



Economic Observatory

June 2nd, 2009

Economic Slowdown in BBVA Compass footprint in 2008

(Advance 2008 and revised 2005–2007 GDP-by-State Statistics)

- λ Economic growth in BBVA Compass footprint in 2008 was comparable to the national average
- λ Construction slowdown strongly affected especially to FL and AZ
- λ Expansion of information industry helped the economies of CO, NM and TX
- λ Alabama benefitted from government employment growth as well as professional and technical services expansion

According to the new data released today by the Bureau of Economic Analysis (BEA), in 2008, the BBVA Compass footprint economic growth was 0.7%, similar to the national average. Within the footprint, performance was rather heterogeneous: While Florida and Arizona experienced declines in real GDP in 2008; Colorado, New Mexico and Texas tended to growth faster than the nation. AL's economy grew at similar rate than the national average.

FL and AZ, which benefited from a strong housing market in previous years, were negatively affected by its recent weakness, GDP dropped -1.6% and -0.6% respectively. Contributing to the economic slowdown in these states were declines in the transportation and trade, and finance and insurance industries.

CO, NM and TX economies have taken advantage of the growth of the health care and the information industries as well as the expansion of the professional and technical services. Mining had a very positive contribution to CO's GDP growth, which was 2.9%. Utilities expansion favored growth in NM, 2.0% in 2008, while real estate industry contributed positively to TX economic growth, which was also 2.0%.

AL's economy grew slowly in 2008, as declines in construction and non durable goods manufacturing were slightly more than offset by growth in professional and technical services, government and health care industry.

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Economic Growth. Constant \$ 2000

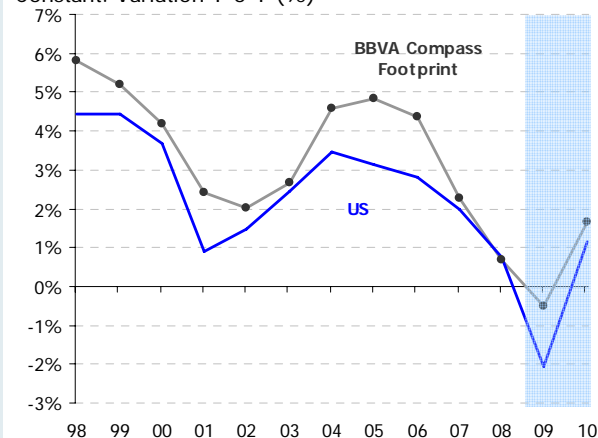
YoY % Change

	2006	2007	2008	BBVA Forecast 2008
AL	2.0	0.9	0.7	0.9
AZ	6.3	1.4	-0.6	-0.3
CO	2.7	2.0	2.9	1.6
FL	4.1	0.0	-1.6	-0.9
NM	2.3	2.0	2.0	1.5
TX	4.9	4.4	2.0	1.9
BBVA Compass	4.4	2.3	0.7	0.8

Source: BEA and ERD BBVA

GDP Growth

Constant. Variation Y-o-Y (%)



Source: BEA and ERD BBVA