BBVA Compass Bancshares, Inc.

Dodd-Frank Act Company-Run Stress Test Disclosures

March 5, 2015

Overview for Dodd-Frank Act Stress Test ("DFAST") Disclosure

BBVA Compass Bancshares, Inc. (the "Company") is a bank holding company ("BHC") which is a covered company pursuant to the regulations at 12 CFR part 252, as amended (the "DFAST Rules"), issued by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). As required by the DFAST Rules, this disclosure summarizes the annual Company-run stress test results based on the severely adverse scenario which was defined by the Federal Reserve (the "stress test"). In summary, the Company's projected regulatory capital ratios exceed the applicable regulatory minimums as defined by the Federal Reserve for all quarters included in the nine quarter forecasting horizon.

The DFAST Rules define the capital actions which are required to be reflected in this DFAST disclosure. Consequently, this DFAST disclosure does not reflect capital actions that the Company may have proposed in its 2015 Comprehensive Capital Analysis and Review ("2015 CCAR") submitted to the Federal Reserve in January of 2015. The Company will summarize its 2015 CCAR results in a subsequent disclosure after the Federal Reserve publicly discloses such results.

Federal Reserve Severely Adverse Scenario

The Federal Reserve severely adverse scenario (the "scenario") is not a forecast of expected conditions, but is a hypothetical scenario designed by the Federal Reserve to help assess the strength of banking organizations and their resilience to severely adverse economic conditions. Consequently, the scenario depicts economic conditions that are more adverse than expected conditions. The scenario and the related macro-economic variables are available on the Federal Reserve's website (www.federalreserve.gov). In summary, the scenario reflects the economic trends over the nine quarter forecasting horizon beginning the fourth quarter of 2014 and ending the fourth quarter of 2016 (the "planning horizon") and includes the following hypothetical economic trends:

- Rise in oil prices (Brent crude) to approximately $110 per barrel
- Unemployment rate increases by 4% from its level in the third quarter of 2014, peaking at approximately 10% in the middle of 2016
- The level of real gross domestic product falls by approximately 4.5% from the third quarter of 2014 through the end of 2015 and begins to recover thereafter
- House Price Index declines by approximately 25% during the planning horizon
- Commercial Real Estate Price Index declines by approximately 35% during the planning horizon
- Dow Jones Total Stock Market Index falls by approximately 60% from the third quarter of 2014 through the fourth quarter of 2015 and begins to recover thereafter

The DFAST Rules define the following capital assumptions which are reflected in this DFAST disclosure:

- Common stock dividends are assumed to continue at the same level as the previous year
- Scheduled payments on regulatory capital instruments are assumed to be paid
- Common stock repurchases are assumed to be zero
- Issuances of capital instruments are assumed to be zero

Types of Risks Included in the Stress Test

On an ongoing basis, the Company identifies and assesses risks to which it may be exposed. The Company's stress test incorporates these categories of risks, such as the following:

1. *Credit Risk:* the potential that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
2. *Market Risk:* arises from the impact of changes in the interest rate curves or other market variables on the Company's assets and liabilities and net revenue generation.
3. *Liquidity Risk:* refers to the possibility that a company cannot meet its payment commitments without having to resort to borrowing funds under onerous conditions, or damaging its image or reputation.
4. *Operational Risk:* refers to the potential loss resulting from inadequate or failed internal processes, people or systems or from external events. It includes the current and prospective risk to earnings and capital arising from fraud, error and the inability to deliver products or services, maintain a competitive position or manage information. Included in Operational Risk is Compliance and Legal Risk. This refers to the possibility of legal or regulatory sanctions and liabilities, financial loss or damage to reputation the Company may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and good practice standards.
5. *Model Risk:* refers to the possibility that inaccurate or incomplete output is produced or created.
6. *Strategic & Business Risk:* refers to a potential earnings shock due to a reduction in operating income that cannot be offset quickly with adjustments to expenses.

Summary of Methodologies Applied in the Stress Test

The Company's forecasts utilized for the stress test are based on the scenario description and macro-economic variables provided by the Federal Reserve. The Company utilizes this information provided by the Federal Reserve to determine model inputs and to forecast financial statements utilized for the stress test. The Company relies on various quantitative and qualitative analyses, such as the following:

- Regression-based modeling
- Other modeling techniques that utilize historical and expected macro-economic variables
- Historical trend analysis of the Company's results and the results of its banking industry peers

Models utilized in the stress test are subject to the Company's model validation and model risk management processes to mitigate the impact of model risk. After the model estimates and financial forecasts are complete for the scenario, the results are reviewed and challenged by the Company's governance bodies which are dedicated to the stress testing and capital planning related activities. In some instances, this review and challenge process results in overlays or overrides to the forecasts. The Company's policies require that such overlays or overrides be documented and approved by the appropriate governing body.

After the financial forecasts are finalized for the planning horizon, the results are aggregated into quarterly balance sheets and income statements. The Company utilizes the forecasted balance sheet and income statement information to calculate regulatory capital, risk-weighted assets and regulatory capital ratios. The Company then compares the forecasted regulatory capital ratios to the regulatory minimums and internally established guidelines to evaluate capital adequacy.

Summary of DFAST Results (Federal Reserve Severely Adverse Scenario)

The following tables summarize the Company's DFAST results for the Federal Reserve Severely Adverse Scenario for the planning horizon.

BBVA Compass Bancshares, Inc.
Projected Losses, Revenue, and Net Income Before Taxes Through 4Q16

	Billions of Dollars	Percent of Average Assets[1]
Pre-provision net revenue[2]	0.5	0.6%
Other revenue[3]	—	—%
Provision for loan and lease losses	2.4	3.1%
Realized gains (losses) on securities	—	—%
Trading and counterparty losses[4]	—	—%
Other gains (losses)[5]	—	—%
Net income (loss) before taxes	(2.0)	(2.5)%

BBVA Compass Bancshares, Inc.
Projected Loan Losses by Type of Loan 4Q14-4Q16

	Billions of Dollars	Portfolio Loss Rates (%)[6]
Loan losses	2.2	4.4%
First lien mortgages, domestic	0.3	2.0%
Junior lien and HELOCS, domestic	0.1	5.2%
Commercial and industrial, domestic[7]	0.9	5.0%
Commercial real estate, domestic	0.6	7.3%
Credit cards	0.1	16.1%
Other consumer[8]	0.1	4.1%
Other loans	0.2	3.0%

[1] Average assets is the nine-quarter average of total assets.

[2] Pre-provision net revenue includes losses from operational risk events, mortgage repurchase expenses, and other real estate owned (OREO) costs.

[3] Other revenue includes one-time income and (expense) items not included in pre-provision net revenue.

[4] Trading and counterparty losses include mark-to-market and credit valuation adjustments (CVA) losses and losses arising from the counterparty default scenario component applied to derivatives, securities lending, and repurchase agreement activities.

[5] Other gains/losses includes projected change in fair value of loans held for sale and loans held for investment measured under the fair-value option, and goodwill impairment losses.

[6] Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option, and are calculated over nine quarters.

[7] Commercial and industrial loans include small, medium and large-enterprise loans and corporate cards.

[8] Other consumer loans include student loans, automobile loans and other consumer loans.

Note: Totals may not sum precisely due to rounding.

BBVA Compass Bancshares, Inc.
Actual 3Q14 and Projected 4Q16 Risk-weighted assets

		Projected 4Q16	
	Actual 3Q14	Current General Approach	Basel III Standardized Approach
Risk-weighted assets ($ in billions)[9]	62.0	57.0	59.6

BBVA Compass Bancshares, Inc.
Actual 3Q14 and Projected Stressed Capital Ratios Through 4Q16

			Stressed Capital Ratios	
	Regulatory Minimum[10]	Actual 3Q14	4Q16	Minimum During 9Q Forecast
Tier 1 Common ratio (%)	5.0%	11.04%	8.51%	8.51%
Common Equity Tier 1 ratio (%)[11]	4.5%	n/a	8.55%	8.55%
Tier 1 risk-based capital ratio (%)	6.0%	11.25%	8.55%	8.55%
Total risk-based capital ratio (%)	8.0%	13.30%	10.31%	10.31%
Tier 1 leverage ratio (%)	4.0%	9.58%	7.02%	7.02%

For all nine quarters in the planning horizon, the Company's projected regulatory capital ratios exceed the applicable regulatory minimums as defined by the Federal Reserve.

Under the scenario, the Company's Tier 1 Common ratio is projected to decrease 253 basis points during the planning horizon. The projected decrease in the Tier 1 common ratio is primarily due to the projected after tax net loss of approximately $1.2 billion. The projected net loss is primarily due to the projected provision for loan and lease losses of approximately $2.4 billion which is partially offset by projected pre-provision net revenue (PPNR) of approximately $451 million. The hypothetical economic conditions in the scenario resulted in projected credit quality deterioration and projected net charge-offs of approximately $2.2 billion. Under the current general approach, risk-weighted assets are projected to decrease approximately 8.0% during the planning horizon, which is primarily due to net charge-offs and decreases in projected loan growth due to the unfavorable hypothetical economic conditions included in the scenario. The projected decrease of 270 basis points in the Tier 1 risk-based capital ratio is primarily due to the decreases in common capital and Basel III transition provisions, which result in trust preferred securities transitioning out of Tier 1 capital. The projected decrease of 299 basis points in the total risk-based capital ratio is primarily due to the decreases in common and Tier 1 capital. Approximately 50 basis points of the decline is due to a decrease in the portion of subordinated debt that qualifies as capital as these instruments approach maturity. The projected decrease of 256 basis points in the Tier 1 leverage ratio is primarily due to the decreases in common and Tier 1 capital and the projected decreases in leverage assets, which is primarily due to net-charge offs.

[9] For each quarter in 2014, risk-weighted assets are calculated using the current general risk-based capital approach. For each quarter in 2015 and 2016, risk-weighted assets are calculated under the Basel III standardized capital risk-based approach, except for the Tier 1 Common ratio which uses the general risk-based capital approach for all quarters.

[10] Regulatory minimums for the Common Equity Tier 1, Tier 1, and total risk-based capital ratios and the Tier 1 leverage ratio are based on Basel III minimums which are effective for the Company beginning January 1, 2015. The Tier 1 common minimum is based on the Capital Plan Rule (12 CFR 225.8).

[11] The Company is subject to the Common Equity Tier 1 capital ratio beginning January 1, 2015.

Compass Bank
Actual 3Q14 and Projected Stressed Capital Ratios through 4Q16

			Stressed Capital Ratios	
	Regulatory Minimum[10]	Actual 3Q14	4Q16	Minimum During 9Q Forecast
Tier 1 Common ratio (%)	5.0%	10.71%	8.15%	8.15%
Common Equity Tier 1 ratio (%)[11]	4.5%	n/a	8.20%	8.20%
Tier 1 risk-based capital ratio (%)	6.0%	10.76%	8.20%	8.20%
Total risk-based capital ratio (%)	8.0%	12.82%	9.80%	9.80%
Tier 1 leverage ratio (%)	4.0%	9.25%	6.79%	6.79%

For all nine quarters in the planning horizon, Compass Bank's projected regulatory capital ratios exceed the applicable regulatory minimums as defined by the Federal Reserve.

Substantially all of the Company's assets, operating activities and operating results relate to its wholly owned subsidiary, Compass Bank. Therefore, the projected decreases in Compass Bank's regulatory capital ratios are primarily due to the same reasons described above regarding the projected decreases in the Company's regulatory capital ratios. The Company's trust preferred securities, which qualify as Tier 1 capital under Basel I and Tier 2 capital under Basel III, were not issued by Compass Bank or a subsidiary thereof; therefore, these instruments are not included in the Compass Bank regulatory capital ratios.