wellthy for Life EAP offers a comprehensive range of services to meet employees' needs, both within and beyond the workplace. From child/parenting and adult/elder support services to assessment and counseling services, the EAP provides solutions to meet employees' needs.

Most Wellthy for Life programs are available free of charge to all BBVA Compass employees and their families, regardless of participation in the health plan. A guidebook with complete information about Wellthy for Life programs is available at www.wellthyforlife.com.

- **Competencies Development Process (CDP)** — The CDP is the foundation of BBVA's Human Resources model, enabling managers and employees to assess growth and training needs, establish goals and a plan of action while offering a systematic approach to supporting and reinforcing employees' personal and professional development.
- **Spanish Portal** — This training Web portal provides all employees with an introduction to the Spanish language.
- **Tuition Assistance** — Financial assistance of up to \$2,500 per year is available to full-time and part-time employees for courses that meet the requirements of a degree program that is business or job-related. Part-time employees must be scheduled to work an average of at least 20 hours per week to be eligible for tuition assistance.

In 2010, Talent Management and Training will launch a powerful new learning management system called e-campus. This platform will provide more than 5,000 training activities to employees through a single, easily accessible online learning portal.

Personal Benefits

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

Employee Benefit Plans

As a tangible manifestation of its passion for people, 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, special discounts on products and services, tuition assistance, and scholarship programs for employees' dependent children. Additionally, the Wellthy for Life wellness program and discounts on banking services through Employee Banking Perks were introduced in 2009.

With an aim towards extending our competitive industry-standard benefits package, BBVA Compass in September 2009 launched Wellthy for Life: our very own comprehensive wellness program designed to help employees and their family get the most out of life by

Employee Banking Perks

BBVA Compass



Financing your home just got easier and more affordable.

At BBVA Compass, we are passionate about our people and committed to improving your quality of life – both within and beyond the workplace. That's why we're excited to announce a new and enhanced employee mortgage program, designed with you in mind. The enhanced program will offer a range of special benefits and discounts for employees on new applications for the purchase or refinance of a primary residence, as well as discounted rates on home insurance to help protect your investment.

Look for more information on the employee mortgage program and the full line of enhanced Employee Banking Perks coming soon.

The enhanced mortgage is only available to new customers for the purchase or refinance of a primary residence located within the BBVA Compass service area. For more information on the program, please contact your HR representative or visit www.bbva.com/employeebenefits. The enhanced mortgage program is subject to credit review and approval. BBVA Compass is not a lender. BBVA Compass is a member of BBVA Bank, N.A. Member FDIC. © 2009 BBVA Bank, N.A. All rights reserved.

4U... from HR ☺ Passion for people

In 2009, BBVA Compass introduced a new employee banking perks program, which included a mortgage component (left) and Wellthy for Life, a comprehensive wellness program (right).

BBVA Compass



Wellthy?

At BBVA Compass, it's a real word with a very real meaning.

Stay tuned ... for more information about Wellthy for Life, a Passion for People program providing health and well-being solutions built around you.

4U... from HR ☺ Passion for people
Our passion about your health

living a healthier and more energetic lifestyle. “Getting Wellthy” is about shedding old habits and finding fresh new ways to face each day. It's a holistic approach to wellness, integrating a variety of exciting options and services designed to produce better outcomes and better lifestyles, and to benefit the whole person from the inside out.

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.

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.

Non-Discrimination and Equal Opportunities

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

As of December 31, 2009, BBVA Compass was not involved in any regulatory actions related to violations of employment laws or litigation 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.

Recognizing the importance of ensuring that all employees be treated equally, BBVA Compass in 2009 demonstrated its commitment to diversity and inclusion by extending domestic partner health care benefits to same-sex partners. In addition, the organization conducted a benchmarking analysis for diversity policies and best practices at competitor banks.

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. When faced with the possibility of an H1N1 flu pandemic in 2009, BBVA Compass offered free flu vaccinations to employees throughout the footprint and instituted a Pandemic Flu Absence Policy.

September 2009 marked the launch of Wellthy for Life, a comprehensive wellness program designed to improve the health and overall well-being of employees and their families. The many valuable programs and resources made available through Wellthy for Life include an enhanced Employee Assistance Program (EAP), which takes a holistic approach to meeting employees' needs both within and beyond the workplace. In 2010, BBVA Compass plans to expand the Wellthy for Life program by offering financial incentives to employees who participate in certain wellness activities.

Passion for People

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

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, the BBVA Compass ClearPointsSM credit card, double CompassPoints[®], mortgage financing, consumer loans, brokerage services and more.

Scholarship Programs

In an effort to support academic achievement, two scholarship programs are made available to dependent

children of BBVA Compass employees — the BBVA Compass Passion for Education Scholarship and the Harry B. Brock, Jr. Scholarship Program at Samford University.

Wellthy for Life Wellness Program

Wellthy for Life is comprehensive wellness program that offers a wide range of tools and resources designed to enhance the health and overall quality of life of BBVA Compass employees and their families. All programs are available at no cost to participants.

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

HR Communications

In communicating with employees, Human Resources (HR) aims to underscore its role as an advocate. The HR brand of “4U...fromHR :)” was developed to demonstrate BBVA Compass' identity as a “by people for people” organization. The tagline and symbols of the HR brand emphasize the open, transparent channels of communication that exist between the issuer (HR) and the employee recipient (4U).

HR communications consist of three categories:

- **Passion for People** – New in 2009, Passion for People programs are the way in which BBVA's vision and seven corporate principles are brought to life. Initiatives communicated under this category include employee benefits, reward and recognition programs, health and wellness programs, and employee banking perks.
- **Growth & Development** – BBVA Compass is committed to the ongoing development and effective deployment of employee talents. Communications in this category relate primarily to career development, e-learning opportunities and other Talent Management and Training initiatives.
- **Practices & Programs** – HR is responsible for developing, implementing, administering and supporting many of BBVA Compass' policies, practices and programs. Topics related to the code of conduct, employee handbook and manager manuals are examples of communications that may be delivered in this category.

Recognizing that consistent and reliable communications are vital to developing an engaged workforce, a full-time position dedicated to human resource communications was added to the team.



Responsible Procurement

8,430
BBVA Compass Suppliers

Procurement Model and Policy

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 the bank to expand category coverage and continuing to secure verifiable, hard-dollar savings.

BBVA Compass' procurement model closely follows the structure developed by our parent company BBVA, as well as industry best practices. In addition, Supply Chain Management partnered with The Office of Diversity in Corporate Responsibility to assess minority supplier and sustainable procurement programs.

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.

Responsible Projects with Suppliers

Supplier Diversity

In 2009, Supply Chain Management and Corporate Responsibility benchmarked the best practices of U.S. industry leaders and peer banks to evaluate supplier diversity programs. As a result, BBVA Compass will be implementing a supplier diversity initiative in Third Quarter 2010 that encourages the use of historically underutilized businesses. It is a critical way to build our organization's reputation and support in a community while helping members of the community build wealth and stability. Diversity initiatives in 2009 included partnerships with distributors of remanufactured toner as well as various building maintenance service providers.

Use of Local Suppliers

BBVA Compass has several partnerships with local suppliers in our major markets, with local being defined as within our organization's footprint. In Houston, BBVA Compass worked with an architectural firm that will be collaborating with us to design prototype buildings that are more environmentally friendly and are LEED certified. In Birmingham, BBVA Compass utilizes a copier distributor responsible for servicing and distributing copiers to all



BBVA Compass locations. Additionally, BBVA Compass conducts business with a sign manufacturer as well as construction contractors in our major markets. Factors that influence supplier selection include quality of product/service, competitive price, ability to meet specific service levels, among others.

Procurement and Management Tools

BBVA Compass utilizes an eProcurement tool to manage transactions of various goods and services across the organization. This tool permits the organization to identify spending trends and improve efficiency levels with key suppliers. Additionally, a contract management tool is utilized to store and manage the organization's contracts in a manner that provides Supply Chain Management a more holistic view.

Awareness Building Initiatives

Partnering with companies that value sustainability and social responsibility

BBVA Compass' contracted office supply company was recognized by *Newsweek* in 2009 as being one of the greenest big companies in America. With this expertise accessible to us, the Supply Chain Management and Corporate Responsibility and Reputation departments partnered with this noteworthy office supply company to conduct environmental learning events in Houston and Birmingham, Ala. The learning events were designed to inform employees of methods they can use to be more environmentally conscious around the office and at home. A showcase was provided of eco-friendly products for employees to see and test. In addition, a personal cell phone collection was held in conjunction with these eco-events.



Environmental Management and Climate Change

85.54

kilos paper used per employee

2,256

pieces of equipment recycled

4,142

Video Conferences

49

Telepresences

The BBVA Global Eco-efficiency Plan 2008-2012

BBVA Compass is making progress toward full implementation of the 2008-2012 Group Eco-efficiency Plan with updated infrastructure for data tracking and management planned for 2010 — along with the creation of programs that will result in cost savings while 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.

Beginning in 2009 and continuing through 2010, Supply Chain Management and Corporate Responsibility is working 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 Group's Global Eco-efficiency Plan as follows:

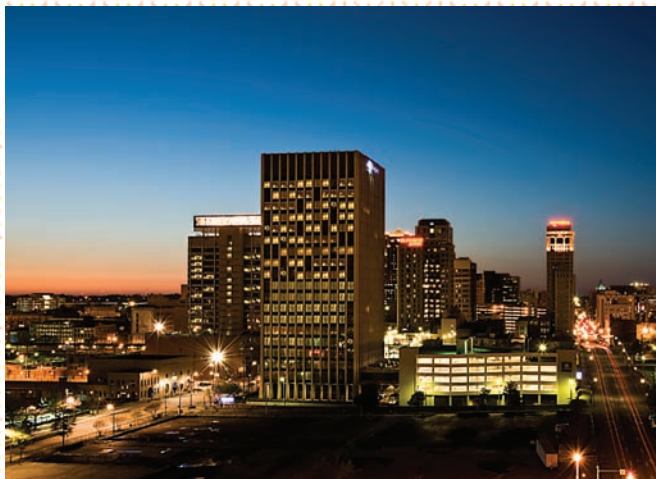
- Separation and recycling of solid urban waste and hazardous waste

- 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

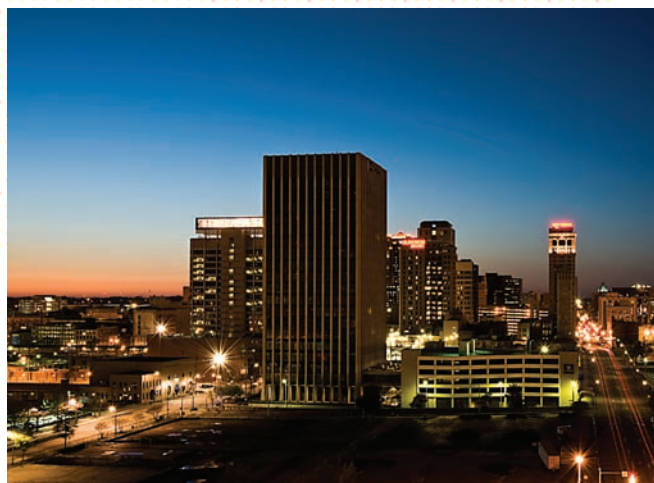
In 2009, the Office of Environment & Natural Resources within Corporate Responsibility and Reputation developed a program to increase the number of employees voluntarily pursuing the objectives of the Global Eco-efficiency Plan through the formation of volunteer "Green Teams" and through collaboration with Supply Chain Management. Green Teams will launch companywide in 2010.

Conservation

BBVA Compass has a comprehensive energy management program, which is the cornerstone of any



Earth Hour – On Saturday, March 28, 2009, Supply Chain Management partnered with The Office of Environment and Natural Resources in Corporate Responsibility and Reputation to encourage our employees and suppliers to participate in Earth Hour, the world's largest global climate change event. By simply turning out all non-essential lighting for one hour at our landmark buildings, we joined the BBVA Group and millions of concerned citizens throughout the world in calling for action to save our planet for future generations.



sustainability and emission reduction program. This program includes initiatives to reduce consumption and travel.

Technology vs. Travel

BBVA Compass is investing in technology in order to reduce business travel. We added telepresence capabilities with 49 uses in 2009 and hosted 4,142 video conferences. In 2009, we traveled 15,657,494 km by car and 17,690,440 km by plane.

Electricity

In 2009, we launched an initiative to install programmable thermostats in our banking centers; hence, standardizing to a single, high-quality programmable thermostat that is easy to understand for facility managers and technicians. This keeps all locations programmed with the corporate standard operating set points for occupied and unoccupied times and temperatures for peak performance and energy conservation. This process is 90-percent complete.

Water

In 2009, we installed 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 replaced outdated rain gauges for enhanced performance.

Solid Waste

In 2009, BBVA Compass consumed 1,037,716 kg of paper with an average of 10 percent recycled input material. In addition, we recycled more than 1,274,160 kg of paper. The difference in the amount recycled and the amount consumed can be explained by the brand change, which happened in January 2009 in Alabama, as well as the movement of employees. In addition, 2,256 pieces of equipment were recycled.

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.

→ Air Travel

Lower than 500 km	1,601,468 km
Between 500 and 1600 km	10,650,644 km
More than 1600 km	5,438,328 km
Total	17,690,440 km

→ Car Travel

Car Travel	15,657,494 km
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Community Involvement

\$4.59

donated by
BBVA Compass Foundation
(volume in million USD)

\$2.2

donated by
BBVA Compass employees
(volume in million USD)

80,470

hours volunteered
by BBVA Compass
employees

Community Giving

Each community has unique needs and opportunities. BBVA Compass is proud to support the communities it serves throughout the U.S. with financial support and the time and expertise of our employee volunteers. A commitment to the quality of life and development of the communities in which we operate is at the core of our business practices and is one of our organization's foundational principles: "Corporate social responsibility as an intrinsic part of development. This commitment drives BBVA Compass' actions in a variety of ways.

BBVA Compass Foundation

The BBVA Compass Foundation provides charitable grants to many qualified non-profit organizations – a long and proud tradition of the many banks that came together to create the organization we are today. The Foundation considers grant requests from non-profit organizations serving the neighborhoods and communities where we have a presence, including those in Alabama, Arizona, California, Colorado, Florida, New Mexico and Texas. In 2009,

more than \$4.59 million dollars was donated through this Foundation to support endeavors in a variety of focus areas.

→ Distribution of Foundation Resources by Focus Area

Education	\$ 935,369
Community Development	\$ 1,085,272
Environment & Natural Resources	\$ 25,404
Arts and Culture	\$ 754,356
Health and Human Services	\$ 1,770,520
Humanitarian Aid	\$ 23,830
Other	\$ 945
Total	\$4,595,696

Reading Counts

In addition to piloting a financial literacy program, BBVA Compass is developing a signature reading program aimed at improving educational opportunities for

Health & Human Services: *Healthy Happy Kids*

At BBVA Compass, we strive to find meaningful ways to make our communities better places to live and work. In 2009, BBVA Compass partnered with the University of Alabama at Birmingham's Minority Health and Health Disparities Research Center to expand its Healthy Happy Kids program – a hands-on afterschool initiative that empowers children to make healthier food choices and, in turn, teach their parents and families – into Hispanic communities in Birmingham, Ala. Through a \$30,000 grant from BBVA Compass, the Healthy Happy Kids program was expanded with Spanish-language materials and other culturally appropriate components.



Corporate Responsibility and Reputation Manager Joye Hehn poses with students participating in the Healthy Happy Kids program.

Jameko Thomas, executive assistant to Montgomery (Ala.) City President Bruce Crawford, participates in a clean-up day at Chisholm Elementary School – a public school in a low-income area of Montgomery, Ala.

disadvantaged students in grades kindergarten through third. The program, Reading Counts™, will launch in 2010.

Employee Involvement

BBVA Compass Charity was founded on the premise that each of us has a civic obligation to share a small portion of our earnings to benefit those who are less fortunate and to help make life better in a variety of ways. Through this program, our employees donated more than \$2.2 million to many worthy causes across our footprint. Employees participate in this program through payroll deduction.

BBVA Compass Volunteers is a service organization solely dedicated to volunteerism in schools, food banks and many other non-profit agencies – as well as participation in community fundraisers such as walks, runs and rides.

Through such activities, BBVA Compass Volunteers encourages all employees to be directly involved in their communities. These service opportunities provide a valuable outlet for employees to express their passion for people by helping those around them in practical and meaningful ways.

In 2009, BBVA Compass employees contributed 80,470 hours of volunteer service across our footprint. These volunteer hours were given by employees, both as individuals and in teams, on the bank's behalf. In all, more than 900 employees reported volunteer activity on more than 16,300 initiatives.

→Employee Volunteerism

Project	Volunteer hours
Educational projects	7,919
Social and Economic Development projects	27,222
Health projects	8,531
Social welfare programs	14,733
Humanitarian aid projects	806
Environmental projects	952
Art, culture and sports projects	16,552
Others	3,755
Total	80,470



BBVA Compass Volunteers pose together behind our table at the Tour de Pink in Houston.

BBVA Compass Volunteers teamed up with Rebuilding Together Houston to revitalize the homes of the deserving elderly.



BBVA Compass Volunteers in Birmingham collected donations for the Pathways women's shelter.



BBVA Compass representatives participated in Trautmann Elementary's Career Day in Laredo, Texas.

At Texas A&M International University, BBVA Compass underwrites a professorship in International Finance.



Feeding America: BBVA Compass' Holiday Service Project

Of particular note was BBVA Compass' first annual holiday service project, which was conducted in conjunction with our 2009 holiday greeting card. In addition to a monetary donation to the Feeding America food bank network, BBVA Compass Volunteers throughout our seven-state footprint volunteered at their local food banks during the holiday season. The teams also presented each of their individual food banks with a financial gift – with the total contribution across the footprint amounting to more than \$153,000. This funding translates into approximately 10 tractor trailers full of food. With the combination of our monetary commitment and the enthusiasm of our employees willing to volunteer their time, the initiative was an exciting opportunity that allowed our organization to witness the impact that the BBVA Compass Volunteers program can make in our local neighborhoods and communities.



We wish you a joyous holiday season. May peace, happiness and prosperity be yours for the coming new year.



Top Left:
Denver, Colorado
Top Right:
Houston, Texas
Middle:
Birmingham, Alabama
Right:
Riverside, California

FEEDING AMERICA
Hunger is a reality for many Americans, even in our own backyards. BBVA Compass is committed to our communities and is proud to support Feeding America, the national network of local food banks. So please join us during this time of giving to help in the fight to end hunger here at home. www.feedingamerica.org



Diversity and Inclusion

At BBVA Compass, supporting diversity in all of our relationships – those with customers, suppliers, our fellow employees and members of our communities – is just one way that our organization demonstrates its commitment to corporate responsibility.

Throughout 2009, BBVA Compass took steps forward in advancing diversity and inclusion best practices in the workplace through benchmarking and by supporting a diverse selection of organizations across our footprint.

Benchmarking

Senior leaders engaged in conversations around diversity and inclusion (D&I) and assessed the current status of D&I activity in the three core areas of Human Resources, Supply Chain Management and Community Involvement. Benchmark analysis revealed that BBVA Compass has room for improvement with regard to best practices and increased policies in order to be in line with its peers.

→ Contracts by gender (percentage)

	2009		
	Men	Women	Total
United States			
Permanent or regular full-time	31.81	68.19	91.45
Permanent or regular part-time	17.60	82.40	8.45
Temporary	30.77	69.23	0.10
Others	0.00	0.00	0.00

→ Workforce: Breakdown by gender and average age (in years) (Percentage)

Gender Totals		2009			
		Average age		<25	25-45
Men	Women	Men	Women		
4,721	11,046	38.4	39.1	11.15	55.96

Total: 15,767*

*Total number of employees employed by BBVA Compass in 2009 – active and terminated.



BBVA Compass employees and their families participated in a guided tour of the Freedoms Sisters exhibit at the Birmingham Civil Rights Institute.



Human Resources

Based on the results of the benchmarking process, a plan to address potential programs and progress measurement will be developed for 2010 and beyond.

To continue to make progress in the area of Human Resources, the following goals were set for 2010:

- Participate in benchmarking surveys and awards related to Diversity & Inclusion (D&I)
- Develop a more formalized D&I education plan for all employees and create an implementation plan with the Human Resources team

A competitive strength for BBVA Compass is our organization's commitment to women in leadership roles. In 2009, awards and recognition were given to:

- **Shelagh Michael Brown**, Head of Retail Banking – One of *U.S. Banker* magazine's "25 Most Powerful Women in Banking"
- **Isabel Goiri**, Chief Financial Officer – Named 2009 "CFO of the Year" by the *Birmingham Business Journal*

Procurement

The D&I benchmarking study indicated the need to launch a formal supplier diversity program for the BBVA Compass organization. While our organization engages in business with minority suppliers, creating an official program is a strategic priority for 2010.

Community Involvement

BBVA Compass employees continue to be passionate volunteers and strong advocates for our organization's vision of working for better future for people. Employees gave of their time as individuals to various organizations, including those that specifically address the needs of legally protected classes and of acknowledged minority communities. Some examples are:

William Mann Jr. Community Development Corporation: An organization that supports economic development initiatives by providing financing for small minority- and women-owned businesses located in low- to moderate-income areas.

Six Non-Profit Organizations Received Grants During National Women's History Month

On a corporate level, BBVA Compass celebrated Women's History Month in 2009 by featuring profiles on several of our female executives and their chosen charities – each of which received a financial gift of \$10,000. Through their programs and initiatives, these charities empower women and young girls – thus providing them more opportunities in their lives. The charities, listed below, received their checks from their female executive sponsor at an afternoon tea at BBVA Compass' Corporate Headquarters in Birmingham.

- National Coalition of 100 Black Women
- YWCA of Houston
- The Women's Fund of Greater Birmingham
- Birmingham Civil Rights Institute Heritage Alive
- YWCA of Central Alabama
- Birmingham and Houston chapters of the National Association of Women Business Owners



Links Incorporated: This organization works to preserve the culture and economic survival of African Americans and other persons of African ancestry.

Human Rights Campaign: The Human Rights Campaign works to achieve equality for gay, lesbian, bi-sexual and transgender Americans.

Special Olympics: Special Olympics provides year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities.

Hispanic Bankers Association: An organization that promotes the banking and financial services industry to Hispanic individuals as customers and encourages them to pursue career opportunities within the industry.

Hispanic Women's Network of Texas: An organization that promotes the advancement of Hispanic women and young girls in public, corporate and civic life.

Birmingham Chinese Festival: An event that supports the fostering of good relations between the local ethnic Chinese population and the Birmingham, Ala., community.

Future Plans

In 2010, BBVA Compass plans to continue its leap forward with regard to diversity and inclusion in its three areas of focus – Human Resources, Supply Chain Management and Community Involvement.

Our goals for the future include:

- A diversity scorecard for our organization
- The creation of a supplier diversity program
- Collaboration with Human Resources on the creation of a diversity recruiting plan
- Extension of domestic partner employee benefits
- Extending diversity and inclusion training to our employees
- Collaboration with volunteer chapters to create volunteer activities aimed at diversity and inclusion initiatives



CRR Manager Fiona Dawson speaks on diversity and inclusion issues at Human Rights Campaign (HRC) events across the U.S., including the Houston event pictured here. She is also a member of HRC's National Board of Governors and was the 2009 female grand marshal of the Houston Pride Parade.



Diversity Spotlight



Beth Williams, CEO, Roxbury Technology Corporation

Roxbury Technology Corporation, an African American- and woman-owned vendor, supplies BBVA Compass with printer toner and ink cartridges through our relationship with Staples®.

Roxbury's founder, Archie Williams – whose dream was to provide jobs and economic development to one of

Boston's most neglected neighborhoods – was poised to open a manufacturing plant in January 2003. When he died unexpectedly on Thanksgiving Day in 2002, his daughter, Beth Williams, left her job as director of business diversity at Blue Cross/Blue Shield and stepped into her late father's shoes as president and CEO.

"My father believed that business was important to the social development of a community," Williams said in an interview with Color Magazine. "People needed jobs and the opportunity to learn a skill, but there were no jobs in the city. His solution was to create them through establishing businesses here, and that's the legacy I grew up with."

By 2004, Roxbury had built its first manufacturing plant and started producing 100,000 cartridges annually. Under Williams' guidance, the company has experienced doubledigit growth and received awards and positive press for its successful, socially conscious approach to business.

Today, Roxbury is one of Staples' strategic diversity partners and its preferred diversity supplier of remanufactured toner and ink imaging supplies.

BBVA Compass' Director of Supply Chain Management Melodi Morrisette said, "Through our partnership with Staples, we are pleased to support Roxbury not only for supplying quality products at a competitive price but also in contributing to BBVA Compass' supplier diversity initiatives."





Global Compact and Millennium Development Goals

Global Compact

In 2002 the BBVA Group subscribed to the United Nations Global Compact, an international initiative designed to encourage institutions to adopt a voluntary commitment in corporate responsibility through ten principles based on human, labor and environmental rights and the fight against corruption. The organizations that have joined this initiative undertake to incorporate these principles into their business strategy.

In 2004 four of the Group's banks joined the Compact: BBVA Banco Francés, BBVA Bancomer, BBVA Colombia and BBVA Banco Continental. In addition, BBVA has sat on the Executive Committee of the Spanish Global Compact Association (ASEPAM) since it was founded in 2004.

Since 2005, it is the only financial institution that has participated actively through the Compliance area in the United Nations working group designed to improve the implementation of Principle 10 of the Global Compact. According to this principle, "Businesses should work against corruption in all its forms, including extortion and bribery." This sub-group analyzes the measures adopted by various multinationals to guarantee that the anti-corruption policies

and practices are applied to their subsidiaries, suppliers and subcontractors. In 2009, the Group has participated actively in preparing the United Nations Global Compact Reporting Guidance for the 10th principle against corruption.

Millennium Development Goals (MDGS)

In 2009 BBVA has continued to work towards the achievement of the eight Millennium Development Goals (MDGs). This initiative is included in the UN Millennium Declaration and establishes 2015 as the target date for achieving the eradication of poverty, universal primary education and environmental sustainability, among other goals. BBVA is fully committed to this challenge through its business activities and campaigns to spread knowledge, raise awareness and promote these goals. It is a founder member of the Corporate Reputation Forum. Through its campaign 2015: Un mundo mejor para Joana (2015: a better world for Joana), the forum spreads knowledge of the actions undertaken so far to tackle this major challenge.

→ BBVA and The United Nations Global Compact

Categories	Principles	GRI Indicators
Human rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	LA4, LA 7-8, LA13-14, HR 1-2, HR 4-7, S05, PR1
	Principle 2 - Businesses should make sure they are not complicit in human rights abuses.	HR 1-2, HR 4-7, S05
Labor	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA 4-5, HR 1-2, HR5, S05
	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR 1-2, HR7, S05
	Principle 5 - Businesses should uphold the effective abolition of child labor.	HR 1-2, HR6, S05
	Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA 13-14, HR 1-2, HR4, S05
	Principle 7 - Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, EN30, S05
Environment	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility.	EN 1-4, EN8, EN 11-12, EN 16-17, EN21, EN26, EN28, S05, PR3
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, S05
	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	S0 2-5
Anti-corruption		

Source of the correspondences between Global Compact principles and GRI indicators: draft of the report "Making the Connections by GRI and Global Compact." (www.globalreporting.org)

→ The Millennium Development Goals

Millennium development goals	Main BBVA initiative ⁽¹⁾
1. Eradicate extreme hunger and poverty	BBVA Microfinance Foundation BBVA Codespa Microfinanzas (microfinance hedge fund for Latin America) BBVA Foundation Frontiers of Knowledge awards for Development Cooperation
2. Universal primary education	BBVA Community Investment Plan for Latin America CRR Strategic Plan
3. Gender equality	Agreement on equal opportunities and the reconciliation of work and family life BBVA Microfinance Foundation
4. Reduce child mortality	No specific initiatives
5. Improve maternal health	No specific initiatives
6. Combat HIV/AIDS	Research project for controlling malaria monitored by the World Health Organization (WHO)
7. Environmental sustainability	Management of indirect environmental impact through the Equator Principles Design of products and services according to environmental criteria Global Eco-efficiency Plan (PGE) BBVA Foundation Frontiers of Knowledge awards in Climate Change, Ecology and Conservation Biology
8. Develop a global partnership	fRC campaign for disseminating the Millennium Goals

(1) The foremost initiative is highlighted for each goal.





Report Criteria

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

BBVA has developed and disseminated annual corporate responsibility reports since 2002. The 2008 report includes information for the entire BBVA Group, as defined in the Annual Report for 2008, including comparative data for 2006 and 2007 and an indication of the scope of the report. 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 Group report are listed below:

- The relevant issues have been rearranged in line with the current economic and financial context.
- The information in each chapter is supplemented with additional information on the CRR website, which also features illustrative videos intended to provide a more direct channel of communication with stakeholders.

- The scope of information has been extended to include data from BBVA Compass (USA) wherever possible. The data about Puerto Rico for 2008 are again included under Latin America.

When deciding upon the relevance and materiality of the content to include, special attention was given to the opinions of leading stakeholders, extending the engagement process in line with the recommendations of the *Sustainability Reporting Guidelines (version 3, 2006)* of the *Global Reporting Initiative (GRI)* and the new *AA 1000 APS (2008) AccountAbility 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 Group to assess the validity and relevance of these matters in the context of the present crisis.

The Group report is supplemented by the *Financial Report 2008* and by the information available via BBVA's website, www.bbva.com.

Basic References and International Standards

In developing the 2008 Group report we applied the most widely recognized international standards and best practices, including the principles and requirements of the *Global Reporting Initiative (GRI G3)*, taking into account both core and financial sector indicators. *GRI* has rated

BBVA as “in accordance” since 2003 and as A+ since 2006. The report also complies with the new AA1000 standard for reporting on the implementation of principles as follows:

- Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability
- Relevance: determination of what topics are relevant to BBVA and its stakeholders, aligned with decision-making processes and organization strategy
- Responsiveness: how BBVA responds to relevant issues raised by stakeholders

Also reported are BBVA’s actions regarding the United Nations Millennium Development Goals and its response to the Progress Report 2008 regarding compliance with the principles of the UN Global Compact, following the guidelines of the GRI and the Global Compact in “*Making the connections.*”

Rigor and Verification

BBVA has areas for systematizing and managing information to provide a sound source of content. These areas are reviewed, verified and audited (internally and externally). A plan of action is then crafted to ensure that the recommendations arising from review processes are implemented.

→ GRI Indicators

Profile

Profile	
1. Strategy & Analysis	Pages
1.1 Statement from the CEO and chairperson.	3
1.2 Description of key impacts, risks and opportunities.	6-11
2. Organizational profile	
2.1 Name of the organization.	5
2.2 Primary brands, products and/or services.	4-5
2.3 Operational structure of the organization.	4
2.4 Location of organization's headquarters.	5
2.5 Number of countries where the organization operates.	5
2.6 Nature of ownership and legal form.	5
2.7 Markets served.	4-5
2.8 Scale of the reporting organization.	5
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	5
2.10 Awards received in the reporting period.	51
3. Report Parameters	
Report Profile	
3.1 Reporting period for information provided.	2, 46-47
3.2 Date of most recent previous report (if any).	2, 46-47
3.3 Reporting cycle (annual, biennial, etc.).	2, 46-47
3.4 Contact point for questions regarding the report or its contents.	56
Report Scope and Boundary	
3.5 Process for defining report content.	10-11, 46-47
3.6 Boundary of the report.	2, 46-47
3.7 State any specific limitations on the scope or boundary of the report.	2, 46-47
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, 46-47
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, 17, 35, 36, 41, 46-47
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	8, 9
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	46-47
GRI Context Index	
3.12 Table identifying the location of the Standard Disclosures in the report.	48-50
Assurance	
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	46
4. Governance, Commitments and Stakeholder Engagement	
Governance	
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.	4-5
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	11

→ GRI Indicators

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).	Pages 26-27, 40
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.	6-9
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.	6-9
Commitments to External Initiatives	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	8
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	9, 34-35, 36-39, 45
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	9
Stakeholder Engagement	
4.14 List of stakeholder groups engaged by the organization.	10-11
4.15 Basis for identification and selection of stakeholders with whom to engage.	10
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	10-11
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	10-11

→ Disclosure on Management Approach/Core Indicators

Economic Performance Indicators	Pages
Disclosure on Management Approach	5, 32
Economic Performance 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.	5
Market Presence EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	32 26
Environmental Performance Indicators	
Disclosure on Management Approach	34-35
Materials EN1. Materials used by weight or volume. EN2. Percentage of materials used that are recycled input materials.	34-35 35
Emissions, effluents and waste EN22. Total weight of waste by type and disposal method.	34-35
Social Performance Indicators: Labor Practices and Decent Work	
Disclosure on Management Approach	26-31
Occupational Health & Safety LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	28, 31
Human Rights Performance Indicators	
Disclosure on Management Approach	9
Non-discrimination HR4. Total number of incidents of discrimination and actions taken.	9
Society Performance Indicators	
Disclosure on Management Approach	12-15
Community SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impact of operations on communities, including entering, operating, and exiting.	
Product Responsibility Performance Indicators	
Disclosure on Management Approach	20-21
Marketing Communications PR6. programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	14

→ Financial Service Sector Supplement

Society Performance Indicators	Pages
Disclosure on Management Approach	16-19
Community FS13 Access points in low-populated or economically disadvantaged areas by type. FS14. Initiatives to improve access to financial services for disadvantaged people.	16-19 19
Product Responsibility Performance Indicators	
Disclosure on Management Approach	22-25
Marketing Communication FS16 Initiatives to enhance financial literacy by type of beneficiary.	16-17



Prizes and Awards

2009 Awards List

- Shelaghmichael Brown, SEVP and Head of Retail Banking, earned a prestigious spot as one of the 25 Most Powerful Women in Banking in an annual list published by *U.S. Banker* magazine. Brown ranked #22 among the nation's elite women bankers.
- Isabel Goiri was named 2009 CFO of the Year by the *Birmingham Business Journal*.
- Ken Milhorne (2nd), Forest Suber (4th), and Brian Kaelin (15th) were named to the *Bank Investment Consultant's* list of Top 20 Retail Bank Investment Managers.
- *The Banker* magazine awarded BBVA Compass the "Innovation in Delivery Channel Technology" award for the BBVA Compass Virtual Banker.SM
- The United States Small Business Administration (SBA) selected BBVA Compass as the top 7(a) Lender of the Year for large banking large institutions for the federal fiscal year.
 - For the fiscal year 2009, BBVA Compass ranked third nationally in SBA 7(a) loan volume.
 - For the fiscal year 2009, BBVA Compass ranked fourth nationally in SBA 504 loan volume.
- *InvestmentNews* named BBVA Compass-owned registered investment advisor Capital Investment Counsel, Inc. (CIC) a Registered Investment Advisor (RIA) Giant and included CIC on its annual list of the Top 50 RIA's based on discretionary assets under management.
- BBVA Compass was featured among the top 100 places to work in the Dallas metro area, according to *The Dallas Morning News's* first annual Top Workplaces 2009 list.



→ BBVA 2009 Compass Goals & Status

Goal	Status
Corporate Responsibility Policy	
Establish BBVA Compass CRR Department.	100%
Establish BBVA Compass CRR Committee and hold first full meeting.	50%
Develop plan for redesigned BBVA Compass CRR programs and policies with approval from CRR committee.	100%
Implement regular reporting to the CRR Committee.	25%
Draft 2009 CR Annual Report for BBVA Compass (verified).	90%
Stakeholder Engagement	
Conduct stakeholder engagement study.	100%
Launch reputation tracking via RepTrak.	100%
Collaborate with Global CRR team to expand communication and distribution of relevant information related to BBVA Groups' work in the areas of CRR to U.S. stakeholders.	100%
Commit to keeping U.S. employees informed on a broad range of CRR activities across the U.S. footprint, including volunteerism, charitable giving, diversity and environmental initiatives.	100%
Launch Phase I of the BBVA Compass CRR Internet content – including online application for community investment requests.	100%
Launch Phase I of BBVA Compass CRR Intranet content – including tools to encourage employee volunteerism and community support.	50%
Customer Focus	
Launch new brand promise focused on offering quality products and services tailored to meet customers' individual needs.	100%
Financial Inclusion	
Launch pilot Financial Literacy initiatives in select BBVA Compass markets.	100%
Collaborate with BBVA Compass CRA team to develop and launch a full Financial Literacy program that supports CRA goals.	100%
Develop proposal for launch of BBVA Compass' Adelante Education Support Program in 2010.	25%
Sign onto local partnerships for banking the unbanked via "Bank on" initiatives.	25%
Develop pilot programs with Community Development Financial Institutions (CDFIs) in BBVA Compass footprint to provide access to capital for low income communities, including affordable housing development and small business finance.	75%
Responsible Finance	
Work with risk management team at BBVA Compass on adoption of Defense Sector Finance Policy.	25%
Other Responsible Products and Services	
Launch Compass for Your Cause SM product.	100%
Responsible Management of Human Resources	
Launch BBVA Groups' initiative Passion for People, which is focused on employees' active participation and feedback in the organization's internal value proposition.	100%
Launch <i>Wellthy for Life</i> employee program.	100%
Launch new employee benefits.	100%
Conduct benchmark analysis for diversity policies and best practices at competitor banks.	100%
Responsible Procurement	
Assist supply chain management team with assessment of minority supplier and sustainable procurement programs.	100%
Environmental Mangement and Climate Change	
Contribute to the advancement of specific objectives in the Global Eco-efficiency Plan (GEP).	100%
Increase the scope in the number of employees voluntarily pursuing the objectives of the Global Eco-efficiency Plan (GEP) through the formation of green teams.	100%
Develop pilot of program for company-wide environmental sustainability activities.	100%
Community Involvement	
Using deep assessment of current practices and benchmark analysis, launch Phase I of redesigned programs for the following: – Corporate charitable contributions – Employee giving – Corporate volunteer program	100%
Initiate BBVA Compass support of diverse groups and communities.	75%
In partnership with the Marketing Department, commit to approved plan for managing BBVA Compass sponsorships.	75%
Corporate Volunteer Program	
Redesign and relaunch BBVA Compass volunteer program with executive support and grassroots leadership in major markets; develop plan for launch in smaller markets.	50%
Collect, track and report volunteer service hours and activities; provide special reporting for CRA team as needed for regulatory purposes.	100%

→ BBVA Compass Goals 2010

Corporate Responsibility Principles and Policy

Hold a total of 2 sessions of the CRR Committee.
 Appear before BBVA Compass Board of Directors, National Advisory Board and Management Committee as needed.
 Publish 2009 CR Report with support from Deloitte.
 Begin CRR reporting on a semi-annual basis.
 Launch of Office of Responsible Practices within CRR.

Stakeholder Engagement

Create corporate responsibility plans by state that include stakeholder engagement elements.
 Incorporate CR into employee satisfaction survey.
 Continue reputation tracking via RepTrak.
 Keep U.S. employees informed on CRR activities and programs via multiple channels.

Financial Literacy

Launch Office of Financial Education within CRR.
 Reach 1,000 children with ABA Education Foundation financial literacy curriculum.
 Reach 2,000 adults with FDIC Money Smart financial literacy curriculum.
 Launch financial literacy partnerships with at least one NGO in the seven states served by BBVA Compass retail branches.

Financial Inclusion

Expand partnerships with CDFIs to include grant support and concessionary credit as appropriate.
 Launch involvement in U.S. microfinance and CDFI trade associations and gatherings.
 Expand partnerships for banking the unbanked via "Bank On" initiatives.

Customer Focus

Support the launch of FTHB mortgage product, Build My Savings product, and Smarty Pig alliance.
 Support innovative outreach to NGOs for Compass for Your Cause product.
 Foster alternative information and access channels for banking services including online, mobile and social media.
 Support product development at BBVA Compass to incorporate CR principles and policies into products as appropriate.

Responsible Finance

Implement BBVA Group policies on Equator Principles and Defense Sector Finance.
 Collaborate with Risk Management on reputation risk as needed.

Responsible Management of Human Resources

Collaborate with HR on launch of Office of Diversity and Inclusion.
 Expand domestic partner benefits to LGBT employees.
 Re-launch Associates Program to add management trainees to the workforce.
 Support expansion of talent management and training offerings to employees.

Responsible Investment

Introduce WMG to BBVA Group opportunities in SRI pools.

Responsible Procurement

Implement supplier satisfaction survey organized by BBVA Group.
 Launch Supplier Diversity program within Procurement and set initial goals.
 Support the use of environmentally-friendly office products, the building/leasing of LEED certified facilities and the use of utilities using renewable energy sources.

Environment and Natural Resources

Launch Office of Environment and Natural Resources within CRR.
 Contribute to the advancement of specific objectives in the Global Eco-Efficiency Plan.
 Participate in Earth Hour, including signature buildings in major markets.
 Reduce consumption in CO₂ emissions, paper, water and energy.

Community Involvement

Launch Office of Community Giving and Office of Employee Involvement within CRR.
 Re-launch BBVA Compass Foundation giving with new guidelines, focus areas and processes.
 Launch online portal for BBVA Compass Foundation application.
 Launch online portal for BBVA Compass Volunteers.
 Launch online portal for BBVA Compass Charity (employee giving via payroll deductions).
 Re-launch BBVA Compass Volunteers in major markets with signature programs.

Diversity

Launch Office of Diversity and Inclusion within CRR.
 Adopt CEO Statement on Diversity.
 Build employee awareness on diversity and inclusion via CRR intranet articles, publications and events.
 Conduct best practices research on diversity and inclusion programs for future expansion of offerings.

Responsible Banking

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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