

Information on corporate responsibility

2011



Information on Corporate Responsibility 2011

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In 2011 we continued our commitment to the integrated reporting model that BBVA had commenced the previous year. The [BBVA Group's Annual Report](#) comprises the most significant non-financial information for the year.

This online report gives information about BBVA's impact on society, broken down according to the main strategic areas of our CR policy. On this website our stakeholders can find information and discussion forums which we are sure will help them to better understand BBVA, its risks and opportunities, and the impact of its activity in the communities where it operates.



Principles, policies and stakeholders

Our business model based on Return Adjusted to Principles is one of BBVA's clearly distinctive competencies for generating value in a sustained manner over time for all our stakeholders. Hence, our Group continues to make progress with actions based on the pillars of the Strategic CR Plan. The corporate responsibility governance system made huge progress in 2011 when the Group's Management Committee also took on the role of the Corporate Responsibility and Reputation (CRR) Committee, raising these issues to the bank's highest executive body.



Letter from the Chairman

Dear friend,

From a macroeconomic standpoint, 2011 was again a mixed and complex year. Growth in the different regions around the world was uneven and the year was marked by the sovereign debt crisis in Europe.

The global gross domestic product in 2011 increased by 3.9%, boosted by the strength of emerging economies, where BBVA generated 65% of its recurrent net attributable profit. These economies posted an overall sound growth rate of 6.4%. Specifically, the GDP grew by 8.5% in Turkey, 7.4% in Asia (excluding Japan), 6.6% in the main South American countries in which BBVA operates and 3.9% in Mexico. The United States grew by only 1.7% and the European Union by 1.5%, with the EU's growth expectations for 2012 declining as the year advanced.

Europe's sovereign debt crisis had very significant implications, not only due to the difficulties it created for corporations and governments regarding the access to markets, but also because of the debate it generated about the viability of the euro zone and its impact on growth expectations for the world economy.

However, we did see some positive changes in Europe in 2011. First, the adoption of important agreements to strengthen fiscal discipline was reached. Second, countries that went through the biggest difficulties now have new governments. The new administrations are committed to fiscal adjustment and prepared to implement the structural reforms required to ensure future growth.

The European Central Bank's recent actions to inject long-term liquidity into the system have so far helped reduce risk premiums and have contributed to greater stability in the financial markets.

At the same time, the European financial sector is tackling a deleveraging process - which was necessary for several reasons - in response to the new capital recommendations from the European Banking Authority (EBA).

Against this difficult background, BBVA once more demonstrated its capacity to generate recurrent earnings under any scenario and presented a recurrent net attributable profit of €4,015m in 2011, a 12.8% decline versus net attributable profit in 2010. Including the goodwill impairment in relation to our operation in the United States, BBVA's net attributable profit amounted to €3,004m.

In terms of revenues, our diversified position both by business and regions combined with superior management, are behind the growth in net interest income and gross income throughout the year. Overall, revenues exceeded €20,000m for the third year in a row.

Expenses increased by 11% as a result of our strategy of anticipating the new growth cycle. Most of the increase can be explained by the impact of acquisitions in Turkey, Uruguay and Chile, our investment in technology and because of our growth plans in people and branches.

All included, BBVA is once again in a leading position among its peers in terms of profitability and efficiency, with return on equity (ROE) at 10.6%, return on assets (ROA) at 0.8% and an efficiency ratio of 48.4%.

Another important milestone in 2011 was BBVA's excellent management of other aspects greatly affected by the crisis: capital, risk and funding.

BBVA ended 2011 with a capital ratio of 10.3%, calculated according to current regulations. Thus, as of December 31, 2011 it had practically achieved the European Banking Authority's new capital recommendations. Of the €6,300m capital buffer requirement estimated by the EBA for June 2012, BBVA generated €5,300m in the last quarter of 2011, without receiving any public aid, and without altering its dividend policy or selling strategic assets.

Risk indicators remained stable for the eighth quarter in a row. The Group's NPA ratio improved to 4% at the close of 2011 and its coverage ratio stood above 60%, while the risk premium fell again to 1.2%.

Thanks to BBVA's soundness and capacity to generate earnings, the new provisions derived from the Spanish Royal Decree on the financial sector restructuring will be comfortably absorbed in 2012. We estimate their net final impact on our income statement will be around €1.4Bn.

Funding and liquidity were two other key factors in 2011, as the turbulence on the financial markets affected many banks. Nevertheless, and despite the rating downgrades of Spanish sovereign debt, BBVA maintained its access to the markets and ended the year in a comfortable position for 2012.

BBVA also continued to expand in 2011. We completed our investment in Turkey and we are already working closely with Garanti Bank. We also concluded the acquisition of Crédito Uruguay and are now the second biggest bank in Uruguay. Additionally, our stake in Forum was increased to 75.5% thus strengthening our position in Chile's leading vehicle financing company.

Likewise, important steps were taken in the construction of BBVA's new technological platform in Spain, the United States and for the wholesale business. We also inaugurated a new Data Processing Center in Madrid, which has the highest security specifications, as well as a technology-focused office in San Francisco. In addition, BBVA already has several innovation centers in Mexico, Houston and Madrid.

To sum up, in 2011 BBVA once more demonstrated an outstanding capacity to generate earnings that are both recurrent and sustainable, thanks to a strategy based on diversification, prudent risk management and a proactive vision of technology and innovation.

Accordingly, the Board of Directors will submit a total remuneration proposal of €0.42 per share to the Annual General Meeting, the same amount as in 2010. In 2012 we expect to maintain a payment scheme that combines dividends in cash with the "Dividend Option" in shares.

In 2011 there was intense public debate about the behavior of the banking industry and financial activity in society. At BBVA we are "working for a better future for people" and our banking activity follows the principles of integrity, prudence and transparency, based on good practices and with a long-term approach. This is how value generation can be shared with society.

As part of the ongoing process of integrating corporate responsibility into all our activities, in 2011, the Group's Management Committee was entrusted with the functions of supervising and monitoring corporate responsibility policies and plans.

At the same time, we have reaffirmed our commitment to the United Nations Global Compact, in particular to the Millennium Development Goals, as part of our ongoing efforts to integrate corporate responsibility information, which is included in the Annual Report this year.

BBVA Microfinance Foundation continued to expand its activity in 2011. It granted microcredits for an average amount of €1,052 to nearly a million people in Latin America, a 53% increase from the previous year. Over 60% of the beneficiaries are women, and 43% are people on an income of less than 10 dollars per day.

In our commitment to financial literacy, we have already reached 1.3 million beneficiaries through programs in Spain, Latin America and the United States.

In 2011, we also launched the Momentum Project, a new initiative for social entrepreneurs in Spain, helping them to grow through training, mentoring and access to funding sources.

At the BBVA Foundation we continue to be committed to knowledge and innovation, rewarding and supporting projects that improve the well-being of societies in which BBVA develops its business activity.

On top of existing agreements and awards, some with immense importance such as the Frontiers of Knowledge Awards (in their third edition in 2011), new lines of action are also being developed. Among these I would like to highlight the BBVA Foundation program to boost collaboration between the Massachusetts General Hospital Cancer Center and the Vall d'Hebron Hospital in Barcelona on research into tumor biomarkers, a key element in cancer research.

2012 will once again be a year of challenges. We expect high growth rates in emerging markets and a steady economic recovery in the United States. In Europe, although there are positive signs on the horizon, we cannot let our guards down. The affected countries, such as Spain, must reinforce their commitment to austerity and to structural reforms that can ensure a return to a path of sustainable growth and job creation.

I am sure that BBVA will perform outstandingly in 2012, thanks to the more than 100,000 men and women who work in the Group across the world, making of it a different kind of Bank. I want to take this opportunity to thank them and encourage them to continue working with the same enthusiasm and dedication they have always shown.

I want to end by thanking all our shareholders for the support and trust they have offered us and tell them that, in these difficult times, they are our motivation to continue working with the greatest possible enthusiasm and effort to construct the best universal bank in the world.

March 2, 2012

Francisco González Rodríguez

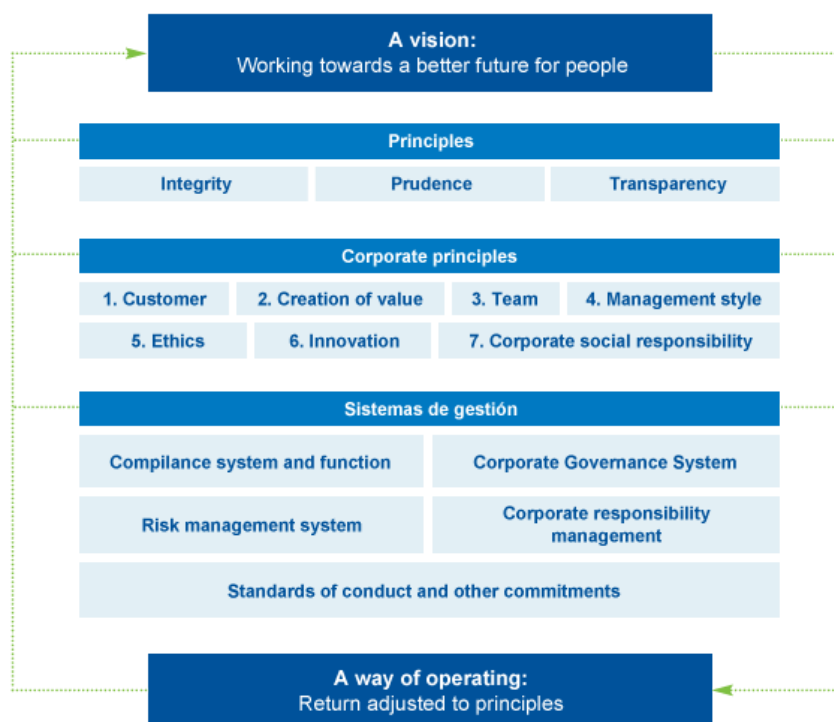
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CR principles, policies and governance

BBVA's corporate responsibility policy aims to define and strengthen conduct to create value for all its stakeholders: customers, employees, shareholders, suppliers and society. The policy is built around the corporate principles of integrity, prudence and transparency.

A vision



The Group's main commitments through its CR policy are as follows:

- Uphold excellence at all times in its core business operations.
- Increase the positive impact that its business has on society and minimize possible negative impacts.
- Create "social business opportunities" to create social and economic value for BBVA.
- Invest in those societies in which the Group is present through support for projects, especially those involving education.

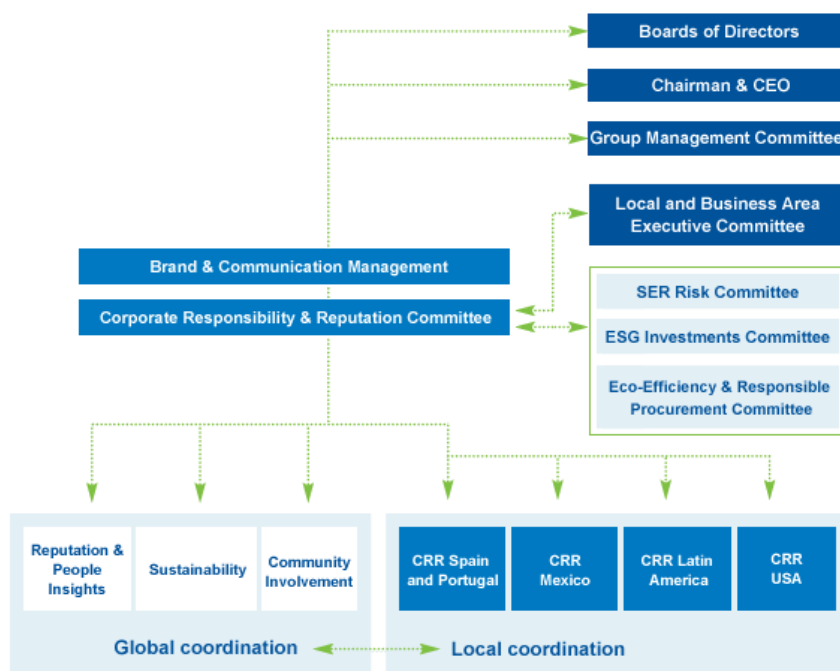
In short, they are commitments aligned with the vision of "working for a better future for people" and with the principles of integrity, prudence and transparency.

The corporate responsibility governance system made huge progress in 2011 when the Group's Management Committee also took on the role of the Corporate Responsibility and Reputation (CRR) Committee, raising these issues to the bank's highest executive body. This same model will be

replicated locally in the major countries in which we operate. The new Corporate Responsibility and Reputation governance system is structured as follows:

- Board of Directors: responsible for approving and monitoring the corporate responsibility policy.
- Group Management Committee: responsible for promoting and monitoring CRR programs globally.
- Local and Business Area Management Committees: responsible for promoting and monitoring CRR programs locally or in the special business area. These committees will be chaired by the Country Manager or Business Area Manager.
- Cross-sector operating committees: these committees are responsible for implementing CRR programs. In 2011, the following operating committees were set up, for which the Corporate Responsibility Department acts as Secretary:
 - Eco-efficiency and Responsible Procurement Committee chaired by the Procurement, Premises and Services (CIS) Manager
 - Social Environmental and Reputation Risk Committee chaired by the Group's Risk Manager

Corporate Responsibility governance



The following sessions and appearances took place in 2011:

- Two appearances before the Board of Directors, one of them by the COO
- Three appearances before the Group Management Committee.
- Appearances before the local Management Committees in Spain and Portugal, and Paraguay.
- One Social, Environmental and Reputation Risk Committee session.
- Three Business Review sessions with the Chairman and six Business Review sessions with the COO.

In 2011 BBVA continued to be committed to the main international agreements on corporate responsibility and sustainability, such as the United Nations Global Compact and the Millennium Development Goals, the United Nations Environment Programme Finance Initiative (UNEP FI), the

Equator Principles, the UN Principles for Responsible Investment (PRI) and the Carbon Disclosure Project. The Group continues to publicly recognize its respect for the United Nations Declaration of Human Rights, the fundamental labor rights established by the International Labor Organization and the OECD directives for multinational companies (updated in 2011). The Group is also committed to and aligned with the new Corporate Social Responsibility policy that the European Commission published in October 2011.

In 2011 BBVA joined the International Integrated Reporting Council (IIRC) pilot program. The IIRC selected more than 40 top companies from all over the world to participate in the IIRC Pilot Program initiative. The IIRC integrated reporting Pilot Program is a two-year program that offers a select group of companies the opportunity to work alongside peer group organizations to share knowledge and experiences. These companies will play a decisive role in developing the system which is designed as a practical response to the main challenges of this development in corporate reporting.

More information in: [Commitment to the Global Compact and the Millennium Development Goals](#).




CR Management system and strategic focus

In spite of the turbulent economic climate and waning confidence in the financial sector, BBVA has strengthened its commitment to operate under the strictest principles of integrity, prudence and transparency. The Group is moving forward with actions based on the four pillars of the Strategic Corporate Responsibility Plan approved by the Board of Directors in May 2008: financial literacy and financial inclusion, responsible banking and community involvement.

The Group aims to continue to move forward with fully integrating corporate responsibility in the business and increasing its contribution to stakeholders. One of the challenges for 2012 is to launch a new long-term strategic corporate responsibility plan.

Strategic areas

 The four corporate responsibility policy areas are financial literacy, financial inclusion, responsible banking and community involvement. The financial literacy and financial inclusion strategic areas (interrelated) materialize through the Global Financial Literacy Plan and BBVA Microfinance Foundation, respectively. The responsible banking strategic area includes customer focus, responsible finance, responsible investment, responsible human resources management, responsible procurement and the environment. The community involvement strategic area includes the Niños Adelante (Forward, children) and Momentum Project initiatives, and BBVA Foundation research and cultural activities.



Compliance system

The Group's Compliance System constitutes the cornerstone upon which BBVA consolidates its institutional pledge to conduct all its operations and business in accordance with strict codes of ethical conduct. In line with the principles set forth by the Bank for International Settlements (BIS) and the EU's Markets in Financial Instruments Directive (MiFID), Compliance continues to articulate its business around the promotion of policies and procedures, diffusion and training in matters of compliance and the identification, assessment and mitigation of potential compliance risks, being understood as those that affect the following issues:

- Conduct on the markets
- Dealing with conflicts of interest
- Prevention of money laundering and terrorist activity financing
- Personal data protection

The model of compliance risk assessment and management associated with these matters is global in nature. It is not a static concept; it evolves over time, strengthening those elements and pillars on which it is based and anticipating new developments and initiatives that may arise in this field.

This Model is built on the following pillars:

1. A suitable organizational structure with a clear assignment of roles and responsibilities throughout the organization.
2. Policies and procedures that clearly define positions and requirements that need to be applied.
3. Mitigation processes and controls to enforce these policies and procedures.
4. A technology infrastructure focused on monitoring and to guarantee the above.
5. Communication and training systems and policies to raise employee awareness of the applicable requirements.
6. Metrics and indicators to supervise global model implementation.
7. Independent periodical review of actual model implementation.

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Corporate governance system

In accordance with article 538 of the Spanish Corporation Act, BBVA includes the Corporate Governance Report in its Management Report. This Report includes a section detailing the degree to which the Bank is compliant with existing corporate governance recommendations in Spain. The Corporate Governance section of the [BBVA investor relations website](#) contains all of the legally-required information.



Standards of conduct and other commitments

Code of Conduct

The key component of the compliance system is the BBVA Group's Code of Conduct, which defines and develops the bases of ethical conduct and the necessary operating guidelines for preserving one of the main sources of value creation: corporate integrity. The Code of Conduct is applicable to all Group entities and employees. It publicizes BBVA's commitments to its direct stakeholders: shareholders, customers, employees, suppliers, and the companies in which it operates. More information on the [Code of Conduct](#).

Conduct in the Securities Markets Policy

The [Conduct in the securities markets policy](#) develops the guidelines laid down in the BBVA Group's Code of Conduct regarding securities markets, and includes a series of principles and general procedural guidelines that are widely accepted internationally and designed to uphold the integrity of the markets. Specifically, it contains the minimum procedural guidelines that everyone in the Group is to observe regarding the treatment of privileged information, the prevention of securities price manipulation, the management of potential conflicts of interest that may arise and those market operations undertaken on their own accord by employees.

Specific Policies or Standards in Functional Areas

In addition to the Code of Conduct for Group employees, the company has established other specific instruments for the management of core commitments in each functional area:

- Internal conduct in securities markets standards
- Compliance Statute
- Director's Statute
- Code of ethics for the recruitment of personnel
- Principles applicable to parties involved in the BBVA procurement process
- Basic principles of risk management and Risk Management Policy Manual
- Regulation on dealing with individuals or entities of public importance in matters of finances and guarantees
- Principles applicable to the divestment processes for BBVA Group goods or services in favor of Group employees

Business Conduct

In 2011 the Group continued to reinforce its Business Integrity management model with global market initiatives that included:

1. The extension of advanced processes and tools to monitor conduct in securities markets standards that already exist in Europe, the United States and Mexico to new jurisdictional areas in Latin America.
2. The introduction of common corporate criteria throughout the Group aimed at consistent application of the principles of transparency, objectivity and non-discrimination in employee purchases of Group assets.

On a European level, in accordance with standards and criteria set by local authorities and supranational organizations, major efforts have been made to improve transparency and communication regarding the features and risks of products for customers, and to tailor these products to customer needs. BBVA Group intends to continue this work in 2012, paying attention to global opportunities arising from the standardization of transparency practices and criteria and reinforcing processes with a strong emphasis on technology.

The main focus of this work has been aimed at: informing the customer about the features, risks and costs involved in more complex products, checking the format and content of contracts and pre-contract information; establishing clear and concise requirements for commercial network sales teams on presenting products to customers in a transparent manner; and improving methods of gaining information from customers.

Legal Compliance

As of December 31, 2011, the BBVA Group has not recorded any significant fines or penalties for breaches of legislation or regulations related to environmental issues, its operations in society or the supply and use of products and services, which might be significant regarding its equity, financial situation and consolidated results. No litigation related to instances of discrimination has been brought against the Group in Spain by any employee, and no legal claims of any significance have been filed involving working conditions.

Commitment to the Global Compact and the Millennium Development Goals

The BBVA Group has actively participated in the United Nations Global Compact since 2002. In 2004, four Group banks joined this initiative. BBVA Francés, BBVA Bancomer, BBVA Colombia and BBVA Continental. In 2011, BBVA Paraguay joined these four banks to reassert its commitment as a local signatory. Since 2005 it has participated actively in the United Nations work group designed to improve the implementation of Principle 10 of the Global Compact. BBVA has also sat on the Executive Committee of the Spanish Global Compact Association since it was founded.

In 2011 BBVA Group joined the Management Committee of the Global Compact Lead, a UN Global Compact initiative that includes 55 leading companies in corporate responsibility and sustainability from the around the world.

Also in 2011, in Spain the Official Credit Institute (ICO) and the United National Global Compact Network in Spain launched the CSR -SME Initiative with the aim of promoting Corporate Social

Responsibility (CSR) among small and medium enterprises (SMEs), which is an initiative that BBVA supports as a collaborating entity. The aim is to encourage the integration of CSR in business management in these companies.

BBVA has also written the Global Compact Progress Report since its first edition in 2005. This year the Group's report (for FY 2010) was awarded the advanced category for the first time, meaning that it has achieved a greater degree of integration of the ten Global Compact principles in its policies and actions.

BBVA AND THE UNITED NATIONS GLOBAL COMPACT

CATEGORIES	PRINCIPLES
Human rights	P1: Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.
	P2: Businesses should make sure they are not complicit in human rights abuses.
Labor	P3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	P4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
	P5: Businesses should uphold the effective abolition of child labor.
	P6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
The environment	P7: Businesses should support a precautionary approach to environmental challenges.
	P8: Businesses should undertake initiatives to promote greater environmental responsibility.
	P9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	P10: Businesses should work against corruption in all its forms, including extortion and bribery.
Source of the matches between Global Compact and GRI indicators: draft of the "Making the Connections by GRI and Global Compact" report (www.globalreporting.com)	

BBVA is also continuing its efforts under the Millennium Development Goals, an initiative to which it has pledged firm support since its launch in the year 2000. The Group's contribution to each of these goals in 2011 is shown in the following table:

THE MILLENNIUM DEVELOPMENT GOALS IN BBVA

MILLENNIUM DEVELOPMENT GOALS	MAIN BBVA INITIATIVE
Eradicate extreme hunger and poverty	BBVA Microfinance Foundation
	BBVA Foundation Frontiers of Knowledge awards - Cooperation in development
Universal primary education	CRR Strategic Plan
	BBVA Community Investment Plan for Latin America
	Alliance with the Organization of Iberoamerican States (OIS) - BBVA Educational Goals 2021
Gender equality	Agreement on equal opportunity and the work-life balance
	BBVA Microfinance Foundation
	Subscription to the "European Diversity Charter"
	Signing of the United Nations Declarations of Principles for the empowerment of women
	«Gender diversity» corporate plan
Reduce child mortality	No specific initiatives
Improve maternal health	No specific initiatives
Combat HIV/AIDS	Research project for controlling malaria monitored by the World Health Organization (WHO)
Environmental sustainability	Management of indirect environmental impact through the Equator Principles
	Design of products and services according to environmental criteria
	Global Eco-efficiency Plan
	BBVA Foundation Frontiers of Knowledge awards for climate change, ecology and conservation biology
Develop a global partnership	No specific initiatives

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BBVA's Impact on Society

Based on our systems for consultations and discussions with stakeholders and our strategic vision, the Group has set up a new strategic program called «Social Impact». This assesses BBVA's social and economic impact on the development of the societies in which it operates through its social programs and, especially, its main financial activities.

Until now, this report included data on Economic Value Added (EVA) broken down by stakeholder and Economic Value Generated, Distributed and Retained (EVDGR) calculated in accordance with the GRI protocol for EC1. The results of these indicators this year were:

Economic value

EVA

In 2011, the «Social Impact» project allowed a preview of some more innovating indicators that will allow a better measurement of showing BBVA's social impact. The program's objective is based around the principle of transparency in order to bring the perception of BBVA closer to reality and thereby gain social legitimacy in the eyes of all of our stakeholders.

Social impact indicators

Along these lines, BBVA also strives to prove its unwavering commitment to transparency and business ethics everywhere it operates. In 2011, BBVA adopted the Code of Good Tax Practices in Spain, a government initiative to increase cooperation and transparency between companies and the Spanish Tax Revenue Agency. As well as applying ethical and transparent work practices in every country it operates, BBVA also makes a significant contribution toward public revenue through its own tax payments, third party tax collection due to its economic activity and third party tax collection in its role as collaborating entity with the tax authorities.

The following is a breakdown of information on BBVA's tax contribution in each of the countries in which it operates for FY 2011:

Tax contribution

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Stakeholders

Tools for Consultations and Discussions with Stakeholders

BBVA has a broad range of tools for consultations and discussions with stakeholders in each country and business area in which it operates. These tools guarantee that customers, employees or shareholders have the proper service channels available and BBVA has sufficient sources of information to find out stakeholder priorities and expectations regarding their relationship with BBVA.

We also continuously oversee the institutions and people, along with public opinion, making up the sustainability agenda for a financial entity like our own.

We have three main ways of analyzing and integrating stakeholder expectations:

First, each area's specific work in its daily relationship with stakeholders and the periodical evaluation of our performance. This group comprises tools such as the "employee satisfaction survey", conducted biannually, and "customer satisfaction surveys". This group also includes work by areas such as Institutional Relations, with special mention of the work this year by the Coordination Unit for European Institutions (UCOE). This Unit coordinates the bank's participation in formal and informal forums to gain a better understanding of regulators' concerns. The purpose of these forums is to build and develop constructive dialog on markets and regulatory policies with regulators and help to achieve a well-balanced regulatory framework. They are an excellent tool for consultation and discussion with regulators, an increasingly important stakeholder for the financial sector.

Secondly, the Corporate Responsibility and Reputation (CRR) department conducts a regular analysis on reputation, image and sustainability. This group includes analysis of expectations and priorities for sustainability analysts (MSCI, Sustainalytics, SAM, CDP, EIRIS, GS Sustain, Vigeo, Oekom, ORSC, and so on), internal reputation surveys (on employees) and external reputation surveys (on customers and non-customers), image tracking, on-line reputation analysis and public opinion surveys (Globescan).

The third group includes continuous analytical efforts and BBVA Research Department reports and working papers.

By putting the information from the different sources together, the Corporate Responsibility and Reputation area prepares global diagnostics by combining the results of a variety of tools for qualitative and quantitative analysis.

The main new development this year in terms of consultation and discussion systems is the completion of the GlobeScan survey on public opinion in 26 countries that we commenced last year, with a study on the Future of Finance. This international study looks at how to create an environment for banks to continue to prosper and simultaneously create maximum value for society. GlobeScan and Universidad de Berkeley also collaborated in this study. Interviews were conducted with 59 opinion leaders in the financial services industry, the government, multilateral organizations, schools/research centers and

civil society. The interviewed experts believe there are many new opportunities for the financial sector to grow and build positive relations with society through what the authors call “inclusive innovation”.

One of the main features of this innovation is financial inclusion, which is one of the pillars of the BBVA Corporate Responsibility strategy. For more information on the results of the study: [The future of finance](#).

Another development this year is the inclusion of analyst demands for sustainability information in the bank's business. More and more responses are given to consultations on sustainability issues from traditional institutional investors. The ESG Investment Committee is to be set up in February 2012 to meet these demands. The Chairman will be the Analyst, Investor and Shareholder Relations Unit Manager and the Secretary the Corporate Reputation and Responsibility Manager.

Relevant Issues

The results of the research work were used to organize a workshop with the Group's CR Managers. The workshop was specifically geared toward determining the application of the issues, the changes experienced and detecting and agreeing on the importance of new emerging issues.

In light of the persistent crisis that we are facing, the growing importance that public opinion attaches to the economic situation and unemployment, the two biggest problems for people in most of the analyzed countries, is noteworthy this year. The third most important issue analyzed globally is crime/security, which came out on top in Mexico.

The growing importance of economic issues contrasts with a decreasing importance attached to environmental matters which are pushed into the background (falling from third place last year to seventh place).

The issues that people think a bank should treat as priorities were mainly related to the bank-customer relationship: good customer service, product adapted to the target audience, economic conditions, clear language and transparency and access to loans. These are closely followed by a demand for banks to create and maintain jobs and contribute toward setting up strong economies.

The list of issues that BBVA and its stakeholders consider relevant is therefore as follows:

RELEVANT ISSUES

ORDER	ISSUES	MAIN INCREASES IN SIGNIFICANCE
1	Contribution to a strong economy/job creation	▲
2	Access to loans (individuals and companies)	
3	Financial profitability and sustainability of the institution	▲
4	Working in accordance with the highest ethical standards	
5	Transparency / accountability	
6	Value for money (fees, interest)	
7	Clear, transparent language	
8	Quality of products and services	
9	Banking penetration into the low income population	▲
10	Support for governments regarding most significant issues for the population	
11	Marketing products with complexity adapted to target audience	
12	Financial literacy	
13	Responsible project finance	
14	Remuneration for executives and board members	

ORDER	ISSUES	MAIN INCREASES IN SIGNIFICANCE
15	Fraud prevention measures	▲
16	Working on employee development and motivation	▲
17	Promoting equality and diversity	
18	Community involvement actions	
19	Using technology to benefit people: multi-channel banking	
20	Protecting privacy	
21	Work-life balance	
22	Ecoefficiency	
23	Design of socially and environmentally responsible products	
24	Humanitarian aid	

Controversial issues

Recovery management (mortgages)

The economic climate in Spain has aggravated the public's concerns over defaults on financial obligations acquired by citizens experiencing difficulties.

In anticipation of the effects of the economic turmoil, BBVA designed a range of financial solutions in 2008 aimed at solving the economic problems that could affect thousands of families in Spain. Since then it has already helped 105,000 families alleviate their problems, of which 46,000 were mortgages, 42,000 consumer loans and 17,000 businesses, by adapting to their ability to pay so they can continue meeting their loan payments.

The bank considers each of the cases in detail that affects the over 3,000 branches that the entity has in Spain to offer a customized solution tailored to the economic needs of each customer each time. This has allowed 87 customers out of every hundred to continue meeting their mortgage payments.

BBVA has not restricted lending in recent years, but the lesser ability to pay and the fall in income of both families and businesses has reduced demand, forcing the bank to adapt to this new context.

BBVA is presently looking at bringing new products to the solutions that are already underway, not only focusing on helping customers with difficulties, but also those who need funding to continue with their investments.

The defense sector

One of the main issues that has sparked debate among BBVA stakeholders in 2011 was the bank's position in relation to companies and transactions related to controversial arms.

BBVA observes every regulation that applies to its activity, without exception. It also applies a strict code of conduct based on the Group's ethical values and its obligations. In 2005, BBVA established a regulation on defense sector financing. This regulation was amended in 2008, forbidding the Group from participating in transactions related to cluster bombs. In 2010 the policy was improved further by banning any financing or investment for companies that manufacture cluster bombs.

The update of the report entitled "Worldwide investments in cluster munitions; A shared responsibility" was published in May 2011. This report written by the Belgian NGO Netwerk Vlaanderen in conjunction with the Dutch peace organization IKV Pax Christi, presents the results of its research into the investment positions of financial institutions in companies that produce or sell cluster bombs.

The report praises the amended regulation, which it considers an important breakthrough, and urges BBVA to broaden its scope to cover asset management as well.

As established in the clauses, the regulation is revised at least once a year to bring it into line with regulations in force and the EU Code of Conduct on arms exports.

In light of the growing importance that our stakeholders attach to these issues, the 2011 amendment was more thorough to make the regulation clearer and simpler and avoid any of the contents being open to interpretation. BBVA was advised by consultancy firm Sustainalytics, an expert in this field on a worldwide scale who continues to provide its services to BBVA. All of the Group's areas involved helped to define the new policy. The pledges undertaken in this policy were compared against those of leading social organizations prior to their final approval.

Some of the new features of this amended policy, which is described in the "Responsible Finance" chapter, include its extension to asset management and a ban on rendering any services to companies who breach the established requirements, not just on undertaking transactions with them.



Financial literacy

The year 2011 was one of consolidation for BBVA Group's Global Financial Literacy Plan "*El dinero en nuestras vidas*" (Money in our lives). The plan aims to support people's financial literacy and improve their current and future financial situation. Financial literacy has been a strategic priority in corporate responsibility for the BBVA Group since 2009.

The Global Financial Literacy Plan consists of specific programs in each geographical area in which the Group operates.

- «*Adelante con tu futuro*» (Forward with your future) program targeted at people who already use banking services, or could easily be persuaded to do so, as an accompaniment to the banking penetration process in Latin America.
- «*Valores de futuro*» (Future values) is designed for elementary school children and those in the first cycle of ESO (the two years following elementary school) in Spain and Portugal, and
- support for financial literacy initiatives by institutions in the United States, with schemes such as «Money Smart» for adults and young people, «Teach Children to Save» and «Get Smart About Credit» aimed at children.

Overall, we have invested €23 million benefiting near 1.3 million people under the Global Financial Literacy Plan 2009/2011 and previous pilot experience of Mexico in 2008. This investment falls short of the 26 million target established when the Plan was launched due to differences in the implementation of the specific programs in each geographical area.

Financial literacy plan data

We have also boosted our commitment to financial literacy through the agreement signed with the OECD in 2010. Under this agreement, and as part of the PISA 2012 Report, a study is conducted on financial literacy among young people and conclusions drawn about their relationship with the current economic crisis, the significance of this crisis for future generations and the importance of having comparable information to set policies and action plans. All of the information regarding the assessment of mathematics, problem solving and financial literacy projects is included in the PISA 2012 Framework.

The OECD's International Gateway for Financial Education (IGFE) provides access to information, data, resources, news and research relating to financial literacy and programs around the world.

The International Conference on Financial Literacy in Cape Town (South Africa) was organized in November 2011 for experts from around the world in this field to share experiences and identify successful practices that support and protect consumers. At this conference BBVA Group contributed its expertise in financial literacy from the point of view of the private sector, highlighting that an informed decision is always a better decision and stressing the importance of communicating in a clear, transparent and responsible manner with consumers.

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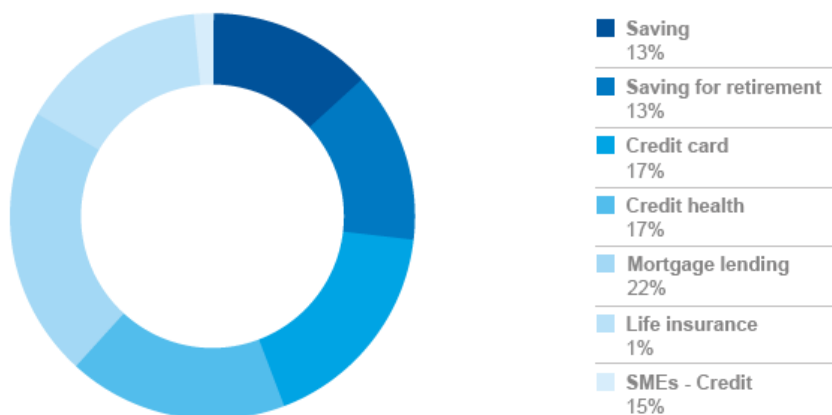


Adelante con tu futuro in South America and Mexico

In 2011 we successfully consolidated the «*Adelante con tu futuro*» program in Mexico under the Global Financial Literacy Plan. The Inter-American Development Bank (IDB) honored this initiative with two beyondBanking awards in the learnBanking categories for their innovation, state-of-the-art and impact in promoting financial literacy, and people's choice, for the most-voted project by the public, among 120 submissions in 8 categories.

«*Adelante con tu futuro*» offers personal finance workshops for customers and non-customers covering topics such as saving, saving for retirement, credit cards, credit health and mortgages and life insurance (launched in 2011), and workshops for SMEs covering loans, types of loans for businesses, requirements to apply for a loan for your business and keys to managing your business' credit.

Workshops by topic



The workshops are organized by BBVA Bancomer in conjunction with Museo Interactivo de Economía (MIDE) and Tecnológico TEC de Monterrey.

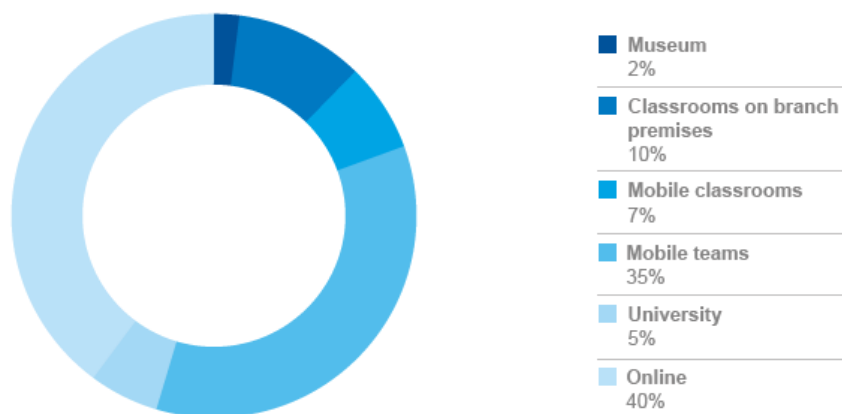
In 2011, we taught 413,114 personal finance and SME workshops to 111,814 people. This means that each person participated in more than three workshops on average, in other words, they acquired more than three basic financial skills on average, allowing them to gain knowledge and develop skills to use financial services to their advantage.

«Adelante con tu futuro» participation levels

These workshops were taught face-to-face in financial literacy classrooms at BBVA Bancomer branches in the 14 main cities in the country, and in other mobile classrooms. These face-to-face sessions represent 53% of the workshops.

The workshops were also taught via online courses on the [Adelante con tu futuro website](#), a TEC de Monterrey (LMS) distance learning platform. These online courses represent 40% of the workshops.

Workshops by teaching means used



The program also includes an agreement with education institutes and universities, with workshops taught at the Museo Interactivo de Economía (MIDE) and universities to 30,000 young people, as well as awareness campaigns.

In 2011 we also continued to extend the «*Adelante con tu futuro*» program to Chile, Colombia, Uruguay, Paraguay and Peru. Workshops commenced in the first three countries in the early months of 2011.

In Chile, the program encourages a more informed decision on financial issues among emerging segments and the community in general, where 291 people have participated in 12 workshops.

In Colombia 100 workshops were targeted at the adult population, with the goal of educating them about important economic issues, such as saving money or responsible credit card use. The aim of the program is to forge consistent savers and responsible debtors.

In Uruguay 250 young people and 120 adults participated in the first workshops.

We also promote financial literacy through the BBVA Microfinance Foundation's activities. In 2011 we signed a public-private partnership with Autoridad de la Micro, Pequeña y Mediana Empresa de Panamá (AMPYME) to manage microfinance institutions in the country. The partnership includes joint action to create financial products and services, as well as training, skills extension and financial literacy programs and projects.

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Valores de futuro in Spain and Portugal

«*Valores de Futuro. El dinero de nuestras vidas*» is an educational program which has been implemented at elementary schools and in the first and second cycles of ESO, and is based on a number of activities that address the key contents related to money within the framework of values education.

This program was implemented in Spain and Portugal as part of the Global Financial Literacy Plan to bring financial literacy to children through schools.

This program is implemented in conjunction with schools, educational advisors, a multidisciplinary Scientific Committee made up of prestigious experts such as José Antonio Marina, Álex Rovira and Alejandro Tiana, and a team of BBVA volunteers who help with workshops and dynamic lessons.

During the 2010-11 academic year 583,436 pupils from 3,097 schools in Spain participated in the «*Valores de futuro*» program, and in its first year 107,279 pupils from 843 schools in Portugal. Total participation was therefore 690,715 pupils from 3,940 schools.

We also launched an online community that gives pupils, schools, family members and friends the chance to interact in the various project initiatives or competitions on the official [Valores de futuro website](#) and through spaces in social networks (Facebook and Twitter). During the 2010-11 academic year there were 100,000 website visits, 425 fans on Facebook and 507 Twitter followers.

«Valores de futuro» participation levels

Under the «*Valores de futuro*» program we organized a new workshop, «*Ahorro para todos*» (Saving for everybody), a pilot initiative during the 2010/2011 academic year in Madrid. This workshop, designed by educators and taught by BBVA volunteers, and with the full involvement of teachers at the school, aims to raise awareness and encourage pupils to save and create ideas and initiatives for collective saving. BBVA pledged to donate the same amount that they are able to save, up to a maximum of €2,500. As a result, the bank gave €11,000 to 7 pilot schools.

During the 2011-2012 academic year, the program objectives are to exceed 4,300 schools and 755,000 pupils in Spain and Portugal, and to increase the number of participating volunteers.

The program materials have been reviewed with the objective of meeting the goals set in the PISA Report in terms of financial literacy skills. We have included a new pilot workshop, «*Emprendemos juntos*» (Entrepreneurs together), in which the whole school will participate, and we will extend the «*Ahorro para todos*» workshop to Barcelona, in which BBVA volunteers will help to design and implement a saving plan for the school.

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Support for financial literacy initiatives by institutions in the United States

In the United States, BBVA Compass is implementing a program on financial literacy in each stage of a person's life (childhood, youth and adulthood) through partnerships with two institutions:

- American Bankers' Association (ABAEF), focusing on children's education, in which volunteers play a very important role. BBVA Compass employees participated in two initiatives designed to educate future consumers in the proper use of credit and the importance of saving:
 - «Get smart about credit», in which 5,042 children were involved in 2011. This consists of six main activities with modules on how to manage a credit card and the importance of good credit, how to interpret a credit report properly, how to protect personal and financial information, how to draw up a budget to avoid problems and how to recognize the signs of overspending.
 - «Teach children to save», in which 3,767 children were involved in 2011.
- Federal Deposit Insurance Corporation (FDIC), with the
 - «Money Smart» program which gives guidance to adults and adolescents on the proper use of financial products and services through 11 learning modules. This program starts with a description about consumer rights laws and deposit and credit services that banks offer, before going into topics such as choosing and maintaining a checking account, how budgets work, the importance of saving, and how to gain access to and efficiently use credit. Participation in 2011 totaled 1,884 people.

Síguenos



Financial inclusion

Financial inclusion is one of the two strategic focal points in the Corporate Responsibility policy. At BBVA we channel this commitment in the way we know best: by providing financial services.

Microfinance is the most useful instrument to enable the most underprivileged to access the financial system. This is why in 2007 BBVA launched the BBVA Microfinance Foundation, whose aim is to contribute to the improvement of living standards and financial inclusion.



BBVA Microfinance Foundation

As part of its pledge to financial inclusion, in 2007 BBVA set up the BBVA Microfinance Foundation to use microfinance to promote the self-sustainable economic and social development of those at greatest disadvantage.

The Foundation, whose work is targeted at Latin America, has two lines of action, the setting up of a Microfinance Institution Network in the region (the main line of action), and the development of initiatives that help to transform the microfinance sector, particularly in the area of improving good corporate governance and human capital.

The BBVA Microfinance Foundation currently has around 1 million customers in Latin America, with a social impact of close to 3.7 million people. The Foundation has 4,963 employees and a network of 359 branches, and has granted loans amounting to an accumulated total of €2.5 billion since it was set up, with an average value of €1,052 and an average default rate of 3.1.

The Foundation is committed to and works towards success for its customers, that is, entrepreneurs at the base of the pyramid. Regarding the profile of its customer, 60% of them are female.

FMBBVA basic global data

In 2011, the Foundation made progress with the consolidation and expansion of its Microfinance Network in Latin America through the takeover of two new institutions: Fondo Esperanza in Chile, and Financiera Confianza in Peru.

These institutions join the following: Banco de las Microfinanzas-Bancamía in Colombia, Caja Nuestra Gente in Peru, Corporación para las Microfinanzas in Puerto Rico, Emprende Microfinanzas en Chile, Contigo Microfinanzas in Argentina, and Microserfin in Panama.

Fondo Esperanza is hoping to be a leading player in the Chilean productive microfinance sector by using the methodology of communal banking, based on groups of between 18 and 25 people who live in the same area and join forces to obtain microcredits. Fondo Esperanza targets the country's poorest communities (in 140 towns in the country with 31 branches from Iquique to Chiloé), and currently backs enterprise projects for of 50,000 people with low income.

Financiera Confianza has a community-based rural focus and currently provides a service to more than 96,000 small enterprises with its network of more than 36 branches. Financiera Confianza and Caja Nuestra Gente are currently in the middle of a merger which will turn them into a new institution with the aim of becoming one of the leaders of the Peruvian microfinance market in terms of number of customers. This institution will target rural and low-income-per-capita areas in which microfinance institutions operate. The resulting entity will have two highly-complementary benchmarks in the microfinance sector in a company with greater resources and operational scale that is capable of serving communities with more efficient products and services that respond to their needs.

Geographically, the Caja Nuestra Gente implementation area will be complemented by the Huancayo, Huancavelica, Huanuco, Pasco, and Ucayali markers that belong to Financiera Confianza.

In addition, they will participate as benchmark stockholders in the sector, such as BBVA Microfinance Foundation as a senior partner, multilaterals such as IFC-World Bank, the leading European socially-responsible funds, and the NGO founder of Financiera Confianza, SEPAR.

Also, in 2011 Caja Nuestra Gente was named the best microfinance institution in Latin America and the Caribbean as a result of its positive impact in the most marginalized groups, according to the ranking compiled by Mix Market, the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (FOMIN).

In terms of the Foundation's expansion process in Latin America, it continues to work on strengthening its position in the region, especially in the Central America and Caribbean markets, and continues to gain a stronger foothold in other markets such as Colombia and Peru, where it already operates, with a view to closing new deals.

Data broken down by microfinance institution

Loan portfolio

Customer data from the gender perspective

As part of its strategic agreements, the Foundation signed a public-private partnership with Autoridad de la Micro, Pequeña y Mediana Empresa de Panamá (AMPYME) to manage microfinance institutions in the country. The partnership includes joint action to create financial products and services, as well as training, skills extension and financial literacy programs and projects.

IFC, a member of the World Bank Group, reasserted its strategic partnership with the Foundation to develop microfinance institutions, making a new investment of US\$ 4.6 million in Caja Nuestra Gente (in which it invested \$7.4 million in 2009) to boost its growth and community-based rural focus in Peru. IFC also bought \$10 million of Banco de las Microfinanzas Bancamía preference shares to boost its growth and extend access to productive microfinance for underprivileged people in Colombian society.

To supplement its main activity, the Foundation also undertook initiatives to promote and transform the development of the microfinance sector. Along these lines, it continued to implement its Microfinance Specialist Training Program in partnership with the National Distance Learning University (UNED), local universities such as Universidad del Pacífico (Peru), Universidad Javeriana (Colombia), Universidad de Congreso (Argentina), Instituto de Estudios Bancarios (Chile), and supported by the IDB and FOMIN. This program has trained more than 1,250 people since it was set up in 2009.

The Foundation also wrote a "Universal Corporate Governance Code for Microfinance Entities" for the sector. This reference document establishes the principles and standards that all good governance codes for an institution should contain, in accordance with internationally accepted standards and best practices.

As a supplement to the Code, the Foundation also wrote a "Guide to adopting good corporate governance principles in microfinance institutions", in conjunction with the IDB.

To adopt and apply this, Foundation is also running good governance Training Workshops for board of directors members at microfinance institutions. In 2011 workshops were run in Colombia and Costa Rica, training 139 professionals in this subject area.

As part of the Foundation's institutional activity, it participated in the First Plenary Session that opened the International Microcredit Summit held in November in Valladolid (Spain). This session analyzed the role of ethics in microfinance institutions. The Foundation proposed the need for institutions, companies and people working at the bottom of the pyramid to strengthen their commitment to ethics.

Apart from the Foundation Chairman's contribution to the session, two of the Foundation's microfinance institutions, Banco de las Microfinanzas Bancamía, Colombia, and Caja de Ahorro y Crédito Caja Nuestra Gente, Peru, explained their experiences at a Session which the Foundation organized at the Summit.

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Other financial inclusion initiatives

BBVA pledges to establish a long-term relationship between people and our institution, starting by giving people easier access to financial services.

Some of BBVA's goals include helping people to save, inculcating banking culture and helping them to manage their personal finances.

To fulfill this goal of expanding opportunities, we are working on building a special offer consisting of three pillars:

- a low-cost account
- the promotion of the use of channels other than our branches and
- technological platform innovation

These pillars are the basis for an added value service for the customer, and the use of platforms will allow efficient management of customers who belong to this segment.

Non-banking correspondents

Experience in many Latin American countries shows that Non-Banking Correspondents are an effective way of promoting banking penetration in the region by giving people more access to financial services, especially in rural areas. By giving poorer segments of the population access to traditional banking, Non-Banking Correspondents are an effective solution to financial exclusion.

One of the factors standing in the way of banking penetration is the shortage of customer service points, a problem that is worse in rural areas and outlying districts. The aim of Non-Banking Correspondents is to increase the number of customer service points by expanding non-traditional channels, authorizing banks and credit institutions to provide financial services to non-banking entities such as stores, supermarkets, drug stores, and others. In some countries these also include mobile telephone operators.

Mexico

In 2011 the number of BBVA Bancomer customers rose by just more than two million, taking this number to 18,438,000.

The BBVA Bancomer «Cuenta Express» turns cell phones into a bank account that can be opened immediately and is easy to use, low-cost and very secure. The account holder is also given an international debit card for in-store purchases and ATM withdrawals.

The aim of this product, the stock of which multiplied by 26 in 2011 in relation to the end of 2010, is to promote banking penetration among the population and improve their quality of life.

«*Módulos Express*», the non-branch sales channel of «*Cuenta Express*», is an innovation in banking penetration because it allows an account to be opened on-line, with the advantage that the account given to the customer is fully operational.

The «*Bmóvil*» channel allows customers to use the cell phone banking application to send transfers, check their account balance and activity, make airtime purchases and make service payments. The «*Cuenta Express*» recognizes the cell phone number as the Account, allowing the Customer to carry out their transactions.

Non-Banking Correspondents also mean that customer needs can be met all year round during out-of-branch hours, covering a larger area. In 2011 there were 17,973 customer service points, 257% up on 2010. A total 20.1 million transactions were carried out, almost 38% more than the previous year.

Bancomer leads the field in Mexico as far as banking penetration is concerned by creating products and channels that meet the needs of people who do not use banking services and with a long-term sight of the customer relationship in mind.

Bancomer strives to provide the population with simple, low-cost banking products, with a special focus on availability, speed and advice.

Its range of products are made up of «*Cuenta Express*», «*Seguros Express*» and «*Creditón Express*», with Servicing Express via Correspondents, «*Bancomer Móvil*» and Cash Recycling ATMs, Customer Service Modules and Communication and Campaigns.

BTS (Bancomer Transfer Services) processed 40% of electronic remittances sent to Mexico in 2011, while BBVA Bancomer paid 57% of the electronic remittances paid at banks in Mexico. This accounted for a total 26 million transactions amounting to \$10,530 million.

South America

In 2011 the number of BBVA Bancomer customers in the region rose by more than 700,000 customers.

Argentina

Through the Integration Scholarship program, BBVA Francés promotes financial inclusion by offering a bank product to manage the scholarship, thereby giving more vulnerable sectors access to the financial market.

The agreement between the grant holder and BBVA Francés is binding on the grant holder as a Bank customer, issuing a top-up VISA debit card through which they will receive the grant each month. The branch team also gives the grant holder advice on how to use the bank's services, including how to use the ATM, the benefits of making purchases at participating stores, and how to take advantages of offers and promotions.

This has changed the life of young people who were excluded from the system, many of whom had never entered a bank branch or even visited their city center. This aspect of the program therefore gives these young people access to the banking and consumer system and achieves real and time-sustained social integration.

Colombia

As part of the La Banca de las Oportunidades (Opportunities Banking) government policy and with a view to bringing financial services to every municipality in Colombia, to underprivileged classes, to small enterprises and to recent graduates, since 2006 the Central Government has authorized the operation of financial establishments via Non-Banking Correspondents (CNB).

Since 2006, BBVA has set up new Non-Banking Correspondent points around the country which has given it access to municipalities and urban areas of major cities that were previously out of its reach and allowed thousands of people access to the Group's global services.

Non-banking correspondents are an important BBVA project. In 2011 the number of Non-Banking Correspondent points in Colombia totaled 223, which is 30% more than 2010, reaching 800,000 transactions were carried out during the year, mainly cash withdrawals and public service payments.

The geographical scope covered by these customer service points almost doubled in 2011 to 130 municipalities.

Panama

In 2011, banking penetration initiatives were undertaken under the Integration Scholarship and Young Entrepreneurs program, consisting of opening a saving account and issuing a debit card. One hundred and fifty-seven children belonging to the «*Niños Adelante*» (Children, forward) scholarship program, which represents 12% of this group, were given access to banking services, and three young people participating in the «Young Entrepreneurs» program were granted a university scholarship.

Peru

This channel continued to grow in 2011 in terms of transactions and service points, due to the joining of new stores and the management of the existing network of correspondents. As well as boosting presence in areas with no branches, locations with branches nearby were also sought to make transactions easier for customers.

By the end of the year, BBVA Continental had 400 Express Correspondents, 67 Express Plus Correspondents and 852 Kasnet Correspondents, totaling 1,319 customer service points (16% more than the previous year).

In 2011 management of this network was based on optimizing use of the channel via various incentive campaigns targeted at the network of correspondents and their users. The average number of transactions per store was increased, reaching 800 transactions (742 the year before).

Venezuela

To increase banking penetration among the Venezuelan population, this year BBVA Provincial boosted its «*Planes Nómina*» service, continuing to offer a wide range of benefits to businesses and their employees.

These include the «*Nómina Estándar*» plan targeted at low-income employees, who are given a «*Tarjeta Popular*» (popular card) as means of payment, which has functions and advantages tailored to the needs of this group. With this card they can access their wage payments more quickly, conveniently and securely by withdrawing cash from ATMS and making purchases at points of sale, access their account via «*Provinet*» and «*Línea Provincial*» digital banking, collect «*Provimillas*» points to receive discounts on

purchases at participating stores, take out personal accident insurance, home emergency medical insurance, and be exempt from certain fees and commissions, among other benefits.

BBVA Provincial also understands the important role that the microfinance sector plays in the country's development, and permanently supports this segment of the economy. This support has allowed more than 15,000 microenterprises to start up and develop their businesses. It is worth mentioning the support given this year to entrepreneurs in the health care sector via funding for new doctors and dental surgeons, especially to buy equipment. By the end of the year, they had received more than €190 million, 3.79% more than the legally-established figure.

United States

BBVA Compass is participating in the Bank on initiative, which aims to improve access to financial services for disadvantaged people.

Bank On is a joint effort to include people who do not use banking services in the financial system by giving them access to basic, low-cost bank products. The program also seeks to raise awareness regarding the benefits of holding a current account and provide low-income segments of the population with proper and affordable training on how to manage money.

BBVA Compass has set up partnership agreements with Bank On California, Bank On Dallas and Bank On Houston - and soon with Bank On Alabama. It also plans to enter new partnerships with a view to extending the initiative to more cities over the course of 2012.

Spain

BBVA in Spain has been working on the financial integration of immigrants from the start of the phenomenon of immigration to Spain. Foreigners now represent 12% of the total Spanish population and more than 405,000 are BBVA customers. Since 2005 BBVA has offered a range of general products and financial products specially designed for immigrants.

In figures, immigrants have 33% of their income and 31% of their bills paid by direct billing. Total card holding is 31% and life insurance 10%. In 2011 more than 84% of the money that customers transferred to their relatives was via non-face-to-face means (ATM, Internet or phone), with the majority via ATM (76%). There are 20 destination countries in this network, with money being sent to Latin American countries and to countries whose communities are very present in Spain, including Morocco and Romania, not to mention important countries such as Brazil, China and Russia. It is important to highlight that entire BBVA network is available to immigrants to help include them in the financial system.

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Responsible banking

At BBVA we work to integrate responsible management across the value chain, from the design of products, their advertising and marketing to the management of their risks. BBVA's approach to sustainability is based on the creation of value proposals for our stakeholders.

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Responsible finance

Integrating ESG variables into risk management

The ESG stands for environment, social and corporate governance. By integrating these variables into risk management, BBVA aims to mitigate non-financial risks that could harm the credit rating of a borrower or funded project and consequently jeopardize debt repayment and go against the corporate principles of integrity, prudence and transparency. The whole impact that BBVA's financing has on society must therefore be considered.

An example of the integration of these aspects into the business was the inclusion of a specific section on ESG risk management in the latest annual report published in 2011.

In 2011 we carried on with our work in the field of environmental, social and reputational risks. Aside from training employees in this area, we set up a specific committee specializing in this type of risk. We drew up a new defense material policy and a new procedure to apply and monitor the Equator Principles, based on the recommendations from the audits conducted in 2010.

SAR Risk Committee

In 2011 we held the first Social, Environmental and Reputational Risk Committee Meeting chaired by the Group's Director of Risks and formed by the Directors of Legal Services, Audit and Compliance, Communication and Image, Technical Risks Department, Corporate Risk Management, Operational Risk and Internal Control, Risk Portfolio Management Corporate & Investment Banking (CIB), Legal Compliance, CIB Strategy and Coordination, Global Retail & Business Banking, Strategy and Coordination and Corporate Responsibility and Reputation.

This committee will hold two meetings a year, and its main duties include promoting and monitoring the management of key reputational risks and the actions that are aimed at integrating social and environmental risks in the Group's activities.

Equator Principles

BBVA adopted the Equator Principles (EP) in 2004. The EPs, based on the International Finance Corporation's Policy and Performance Standards on Social and Environmental Sustainability and the World Bank's Environmental, Health and Safety general guidelines, are a set of standards for assessing and managing social and environmental risks in project financing.

The EP are applied to the financing of new projects worth US\$10 million or more, the expansion of projects that generate significant impacts and advice on project financing.

BBVA also applies EP to transactions worth less than US\$10 million, projects, operational projects and other financial products such as bridge loans, the assignment of credit rights and buyer's credit. In

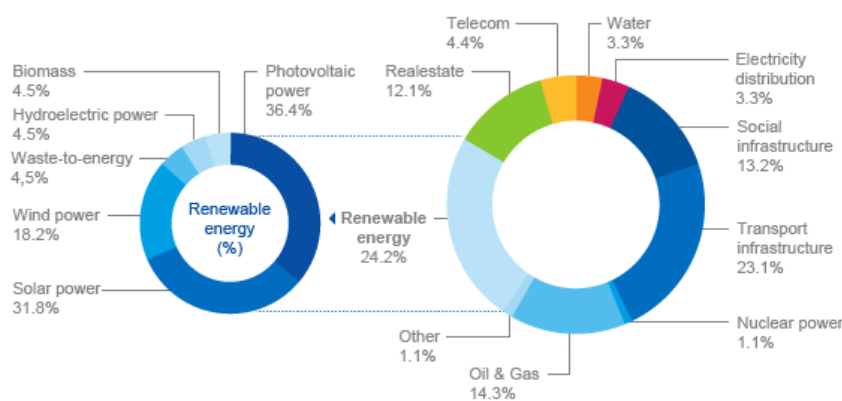
2011, 31.6% of the total finance volume was under this extended application of the EP.

By sector, 42% of the total finance (36.3% of the operations) goes to social and transport infrastructure projects, benefiting 8.5 million people, and 20.2% (24.2% of the operations) to the renewable energy sector, with total installed capacity of 2,797 MW. In this last sector BBVA also funded three registered projects under the United Nations Clean Development Mechanism, which have helped reduce a total of 16.1 million tons of CO2 emissions.

In 2011 BBVA received the most prestigious recognition in the renewable energy industry. One of the several prizes awarded to BBVA was Best Finance House North America for Renewable Energy by Environmental Finance Magazine, and two of its projects were named Deal of the Year by Project Finance Magazine, its Sunshine Project in the European Solar CSP category and its Acciona Project in the European Renewables Portfolio Refinancing category.

Classification of projects in finance and advisory services according to the Equator Principles

Chart of transactions by sector



Scope: BBVA Group

BBVA has a Corporate & Investment Banking (CIB) team that manages the EP. The team's responsibilities include analyzing projects that are subject to the EP, representing BBVA before stakeholders, reporting to the CIB Department and other Bank areas, including Risks, Communication and Compliance, and designing and implementing the management system, proposing best practices and contributing toward training and communication regarding EP-related aspects.

EP analysis is part of the internal project structuring and approval processes. Out of all of the transactions analyzed under the EP in 2011 only one was rejected due to failing to comply with the process criteria. BBVA's business model, which is diversified, focused on recurring business and characterized by prudent management, encourages compliance with the EP objectives and the involvement of the Group's Senior Management in this area. Therefore, transactions that initially seem likely to fail to comply with the EP do not enter the analysis and approval process, reducing the number of rejected transactions.

This process includes social and environmental due diligence that starts with assigning a category (A, B or C) which, based on the International Finance Corporation (IFC) categories, represents the level of environmental and social risk in the project. To approve any project finance transaction, apart from the preliminary category assignment, the report must include an EP compliance report reviewed by the unit

responsible for approving it. BBVA updated the internal EP procedure in 2011 to include internal audit recommendations and best practices in the industry.

This year, the EP team helped to train BBVA employees and organized a carbon finance session which 36 CIB employees attended, with collaboration from an expert in this matter. This session dealt with the impact of climate change on project finance and other business activities. A practical guide to the EP was also written.

In 2011, the EP Association commenced a strategic review of the EP, in which BBVA is actively involved by making proposals at the Association's meetings as part of the Communications Working Group and translating documents to allow anyone interested to participate in the process.

This year, BBVA established an action plan which defined measures, responsibilities and the deadline for implementation regarding the 2010 internal audit recommendations. The Internal Control Department monitors the implementation of these recommendations every quarter.

This action plan was submitted to the Group's Senior Management through the Social, Environmental and Reputational Risks Committee and was sent out to all of the Group's banks for adaptation to local internal regulations to supplement the general regulations covering all of the regions in which BBVA operates. BBVA Chile, BBVA Colombia, BBVA Provincial (Venezuela) and BBVA Continental (Peru) have already implemented this procedure and it is currently in the process of being implemented in BBVA Francés (Argentina) and BBVA Bancomer (where it is planned to be implemented by 2012).

The Corporate Risk Management (CRM) area is preparing a "Manual on Specialist Finance rating and monitoring procedures and criteria". This establishes that every business area must report to CRM on specialist finance transactions approved at their level of delegation. CRM will therefore have a database of all of the transactions of this type that are undertaken at BBVA.

Work with Multilateral institutions

In 2011 the BBVA Group held extensive institutional and business relations, continued from earlier years, with Multilateral Financial Institutions (MFI) which contribute to regional development, including the World Bank, the European Investment Bank (EIB), the European Reconstruction and Development Bank (ERDB), the Inter-American Development Bank (IDB) and Corporación Andina de Fomento (CAF).

This activity reaches across many products and regions, including internal trade finance, project co-financing, financial brokerage transactions and debt issuance on local capital markets.

The Group's strategic relationship with MFIs is particularly important during these times in light of the anti-cyclical role that multilateral institutions play in the current financial crisis.

In 2011, BBVA Group's work with IFMs covered four areas of activity:

1. Foreign Trade Finance:

Foreign trade programs enable the financing of trade flows through MFI guarantees (partial or total). These guarantees can cover political and trade risks for issuing banks.

They are targeted at small and medium local businesses. With nine subsidiaries in Latin America and many customers in the region, BBVA Group's role in these programs is predominant. All of BBVA Group's subsidiaries are confirming banks in the various foreign trade programs that are run in the region.

During 2011, a large number of BBVA Group's subsidiaries joined International Finance Corporation (IFC) programs as issuing banks, and others stayed on as issuing banks in IDB programs. BBVA joined the Central American Bank for Economic Integration (BCIE) «I-FACIL» foreign trade program. This makes BBVA one of the most active financial groups in MFI foreign trade programs.

2. Financial Brokerage:

BBVA Group also regularly participates in MFI Financial Brokerage transactions in Europe and Latin America. Under these, MFIs channel finance to priority sectors (for example, green energy, urban development, SMEs, exports) for transactions that meet the set eligibility criteria.

In Spain, BBVA was chosen to manage the first JESSICA (Joint European Support for Sustainable Investment in City Areas) Urban Development Fund in Andalucía. The fund is run by the European Investment Bank (EIB) and the Regional Government of Andalucía to back urban regeneration and development in this autonomous region.

In Latin America, most of BBVA Group's financial brokerage activities in 2011 were targeted at the agricultural industry, renewable energy and energy efficiency sectors.

3. Local Capital Market Development:

BBVA contributes toward local capital market development through structuring MFI debt issuances on Latin American capital markets and providing new sources of liquidity for the region.

In October, BBVA Bancomer was the sole bookrunner for a CAF issuance worth 286 million Mexican pesos over 10 years. This is the first time since 2008 that an MFI has issued 10-year senior bonds and marks the return of MFIs to long-maturity bonds on the Mexican market.

BBVA also sat on a work group with the EIB to design a project bond that gives energy and infrastructure projects access to debt capital markets. This is part of the European Commission «Europe 2020 Project Bond Initiative» to open up new project finance sources required to meet the goals established in the Europe 2020 agenda.

4. Joint BBVA-MFI Plans for Economic and Sector Development

Together with the World Bank Institute, which depends on the World Bank and Public Private Infrastructure Advisory Facility (PPIAF), BBVA sponsored the «Financing Public-Private Partnerships - Best Practices in Latin America» session which was held in Washington DC on May 4 and 5, 2011. This high-level conference discussed the main challenges in the region for financing infrastructure projects under public-private partnerships and established best practices for developing them.

BBVA is a member of a work group to develop the Mediterranean solar plan, one of the priority projects of the Union for the Mediterranean which consists of generating 20 GW of additional power by 2020 in the region under its mandate.

The ICT (Information and Communication Technology) sector is also a priority for BBVA in Latin America to build solutions for the new needs of a growing world with limited resources.

New Defense Material Policy

In 2005 BBVA set up Rules of Conduct in Defense applicable to units and subsidiaries everywhere in the world that complies with current legislation and is under constant review to ensure it meets the strictest criteria.

Following the previous year's internal audit recommendations, the policy was reviewed in greater depth in 2011 in order to broaden its scope, make it clearer and simpler and ensure compliance with requirements.

A work group was consequently set up, formed by all of the areas involved (Technical Risks Department, Internal Control-Legal Risk within Corporate & Investment Banking, Country Risk, Internal Audit, Legal Services-Risks, and Corporate Responsibility), and received advice from Sustainalytics, one of the world's leading analysts in this field. Major discussions were also held with NGOs and important stakeholders in this sector.

The main breakthroughs were related to the policy purpose, focus, scope and application:

- An arms definition is included that leaves no room for interpretation regarding the objective of operations.
- Whereas specific operations were excluded before, now any financing deals with companies involved in controversial arms activity are excluded, with a black list that is updated every three months.
- The only financing scope is extended to any product or service.
- Exceptions are deleted and operations related to countries with high risk of violating human rights are escalated to the Risk Management Committee (RMC), BBVA Group's highest executive body in the field of risks.
- The implementation procedure is made clearer to ensure complete application and improved traceability.

This policy was submitted to the SAR Committee and the RMC formally approved it on February 24, 2012.

Ecorating

The Ecorating tool evaluates the environmental risk of companies. A credit risk rating is assigned to each customer in accordance with several factors: location; polluting emissions; consumption of resources; the environment of the area around the company liable to be directly or indirectly affected by the business; legislative pressure; and tax treatment of environmental components, among others.

Spain

At the end of 2010 it was agreed to commence the Ecorating tool implementation process in Corporate and Business Banking in Spain, starting with customers classified as having a high environmental risk and with exposure to risk over €500,000 for which managers would have to manage and complete evidence of mitigating circumstances. The Risks Area for Spain and Portugal would monitor this work.

In 2011 the account managers undertook their task of completing evidence of mitigating actions, allowing those companies to reduce their environmental risk based on a set action plan.

Ecorating

Mexico

BBVA Bancomer has developed the Ecorating tool as part of the Bank's internal systems. Before it is implemented the necessary regulations will be established and a user's manual made available.

Peru

In 2011 BBVA Continental implemented the new «Green Portfolio Program» system with US\$30 million in IDB funds to finance energy efficiency, renewable energy, clean production, sustainable construction and other projects.

This system is applied to loan, leasing and foreign trade transactions worth more than US\$3 million and allows BBVA to identify the type of green project (renewable energy, energy efficiency, biofuels, clean production, sustainable agriculture, sustainable construction, sustainable forestry and sustainable transport).

The first transactions were approved in November, one biofuels project worth US\$630,000 and one sustainable forestry project worth US\$311,000.

Internal Audit

In accordance with the Basel Committee guidelines, BBVA Group's Internal Audit area is set up as a permanent, independent, unbiased and objective activity for consultation and evaluation of the organization's internal control and risk management systems with a view to aggregating value, making processes more efficient and effective and helping the Group fulfill its goals. It is overseen by the Chairman's Office and is subject to the control and supervision of the Board of Directors Audit and Compliance Committee, thereby guaranteeing the ethical commitment adopted in the Corporate Governance System.

The Annual Audit Plan is drawn up by identifying the aspects toward which the Department efforts should be focused. This procedure, linked to risk assessment as a way of identifying, assessing and prioritizing business risks, also responds to the specific demands of internal customers, regulatory requirements and the department's own experience. The Annual Plan is in keeping with BBVA Group's strategy and the pillars for growth established in it.

Projects undertaken in 2011 included the new customer-focused distribution and relation model, centralization of operations and administrative procedures, review of the most important Human Resources processes, risk management and fraud prevention. Progress was also made in technological support for the department and development and implementation of new IT tools for Internal Audit. These areas of progress included developing the auditor's report, containing information on completed tasks, auditor evaluation and training processes and developing and implementing the publications manager to store and register all of the reports issued by the department's supervisors other than audit reports.

Internal audit activities

Risk Management

Global risk and credit risk rating analysis policies were reviewed using statistical procedures to select samples of uniform portfolios for analysis, as well as alerts and impairment indicators to select

customers. The global credit audit structuring project is in the process of being defined and will involve the setting up of centralized and globally-coordinated analysis groups in each country.

A group specializing in real estate was created, which includes experts in this sector. Reviews were also stepped up in view of the faster recovery process through asset purchases and BBVA Group's decision to oversee the construction of its corporate buildings.

Prevention of Fraud

BBVA Group continues to incorporate in its products the latest fraud prevention technologies which prevent or hinder the perpetration of fraud by third parties and also reinforce customer trust in the Group's financial offer.

To attain higher levels of excellence and efficiency in managing all types of fraud risk, in 2011 the Technology and Operations Department adopted new measures to fight credit card fraud.

Currently, BBVA Group has powerful fraud detection systems. It has implemented the internal monitoring of the critical cryptography and the processing of card operations authorization, as well as confirmation of operations by SMS for individuals and SMES to prevent fraud on the Internet.

Prevention of Money Laundering and Terrorist Financing

The Prevention of Money Laundering and Terrorist Financing (henceforth referred to as PML/TF) constitutes an ever-present objective that BBVA Group associates with its pledge to promote and uphold the well-being of the different communities in which it operates.

For the BBVA Group, ensuring that its products and services are not used for illegal purposes likewise constitutes an essential requirement for safeguarding its corporate integrity, and thereby one of its main assets, namely, the trust of the people and institutions it deals with on a day-to-day basis (customers, employees, shareholders, suppliers, etc.) in the numerous areas where it operates.

To achieve the above objective, as a global financial group with branches and subsidiaries that operate in numerous countries, BBVA Group has adopted a corporate Model for Managing the Risk of Money Laundering which applies to any Compliance Matter (see description in the Compliance System section). This Model is followed in all of the entities forming part of the BBVA Group, and not only takes into account the regulations on prevention of money laundering in the jurisdictions in which BBVA operates, but also incorporates the best practices of the international financial industry in this regard, as well as the recommendations issued by international entities, such as FATF (Financial Action Task Force).

It is important to stress that the Model for Managing the Risk of Money Laundering is constantly evolving and subject to independent review, which allows for the incorporation of additional measures when the risk of exposure makes it necessary. The Model's focus is based on the PML/TF risk, which allows its monitoring to be reinforced through the risk analyses conducted.

The BBVA Group's work continued in 2011 to strengthen the aforementioned Model for Managing the Risk of Money Laundering and Terrorist Financing through:

- 1. The adjustment of policies and procedures to the regulatory changes made in the Group's operating countries and the adoption of best international**

practices in these matters, in particular, those arising from internal legislation in Mexico (for example, arising from the new regulation on low risk products and public positions that will be considered to define politically exposed national people), Venezuela (adjustment of Money Laundering Prevention Programs in the Group's companies affected by Superintendent of National Securities Resolution 25, 15/02/2011 and Superintendent of Insurance Activity Ruling 514, February 22, 2011), Peru (adjustment of Money Laundering Prevention programs in the Group's companies affected by Superintendent of Banks and Insurance Resolution 2108/2011 and Business and Securities National Supervisory Commission Resolution 33/2011) and Argentina (adjustment of the Group companies' Money Laundering Prevention Programs in this jurisdictional area to the Financial Intelligence Unit Resolutions).

2. The fine-tuning of existing monitoring systems in all Group units, which make a significant contribution to the ability to detect suspicious operations made by any financial institution.

BBVA Group also continued to collaborate with international organizations and government bodies in this field, including participation in work groups on proposals to amend existing regulations and settle queries received from the aforementioned bodies.

In 2011, Internal Audit completed its review of money laundering prevention and terrorist financing policies in South America to ensure that they are in keeping with corporate policies and local regulations.

The BBVA Group's pledges for 2012 are to remain faithful to its commitment to improve the Model for Risk Management for Money Laundering, and encourage unit supervision in this field through its Corporate Prevention Department.

Prevention of money laundering and terrorist activities

Síguenos



Responsible investment

Socially Responsible Investment (SRI)

In 2008, BBVA undertook to integrate ESG aspects (environmental, social and corporate governance) when one of the Group's major asset managers, *Gestión de Previsión y Pensiones* (GPP), signed the Principles for Responsible Investment sponsored by the United Nations.

BBVA Asset Management (BBVA AM) has set up a clearly-defined roadmap with three core elements:

1. **Integration of ESG criteria in the investment process in the pensions and funds area:** This core element covers equity and sovereign debt. As far as equity is concerned, there is a system of leading, middle and lagging companies in each economic sector, identifying the main financial and non-financial ESG risk factors. This fulfils a two-fold objective: aligning the investor's individual interests with the company's general interests and investing in companies with less risk of potential conflicts, negative news or demands that could affect their stock prices. An external MSCI ESG analysis tool is used in this process. In the case of sovereign debt, our analysis focuses on the Organization for Economic Cooperation and Development (OECD) member states with a view to making a distinction between leading and lagging companies. An internal tool with official sources is being developed for this process. In 2011 ESG criteria were also introduced in due diligence processes that third party funds must exceed in order to be recommended by BBVA AM.
2. **Proxy voting:** In 2011, and since 2010, voting rights have been exercised at all of the Annual General Meetings (AGM) for listed companies registered in Spain. An independent external provider, ISS, was used for this purpose. In 2011 we worked on preparing the necessary mechanisms in order to broaden this exercise of voting rights to European companies.
3. **Dialog with companies:** We have contacted Spanish companies whose AGM attendance card did not include the option of distance voting (Gas Natural and Banco Sabadell).

For more details on BBVA GPP's SRI performance, please see the 2011 PRI progress reports, one of the commitments signatories assume.

ISR

In 2011, we launched the Rogers Global Resources Equity Index® (RGREI®) designed by BBVA, Jim Rogers and CITIC Carbon Assets Management. This equity index includes natural resources companies to promote the development of low carbon emission industries and investment in China. The selection of index constituents was particularly strict in terms of performance in the field of sustainability.

BBVA and Garanti Bank have together set up the Rogers Global Resources Equity Core Index, referenced to this index, which is being commercialized for the private banking segment in Turkey.

Solidarity funds are also being developed in other countries in which BBVA operates. The year 2011 saw the launch of «BBVA *Leer es estar adelante*» in Peru.

The donated funds will be used to boost the number of Peruvian school children taking part in the «*Leer es estar adelante*» program, which aims to improve the reading ability of Peruvian children. The first donation to the BBVA Continental «*Leer es estar adelante*» Education Development Foundation is planned for 2012.

Progress was also made with the «*B+Educa*» investment fund in which the investor donates a percentage of the net monthly interest to the Bancomer Foundation, and these funds, in turn, are allocated to the integration Scholarship Program «*Por los que se quedan*», an initiative for supporting education in Mexico. «*B+Educa*» closed 2011 with €292.1 million and 15,410 members.

Volume and members of funds with CR Criteria

Equity investments under SRI management

The BBVA Employment Fund

Since 2008, all of the assets of BBVA' pension plan for employees in Spain are managed according to Socially Responsible Investment (SRI) criteria while adhering to the UN's Principles for Responsible Investment (PRI). This initiative, which has a major social impact, was agreed by the Control Committee of this fund set up by BBVA, the trade unions CC. OO, UGT, Confederación de Cuadros and CGT, as well as the representatives of the beneficiaries.

Since the signing of the PRIs, a progress report has been prepared on progress made in integrating principles in the plan's management. Also, since 2009 an external analyst has conducted a sustainability rating. This rating makes the process more transparent and guarantees application of SRI criteria.

View the BBVA [employment fund's third and final rating](#) .

Pensions

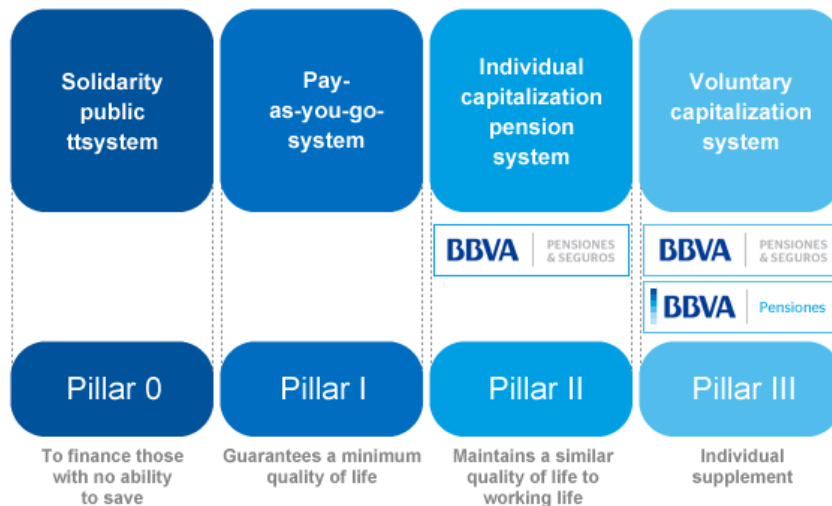
Before we explain our commitment to pension systems and their social impact, especially in Latin America, we must point out that there are currently four international pillars supporting the Pension system.

1. Solidarity pillar (Pillar 0): Mainly used in Latin America. This system funds pensions for workers who, due to structural unemployment conditions in the economy or due to their precarious employment situation, do not have

access to savings and are at a disadvantage economically-speaking. They usually belong to the informal employment sector.

2. **Pay-As-You-Go System (Pillar I):** Managed by the State's Social Security. This is currently the system used in Spain and consists of a "common fund" into which active workers pay contributions and from which entitled social security insured persons withdraw pensions, retirement funds and other benefits.
3. **Obligatory Individual Capitalization or Defined-Contribution System (Pillar II):** as mentioned, this system is acquiring importance in Latin America and consists of each worker having an individual account into which they make contributions until the time (established by law) when they are entitled to withdraw those funds, receive a life pension or a combination of both. Private institutions manage these savings.
4. **Additional Voluntary Savings System (Pillar III):** Also called Voluntary Pension Savings, Collective Voluntary Pension Savings and Voluntary Savings Accounts, which provide extra protection for people who want a bigger pension than they can receive through the obligatory pillar. Private institutions also manage these savings.

Social welfare system pillars



At the BBVA Group we have:

- **BBVA Pensions and Insurance (America).** BBVA belongs to the Individual Capitalization System, managing individual accounts for more than 12 million members, spread around 5 Latin American countries (Chile, Colombia, Mexico, Peru, and Bolivia). BBVA also supplements these services by providing products/services under the Voluntary Capitalization System.
- **BBVA Pensiones (Spain).** BBVA supplements the Spanish Pay-As-You-Go System with the Voluntary Capitalization System through individual pension plans (IPP) and collective employment pension plans (EPP).

BBVA Pensions and Insurance (America)

BBVA Pensions and Insurance is a leading pension fund manager in Latin America with more than 13.3 million customers, €60,860 million in managed assets at the 2011 year end, and with a share of over 21.5% of total assets in Latin America (FIAP- International Federation of Pension Funds Administrators). This position has made the bank a key player in the development and consolidation of private social provision schemes in the region, as well as a point of reference for countries in other geographical areas.

BBVA Pensions and Insurance manages more than 21.5% of total pension savings in Latin America.

The impact of BBVA's social contribution

The BBVA | Pensions and Insurance (America) Unit has given BBVA the reputation of the bank with the most experience in pension activity in Latin America in the eyes of various institutions related to the pensions sector and society in general.

The sector leader and a benchmark in the region, BBVA has implemented a long-term strategy aimed at applying its experience and extending this to markets that are considering changing their current systems, and to analyze new business opportunities in the field of pensions.

Collaboration agreements with major multilateral organizations, such as the Organization for Economic Cooperation and Development (OECD), the World Bank and the Inter-American Development Bank (IDB), are worthy of mention. These collaboration agreements have resulted in specialist studies on regulations in force, which combined with permanent interaction with official figures and regulators in the countries have allowed reform proposals to be made to improve the pensions systems in Chile, Mexico, Peru and Colombia.

BBVA | Pensions and Insurance (America) also promotes and actively participates in academic research projects together with multilateral organizations, with a view to contributing towards developing systems, and also to widen the scope of pension activity and to cover new markets that are interested in reforming their pension systems. This research work is based on a collaboration agreement between BBVA | Pensions and Insurance (America) and BBVA Research and consists of a team of top economists who specialize in social welfare, the only team of its kind in the sector, who are based in the countries in which BBVA operates and are supervised from Madrid.

The book "Pension reforms in Latin America: Balance and challenges ahead" was published at the end of 2010. This paper reflects on the progress made by Latin American countries in the reform of their pensions systems, so it may be used to determine the challenges and steps to follow in the future. This research covers studies on the successful experience of pension reforms in Chile and their focus on the solidarity pillar. The aim is to extract relevant lessons that can be learnt and exported to other countries. The main conclusions drawn from this study were presented at various forums on pensions around the world, including: International Organization of Pension Supervisors Global Forum; the International Federation of Pensions Funds Administrators (FIAP) Annual Assembly and the Latin American and Caribbean Economics Association (LACEA) Assembly.

All of this work and these collaboration agreements with international and internal Group entities have resulted in major contributions for the pension sector. Studies on important issues for the sector have been published and promoted in the main international pension forums and conferences, including the FIAP Annual Assembly, the International Organization of Pension Supervisors (IOPS), which includes

regulators in more than 60 countries, the Latin American and Caribbean Economics Association Assembly (LACEA), and others.

BBVA | Pensions and Insurance (America) is currently channeling its efforts into working with society to achieve improvements in different areas, including:

- Improving the Informal employment rate, which represents a major positive impact on society.
- Improving cover by including new customer segments currently excluded from the system.
- Reducing and diversifying risks inherent in fund management by administrators with new investment options.
- Achieving consensus in the industry and agreeing on objective mechanisms to update Mortality tables and Life Annuity options in line with future Pensions demands.

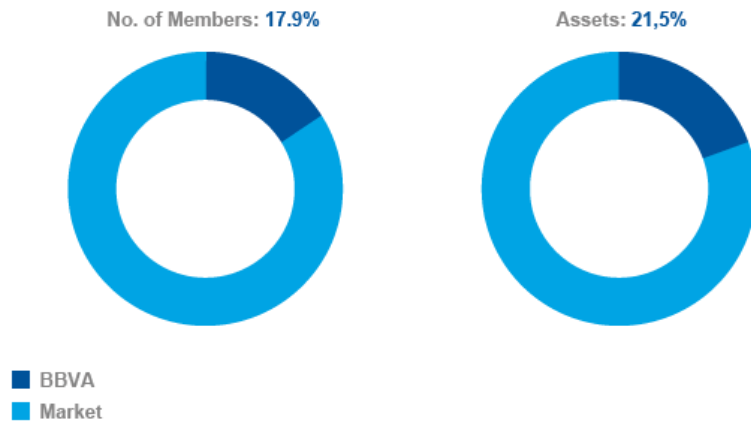
The importance and contribution of Pension Funds

BBVA is the main institutional investor in countries with pension fund administrators, especially in Chile, where the individual capitalization system with private management was set up just over 30 years ago and where pension funds account for almost 60% of the GDP, unlike other countries with more recent systems where they only represent 10% of the GDP, for example, Mexico, the newest system but one which is growing fast.

Bearing in mind the percentage of GDP that Pension Fund-managed assets represent and that these channel the majority of domestic long-term savings in countries in whose systems BBVA | Pensions and Insurance participates, these funds become the main contributors to the development of economies through investment in infrastructure projects and in funds to develop the corporate fabric, thereby contributing towards people's well-being.

In 2011 the BBVA Group continued to participate in structured debt funds and private equity funds traded in public markets to finance infrastructure projects. In fact, 2,226 millions of euro were invested by the fund administrators in high social impact projects in countries in which BBVA participates because they are investing in the construction of major transport links, such as roads, railways, seaports and airports, and in the construction of social housing and other similar projects that contribute towards the development of emerging countries, by creating jobs and improving people's quality of life. For instance, in Chile BBVA has participated in major projects such as: Santiago-Los Vilos section of the Pan-American Highway (218 km); La Florida airport (3,000 m²), La Serena; the Av. El Salto - Av. Kennedy Tunnel (4.1 km.); Maipú and La Florida Hospitals (766 beds); Group 1 penitentiary centre (Iquique, La Serena, Rancagua 112,000 m²);.

Volume



Volume and members

Expansion and agreements with other markets

BBVA is currently expanding pension cover to new markets interested in implementing reforms in their pension systems. These expansion activities are in line with the Group's general strategy, exploring new business opportunities in countries such as India, Indonesia, Turkey and China. In China, we have deepened the relationship with our local CITIC Group partners.



Customer focus

Quality, satisfaction and customer service

BBVA aspires to become a customer centric group, putting customers before anything else, with a view to making their lives easier. Earning customer recommendation is the acid test for a good service, because it shows a mutually productive relationship and also creates other business opportunities.

The Group's Quality and Customer Experience teams have developed a new system for consultations and discussions with customers based on recommendations in order to measure, enhance and transform the customer experience at the most critical times for them.

A new customer-focused research architecture sounds out the customer's assessment of BBVA as a financial institution and of its range of services and products. Based on this customer opinion, a number of teams from different units are working on enhancing their proposals at the moment of truth, benefiting customers and in short increasing customer satisfaction.

Individual customer satisfaction levels

BBVA's customer centric approach allows it to develop simple products that meet customer needs and provide a value-added proposal through multichannel experience and interaction.

The Group also encourages areas to share knowledge and best practices to bring different methodologies into line that work toward customer expectations.

Average time for settling a complaint (in days)

No of complaints before the banking authorities

One of BBVA Group's most important tools to improve customer satisfaction is the Ombudsman. The Customer Ombudsman extends to all units of the BBVA Group and its companies in Spain, including the bank, Uno-e Bank, Finanzia, Gestora de Fondos y de Planes de Pensiones, and BBVA Seguros. The Ombudsman's decisions are based on current legislation, the contractual relationships in place between the parties, standards on transparency and customer protection, best banking practices and financial uses and, especially, on the principle of equity.

Both Order ECO/734 of 11 March 2004 and the BBVA Group's Regulations for Customer Defense in Spain, approved by the BBVA Board of Directors on July 27, 2011, establish that the Ombudsman's Report shall include the suggestions and recommendations arising from experience to thus improve the achievement of the objectives for its activity. The reports, presented annually by the BBVA Group's Customer Ombudsman to the Board of Directors and then distributed to the Group's senior management, cover concrete recommendations for the benefit of the customers, such that measures that would contribute to the transparency of contracts and transactions formalized are constantly proposed.

Among the various initiatives implemented by the Group at the behest of the Customer Ombudsman in 2011, we would highlight the following:

- On behalf of the Ombudsman, specific departments have been notified of suggested ways to improve the Group's complaints processes in order to improve and increase satisfaction with the Customer Care Service.
- Contractual compliance with the requirements imposed by MiFiD Directive regulations has been subject to special monitoring.
- Constant contact and regular meetings with the Complaints Services of the Bank of Spain, the CNMV and the Spanish General Directorate of Insurance and Pension Funds, all with a common goal of harmonizing criteria and fostering more robust customer protection and security.

In 2011, meetings were held in Mexico with CONDUSEF (National Commission for the Protection of Users of Financial Services), which helped to adapt, improve and establish new customer service models.

We actively participated in the setting up of the “audiencia de conciliación telefónica CONDUSEF” (settlement by telephone) project, with the purpose to avoid referring customers to a branch to listen to and settle a complaint.

CONDUSEF also recently decided to formally launch “La segunda respuesta” (The second response) throughout the sector, seeking to limit the number of court hearings, in light of the success of this new procedure which arises from the pilot project that BBVA Bancomer set up with the Jalisco, Morelos and Hidalgo branches. We introduced a pilot customer service circuit in the south-east retail banking division so that straightforward, common complaints could be settled immediately.

We continued to promote financial literacy through daily participation in the «*No tires tu dinero*» (Don't throw your money away) radio program. The topics covered were protection measures for financial services, use of products, customer service channels and special Bancomer promotions.

Finally, in 2011 the following progress was made on multichannel banking in order to make life easier for the Group's customers:

- BBVA Banco Provincial (Venezuela) set up a Comprehensive Customer Support Desk at 295 national branches to provide disabled people, the elderly and pregnant women with special customer service. The comprehensive customer support desk is located in signposted areas and includes a special area that allows other customers to wait their turn in peace and quiet and comfort. To guarantee this special service, the whole branch network team has been given face-to-face training.
- BBVA Chile has incorporated “Easy Banking”, a help system for users with hearing disabilities, in ATMs to make financial services more accessible. The year 2011 saw a number of campaigns targeted at promoting the use of self-service points and new services as part of a branch's main transactional services. As a result, 27% of checks were paid via easy banking and 60% of cash vouchers were collected using these self-service points. Located at the self-service points at BBVA Chile branches, this service is part of the bank's own network. Security is guaranteed because customers can carry out these and other transactions using their ID card and fingerprint.
- BBVA continued to develop banking solutions in the cell phone world. One result of this effort has been the creation of a BBVA Cell Phone native solution for each smartphone platform available on the market, as well as the evolution of the www.bbva.mobi and SMS service for non-smart devices, providing 100% coverage for all the devices existing in all the countries where the BBVA Group operates. With emphasis on accessible development according to W3C (Worldwide Web Consortium)

standards and as part of the evolution of transactional services that began in 2010, work continued in 2011, adapting infrastructures, content and the way in which the Group's websites are developed, according to the new technologies that have become consolidated this year. In 2011, 122 million transactions were carried out via this channel.

- Integration of the various virtual channels with the world of social networks has enabled the Group to develop a more social, more participative social website. Crowd funding tools fully integrated in the most popular social networks is just one of the developments in this sense. The year 2011 was also one of significant breakthroughs in the consolidation and integration of new channels to interrelate with our customers. The introduction of new devices in the digital world such as the television have allowed BBVA to develop ad-hoc applications for those devices, giving customers easy access to BBVA products and services BBVA from anywhere. In 2011, 6.5 million BBVA customers used the Internet channel.

No. of ATMs by business units

Transactions by channel (percentage)

Transparent, Clear and Responsible (TCR) Communication

BBVA is aware of the loss of confidence in the sector, and is consequently working to make it easier for customers to make better financial decisions on two fronts:

1. Financial literacy through the "Plan Global de Educación Financiera 2008-2012"(Global Financial Literacy Plan 2008-2012).
2. Simplicity in the product range: communication, processes and contracting of products and services. One of the attributes of simplicity is transparent, clear, responsible (TCR) communication in all points of contact and relations with the customer.

General Transparent, Clear and Responsible (TCR) communication guidelines have been established, which will result in specific actions. This corporate framework was developed locally in 2011.

- Firstly we must highlight work in Spain and Portugal: At BBVA, we have applied changes to regulations, case law and recommendations from supervisory authorities to our contracts. We wanted to go one step further though, and so we are currently reviewing contracts aimed at simplifying the content, using simpler and more user-friendly language and avoiding technical terminology but without losing sight of legal certainty for our customers and for ourselves. We are currently involved in two special projects:
1. Making easier the general procurement process for the most common products for individuals, not only to simplify the contents, but also to avoid endless signing of documents (so-called Framework Contract). This project is being implemented in 295 branches for the time being (this number will be increased in 2012).
 2. The complete review of every finance contract for consumers and businesses. With the specific group in mind, as well as simplifying wording

other improvements include standardizing clauses, deleting clauses that are open to interpretation and including additional information that clearly explains the product or service conditions to the customer. We aim to implement this project by 2012. These initiatives adhere to regulations in force and the recent Ministerial Order 2899/2011, October 28, on transparency and protection for bank customers and which will come into force this coming April.

- In Chile various initiatives were developed to reinforce transparency and simplicity in contracts, such as:
 - The way of informing the customer about products was standardized. This achieved more clarity due to simple and consistent information, and documents and contracts given out with the customer's details already filled in to avoid typographical errors. Other documents were also included to increase transparency, such as the certificate of the month's promotions and a pamphlet explaining the features of antifraud insurance.
 - Contract simplicity: A new standardized and simpler contract was designed with fewer pages and places where the customer must sign.
 - A web application was created to send forms to and receive forms from customers. The application allows customers to complete on-line forms to open accounts and streamlines the credit assessment process, providing a quicker response.

BBVA Chile's goals for 2012 include reinforcing the TCR communication framework and improving web application documentation, allowing the current site on which information is shared digitally with customers to generate approved products automatically. This will make response times even shorter for the customer. The checking account fees and charges structure is also going to be changed to make it more simple and user-friendly. Last but not least, work will continue on the [BBVA Transparente](#) website, giving information on campaigns, conditions and contracts based on the TCR philosophy.

- Customers generally consider bank contracts to be confusing. With the «*Hablemos claro y sencillo*» (Let's speak clearly and simply) initiative, BBVA Continental in Peru seeks to change this opinion and prove to supervisory bodies, such as the Superintendence of Banks and Insurance (SBS) and Indecopi, that it is committed to improving communication with the customer. The overall objective is to change the way our contracts are currently worded, using simple, user-friendly and comprehensive language and streamlining the contract procedure without losing sight of legal security. In August 2011, the contract revision and amendment process commenced, bearing in mind the specific nature of each of them. Identical clauses were also established for certain aspects that apply to every contract. The first stage of the project included revision of contracts under the Transparency of information for customers in the Financial System regulatory framework (mainly targeted at individuals) which require approval from the SBS. These contracts are currently being approved by the SBS. The aim of the second stage, in 2012, is to revise other contracts, this time for companies.

More information can be found in Principles, policies and stakeholders, Business conduct.

Responsible Advertising

BBVA rigorously complies with local regulations concerning product information and labeling in the countries where it operates. In Mexico work continues with the ABM (Association of Mexican Banks) and the National Publicity Council, and in Spain, with Autocontrol (Association for the Self-Regulation of Commercial Communication). The ultimate aim is more responsible and transparent commercial communication and advertising with joining on a voluntary basis. In the United States, BBVA Compass is part of the Federal Deposit Insurance Corporation (FDIC) and the Federal Trade Commission (FTC), which ensure that financial institutions practices are ethical.

The year 2011 also included the setting up of a corporate advertising management model with common directives for the entire Group and a standard Strategic Communication Platform (PEC) for the Group.

This initiative incorporates corporate responsibility in any advertising that the Group undertakes.

Access to Credit

Against the current backdrop of high risk premiums and liquidity problems, credit access is an increasingly thorny issue.

The Spanish economy has been going through a recession in the last few years, made worse by a sovereign debt crisis that has acutely affected financial market behavior. This crisis has had a deep impact on the domestic economy, making domestic demand weak, which for the banking sector means less credit demand and a trend toward credit deleveraging.

BBVA, loyal to its community involvement, continues to offer its customers financing. In spite of this bleak scenario, BBVA has been able to gain a twelve basis-point share on the mortgage lending market against a general negative trend in the sector. This has been made possible by the BBVA Hipoteca Fácil (Easy Mortgage) which allows financing to be tailored in accordance with individual customer needs and the commercial efficacy of its powerful retail distribution network in Spain. BBVA also made more than €36,275 million in pre-approved loans available to more than 1,660,000 customers, including individuals, self-employed, SMEs and retail businesses.

BBVA played an important role in allocating ICO funds in 2011. Last year, BBVA allocated more than €2,400 million of these funds through 32,000 transactions, gaining a 165 basis-point share in the allocation of these funds, with a view to supporting the corporate fabric in our country. BBVA was also one of the successful bidding companies in the ICO DIRECTO allocation process, in which it put its commercial, technical and advertising resources at the disposal of the authorities and society in general in order to promote business activity.

In Mexico, good bank business management was evident in the growth in commercial activity. At the end of 2011, the loan book, excluding existing homes, posted a 9.3% year-on-year growth. Wholesale financing slowed down due to a more comfortable liquidity situation in companies and the government, which resulted in greater bank loan repayments. Data on loans for the retail segment is worthy of mention. The consumer portfolio, including credit cards, presented a balance up 23.6% year-on-year to €8,070 million. The positive trend in car, personal and payday loan arrangement was particularly noteworthy, overall up 16.3% on 2010. Financing for the wholesale segment (corporations, medium-

sized companies, financial institutions and governments) also recorded a positive performance, up 3.7% year-on-year.

Finally, mortgage loans, excluding existing housing, brought in a balance of €8,234 million at the end of September 2011, which is up 5.5% on the same time the previous year.

Security and Protection

In terms of personal data protection, the year 2011 saw introduction of the improvements established in the action plans resulting from the biennial audits on security measures under Royal Decree 1720/2007, December 21st. These audits were conducted on the BBVA Group in Spain in 2010, with no significant shortcomings being detected in any of them.

Part of the ongoing implementation of the necessary measures to manage this legal obligation in different jurisdictional areas include changes in the BBVA Bancomer organizational structure, systems and procedures to bring them into line with the requirements established in the new Federal Law on Personal Data Protection in Possession of Private Entities, July 5th, 2010.

Business Continuity

In 2011 a total of 126 business continuity plans were implemented in 25 countries in which the Group operates. Tests were run on each of these plans that enable them to be updated and to inform the Corporate Continuity Committee of their situation.

Some of the plans, as well as the corresponding crisis committees, have had to be activated as a result of events of a catastrophic nature that have altered the normal activity of BBVA in some locations. In 2011 the impact of the earthquake in Japan was notable, as it affected employees, special buildings, the branch network and physical security and functionality. Others actions worth mentioning include the preventive actions taken due to floods and the power cut in Venezuela, the threat of a tsunami on the Pacific Coast, La Niña-triggered floods in Colombia, storms and tornados in Alabama (USA), the earthquake in Spain (Lorca, Murcia) and the volcanic ash cloud in Patagonia, Argentina. In all of these cases, through the implementation of business continuity measures, BBVA was able to continue to render its critical services to customers and comply with its obligations to society and the various authorities.

In light of events in these past years, we have learned the importance of “crisis management” through Continuity Committees and specific plans, the preponderance of human resources and logistics factors, the impact-resistance of technology and the resilience of physical security and information.

Responsible product and service design

BBVA places emphasis on maximum responsibility across the whole value chain. The value chain goes from the development of products and services and carries through to their advertising and maintenance. This chain covers products and services geared toward groups with specific needs as well as those that are larger and have a greater scope.

In Mexico, BBVA Bancomer is pressing on with the «*Paga bien. Paga menos*» (Pay well, Pay less) program which rewards customers for responsible credit card payment. The customer can actually reduce the interest rate by paying on time. In 2011, the number of customers who joined this program

totalled 1,058,185 and 19% of customers already participating in the program saw a drop in their interest rates.

By 2012, the plan is to redesign the program and re-launch it, continuing to offer better deals to customers who pay well.

In Colombia the «*Vivienda sin límites*» (Limitless Housing) campaign was launched in 2011. This BBVA initiative seeks to promote access to home loans with special actions in an easy and straightforward manner. One of the best examples is the «*camión de trasteo*» (moving truck), which under the slogan “I’m moving to my new home thanks to BBVA’s mortgage lending” travels around various cities in the country. With this initiative we have achieved payments in excess of \$5,000 million.

In Spain, as well as providing welfare support following the Lorca earthquake, BBVA has given the affected individuals down payments on subsidies and compensation, interest-free and with special conditions. Tailored solutions have also been designed for all affected customers that adapt their repayments to their new capacity to pay, by using grace periods, payment postponements and longer payment terms. BBVA Seguros also moved a team of people to its Lorca branches to help the affected people arrange the damage compensation payments for their homes from the Insurance Settlement Consortium.

In the United States, BBVA Compass is asking customers applying for their first mortgage to complete an on-line «Own Your Own Home» course by the Federal Deposit Insurance Corporation (FDIC) as part of the «Money Smart’s» program.

This course provides valuable experience on the home buying process and helps determine whether the individual is ready to take this step. In 2011, 488 customers who bought their first home completed this training.

For more information on this program, see [«Money Smart’s»](#) in Financial literacy.



Human resources

Diversity

Our employees' profile

With more than 110,000 employees and operating in 32 countries, the BBVA Group's team includes professionals with widely diverse backgrounds. BBVA strives to attract, retain and boost our employees' talent, always with respect for diversity and inclusion.

Workforce by age and gender

Average length of service of workforce

Employees by professional category

Non-discrimination and equal opportunity

Based on the motto that talent by definition knows no gender differences, BBVA aims to eliminate all barriers to the professional development of women in the Group. In late 2009, BBVA launched its «Gender diversity» corporate plan to ensure that all posts within every business unit and geographical area are filled by the best person for the job.

Over the course of 2011, BBVA's work on this global plan included setting up specific committees and work groups, setting action plans in motion and monitoring and analyzing diversity metrics established in the Group. The following progress is worthy of mention:

- The *Genera!* networking website was made available to a group mainly formed by BBVA Group executives. This internal platform is a place to share opinions, experiences and news on gender diversity and acts as a think tank for the aforementioned action plans.
- Two strategic committee meetings chaired by the COO, 6 operating committee meetings and 6 *Genera!* platform committee meetings were held. Area and country-specific committees have also been set up.
- Focus group research was conducted on women, and women and men were given personal interviews in Spain, Mexico and Argentina.

As a result of all of this work and the analysis of diversity metrics at the Group level, the main needs in this area were detected, and a group of corporate initiatives were defined and approved at operating and strategic committee meetings.

Furthermore, in 2010 the Chairman of BBVA signed the United Nations declaration of principles for the empowerment of women called "Equality Means Business", describing the seven steps that companies and other sectors of society must take for the advancement and empowerment of women. In 2011,

BBVA continued to work toward enforcing these principles which led to its case being included as a best practice in the UN's Companies Leading the Way: Putting the Principles into Practice publication.

BBVA also carries on actively undertaking its pledges in this regard: as signatories to the European Diversity Charter, as a member of the Catalyst network to promote diversity and inclusion, and as a collaborating entity of the Red Concilia set up by Madrid City Council in Spain.

We must also highlight the signing, in 2011, of the agreement on the role of labor unions in promoting equal opportunities and guaranteeing non-discrimination in Spain.

Distribution of functions by gender and professional category

Resignations by gender

Contracts by gender

Women in managerial positions with children in their care

Recruitment and remuneration

Against a background of economic crisis and job losses, BBVA has created a net total of 3,669 jobs for the whole Group, of which 58.2% have been filled by under 30 year olds. Most were hired in the country of origin, and as regards management posts, 89.93% were recruited locally.

The basic salary for any professional category is equal independently of the gender.

As we reported in 2010, pay levels within BBVA are determined by the degree of responsibility of the position held and the professional experience of each individual, with full respect for the each employee's special nature and no type of discrimination whatsoever. Variable salaries are maintained as an additional incentive, which are awarded in accordance with the fulfillment of targets set each year in relation to individual performance and the performance of the unit to which each person belongs and the Group unit. In line with the principles of equality set forth in BBVA's policy, males and females receive exactly the same treatment.

Recruitment of employees

Discharge of employees

Development

Professional development is one of the benefits most valued by people born at the end of the last millennium. This is particularly true of practices such as coaching and mentoring, which since 2009 have been applied on an individualized basis within the Group.

In 2011 the mentoring and mentor training program was adapted to bring it into line with gender diversity. Coaching and mentoring programs also focused on boosting the professional development of females and increase the number of senior posts filled by females. A program to provide guidance and support to women returning to work after maternity leave was also launched this year.

This year all of the Group's units carried out the biennial Competencies Assessment Process (skills and knowledge) to identify the areas in which each person can improve and compare their development

with previous years. It also enables an Individual Development Plan (IDP) to be defined for the staff together with their superiors as a way of working actively on the knowledge and skills needed to be able to carry out their work as well as possible. The competencies system aims to help individuals to do their job better and gradually give them the skills needed to rise to positions of greater responsibility. The process lasts for two years, which is long enough to find a response to the individual needs detected during it.

Employee commitment toward their teams' management and development is clearly shown by the 95,000 people who participated in the competencies assessment process. This resulted in 400,000 development activities including face-to-face courses and on-line courses via e-Campus, reading books and articles, and so on.

The Mobility Policy was also launched in 2011. The aim of this policy is to publicize internal recruitment procedures throughout the organization, regardless of level, nature or area, and for any interested employee to be able to put forward their candidature and therefore manage their own career. A platform called "*apúntate*" has been specifically set up for this purpose, with a view to:

- Boosting transparency, equal opportunities and objectivity in the professional development and promotion of our teams.
- Increasing the mobility of talent between the different areas, at both local and international levels.

As well as recruitment, the mobility policy covers the other development channels in BBVA, such as the international development plan targeted at knowledge acquisition or enhancement among units.

The «*Nuevas Formas de Trabajo*» (New Ways of Working) project has also continued to promote schemes that, through the intensive use of technology, combine development and people's work/life balance needs. Following a series of pilot tests in Spain and Mexico in 2010 and 2011, BBVA has now defined an operational scheme that covers the various flexible work methods established in the Group and regulates these by setting up the necessary processes and tools.

BBVA's professional development policies and practices have been recognized by Fortune magazine, which for the third year in a row has ranked the Group as the best European company and the twelfth in the world in the development of leadership skills among its teams. The study, called Top Companies for Leaders, applies the criteria of reputation, leadership culture, behavior and performance to assess outstanding companies in the development of human capital. The research study, which is undertaken in conjunction with Aon Hewitt and The RBL Group on leadership and how this is linked to financial results, is one of the most exhaustive on the market with more than 1,200 analysis points and 900 interviews with executives to assess how organizations evaluate, select and develop their executives' professional skills.

Training

With more than €42 million invested in training, this year 85% of the programs are aimed at strengthening the customer relationship in retail and wholesale businesses. Other objectives include first-rate training and more specialized and global training schemes.

This year BBVA employees spent an average of 47.7 hours on training and invested an average of €382. In 2011 e-learning accounted for more than 60% of the training activity, making training more accessible and adapting it to employee needs.

The training plan attaches special importance to Corporate Responsibility and Reputation programs by updating and including new training content to promote this field. Through the Group's e-learning platform every employee has access to the "Corporate Responsibility and Reputation" training program.

This year the Group opened a new training center, Campus BBVA La Moraleja. The main new feature of this project is that it makes BBVA's training experience available to society by expanding training to customers, companies and external employees and potential employees through the activities undertaken alongside partners with excellent reputations, in fields in which we are considered market leaders.

General training data

Working conditions

Work/life balance

The «Global Quality of Life Program» aims to promote a work/life balance for employees through work initiatives. In 2011, we continued with the voluntary measures taken by mutual agreement which combine an improvement in efficiency with the flexibility required to balance work and personal life. These measures include the possibility, in Spain, to take a period of 3 to 5 years off for personal or professional reasons, leave for postgraduate studies or reductions in the work day.

One milestone reached in 2011 was the signing between BBVA Spain and the labor union representatives of the collective labor agreement on conditions for telecommuting at the bank.

BBVA Spain also renewed its Family-Responsible Company Certificate in Spain in 2011. This certificate is important because it is only awarded to companies that promote, implement and follow up measures aimed at integrating people from different backgrounds and encouraging a work/life balance.

This issue is covered in greater detail in each of the local CR reports.

Freedom of association: labor union representation and settling disputes

BBVA believes that dialog and collective bargaining are the best way of settling disputes and reaching agreements. In accordance with legislation in force in the countries in which BBVA operates, labor rights and conditions are addressed in the regulations, agreements and arrangements that each company signs with the labor union representatives.

In BBVA Spain, the collective bargaining agreement is that applying to the banking sector and is in effect for the entire workforce. There are also company agreements in effect that complement and implement that stipulated in the collective agreement and are signed by the labor unions sitting on the workers' committees, who are elected every four years by direct, secret and personal suffrage. The labor union representatives on the workers' committees in the company are informed of any relevant changes to the organization of labor that may take place in the Company, in accordance with the provisions of the law.

This issue is covered in more detail, by country, in the local CR reports.

Health at work

Again this year, the BBVA Group has shown its commitment to this field by undertaking training activities to increase preventive measures, adopting legal measures agreed with worker representatives and adopting good work practices. More than 10,000 employees have been trained in occupational risk prevention, with a total of 110,000 training hours.

The health at work policy is implemented in each country in accordance with legislation in force. In Spain, the Collective Labor Agreement on Health at Work was signed in June 2011 so that BBVA workers can make inquiries and participate in Occupational Risk Prevention matters.

Other noteworthy initiatives during the year included: launch of the Road Safety Plan, a new health at work portal, organization of preventive campaigns to promote healthy lifestyles, health campaigns targeted at women, face-to-face activities (4,457 medical consultations and 4,889 nurse visits), calls for medical examinations (more than 20,000 employees), arranging more than 800 technical-preventive actions to adapt workstations to ergonomic requirements, and the running of blood donation campaigns.

This year BBVA was also awarded the Occupational Risk Prevention Prize for its work to implement and promote this issue, and the National Merit Award for Altruistic Blood Donation.

This issue is covered in more detail, by country, in the [local CR reports](#).

Absenteeism rate

Passion for people

BBVA's proves its commitment to its workforce through a series of initiatives under the «Passion for People» program, an important aspect of the value that the Group offers to its employees, both active and retired.

In 2011, the «BBVA Pasi3n3» prizes were set up to give recognition to people's commitment to the organization's progress. These identified 12 employees who best represent the attitudes for which we want to be known in the market, and 6 projects undertaken by the areas that best reflect our passion for simplicity, service and customer care.

Some of the initiatives undertaken in 2011 include:

- «*Campus Liga de Fútbol Profesional*» (LFP), an overnight summer camp organized by the LFP for employees' children.
- «*Universidad de Padres*», an initiative sponsored by philosopher Antonio Marina, to help parents support their children's personal development.
- «Solidarity Fun Runs» in the BBVA Group. This initiative continues to promote solidarity through sport. More than 42,000 people participated in the fun runs that BBVA organized in Spain, Mexico, Colombia, Chile, Venezuela and Uruguay. The total amount raised through registrations plus BBVA donations went to various causes.

These initiatives and other Human Resources policies earned BBVA various prizes and awards in 2011. The magazine «Actualidad Econ3mica» chose BBVA as 'the best place to work'. Actualidad Econ3mica ranked BBVA in first place, highlighting the «development and training» of the more than 110,000 people who belong to the Group as the keys to success. BBVA Continental is also ranked among the «45

Best places to work”, according to the Great Place to Work annual study, and BBVA Provincial was ranked tenth in the Great Place to Work 2010.

Personal benefits

These benefits consist of agreements with different companies that entitle BBVA employees to discounts on purchases, hotel accommodation, computers, plane tickets and medical services, tickets for shows, museums, concerts and exhibitions, and training activities, including discounts on masters at business schools, language courses, and so on.

This issue is covered in more detail, by country, in the [local CR reports](#).

Corporate volunteer work/community service

The Group gives employees who show an interest in participating in community projects the chance to join in initiatives where their technical knowledge and personal skills can be particularly valuable. The Group has a Global Corporate Volunteer Plan. In 2011, 4,328 Group employees undertook volunteer activities (representing 4% of the Group). The Group's employees also contributed €1.3 million to community service projects.

Work in Spain

In 2011, the BBVA volunteer office reinforced the following lines of action:

- Financial literacy through programs such as «*Valores de futuro*» (Future values) and financial literacy courses for immigrants.
- General education, with youth programs in collaboration with Junior Achievement including «*Habilidades para el éxito*» (Skills for success), «*Las ventajas de permanecer en el colegio*» (The advantages of staying in school) and «*Socios por un día*» (Partners for a day), as well as the Fourth «BBVA Solidarity Fun Run» with UNHCR and the «*Enseñar en barrios*» (Teaching in Neighborhoods) project by the SERES Foundation.
- The environment. We have carried out reforestation, river and forest clean-up and endangered species awareness projects.
- Social and employment integration in penitentiaries. This is a new line of work started in 2011 which includes the donation of materials, accompaniment for the support of inmates of the Madrid II penitentiary center during the *Camino de Santiago* pilgrimage, collecting mushrooms with penitentiary center inmates, collection of books for the BBVA Volunteer Library in the Madrid II Center and the ENGAGE entrepreneur program in the Piccasent penitentiary.

These are the main volunteer work/community service projects run in 2011:

[Main projects in partnership with employees in Spain](#)

Activity in South America and Mexico

In South America and Mexico, our volunteers are primarily active in the «*Niños Adelante*» educational program. As a key volunteer work/community service activity, the employees in Mexico tutor students who have received scholarships from the Bank. In all, 700 employees have sponsored the 15,000

children with scholarships whose family members have emigrated and who are studying at high school with excellent qualifications.

The data on participation and the impact of volunteer work/community service in South America and Mexico are as follows:

Main projects in partnership with employees in South America and Mexico

Work in the United States and Puerto Rico

A total of 1,611 of our employees in the United States dedicated 60,039 hours to volunteer work/community service in 2011. The activities included global, individual and local development.

At the global level, our benchmark programs are supported by renowned organizations such as Feeding America, an organization dedicated to ending hunger, and Scholastic Books, our partner in the Reading Counts program. The latter has been extremely successful among employees in 2011. The program consists of promoting good reading habits among children between 3 and 8 years through sessions in which employee volunteers visit schools and read to the children. Moreover, a kit containing 25 books is given to each child in different languages. More than 40,000 books were handed out to children in 2011.

Other outstanding educational programs include: «Get Smart about Credit», with the participation of 25 employees, and which has reached 3,000 children and «Teach Children to save», for educating children on the proper use of credit and the importance of saving.



Responsible procurement

Procurement procedure governing principles

BBVA's relationship with its suppliers is governed by the Group's Code of Conduct and is based on respect for the law, commitment to integrity, competition, objectiveness, transparency, value creation and confidentiality.

This Code also includes a number of procurement principles that apply to all those who take part in the procurement process. At BBVA our aim is that our suppliers comply with our social and environmental standards, as well as applicable legislation and the United National Global Compact principles.

Number of suppliers and annual turnover by country.

Global Responsible Procurement Policy

In 2011, BBVA worked on drawing up a Global Responsible Procurement Policy for the Group, with advice from independent experts. The ultimate aim of this policy is better management of environmental and social aspects of the group's supply chain and their integration in BBVA's Global Procurement System (GPS).

Global Responsible Procurement Policy Definition

Firstly the level of integration of the environmental and social aspects in each of the stages of the Group's procurement process was analyzed, with cooperation from all of the areas involved in procurement.

The BBVA Global Procurement Model procedures and documentation relating to procurement technical specifications and contracts were reviewed. The opinion of external agents regarding procurement in BBVA was also taken into consideration and a benchmarking process was carried out to identify best practices in leading companies in relation to responsible procurement.

In order to establish the plan's scope, BBVA's main product and service families were selected in accordance with their relative importance in terms of turnover and potential environmental and social impact.

A diagnosis was made from the results of the analysis to identify the most important measures required to mitigate social and environmental risks in the supply chain.

These measures were prioritized based on questionnaires targeted at all of the units involved. They were then included in an action plan which will be used to define a Responsible Procurement Policy in line with the Group's priorities which covers the needs detected during the initial diagnosis and involves every area in the implementation thereof.

Supplier approval process

In 2011 we continued to implement the Global Procurement System (GPS) technology system, expanding the geographical and functional scope. The GPS has been implemented for the complete procurement process -budgeting, procurement and finance- in Mexico, Colombia, Chile and Peru.

Another of the processes defined in the GPS is the supplier approval process. This year we made progress on the selection of a service provider to help implement the new global approval process in the Group which will standardize criteria and assess the providers in an independent and uniform manner in every country. This new process will unify the dialog with those providers for the purpose of their approval.

Supplier approval in Spain

BBVA grants priority to local suppliers. Procurement transactions negotiated at a local level by the different countries where the Group operates accounted for 66% of the total amount awarded in 2011.

In recent years we have conducted a biennial survey on our providers to find out their level of satisfaction. This survey was not carried out in 2011 with the aim of conducting it in the same year in every country from 2012 onwards



The environment

Global Eco-efficiency Plan

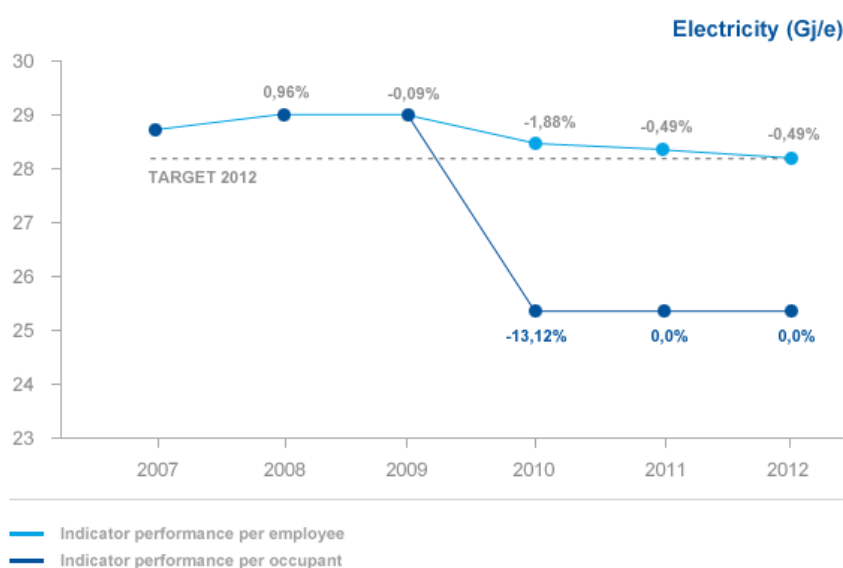
In 2011 we set up an eco-efficiency and responsible procurement committee in accordance with BBVA's CR governance model. This committee is the Group's main governing body in this field and its duties include supervising and updating our environmental policy.

In 2008 we launched the Global Eco-efficiency Plan (GPE), becoming the first Spanish financial institution to launch an initiative of this kind. The plan includes a number of targets for 2008-2012 in terms of reducing direct environmental impact, including:

- 20% reduction in CO₂ emissions (per employee)
- 10% reduction in paper consumption (per employee)
- 7% reduction in water consumption (per employee)
- 2% reduction in energy consumption (per employee)
- 20% increase in the number of employees working in ISO 14001 certified buildings
- gold LEED certification for the new corporate headquarters

The following graphs show the performance of these indicators in 2011:

Electricity consumption



The 2012 figure refers to the set target. Scope: BBVA Bank, except the United States, Puerto Rico and Bolivia (the Bank accounts for 82% of the Group's workforce).

Water consumption



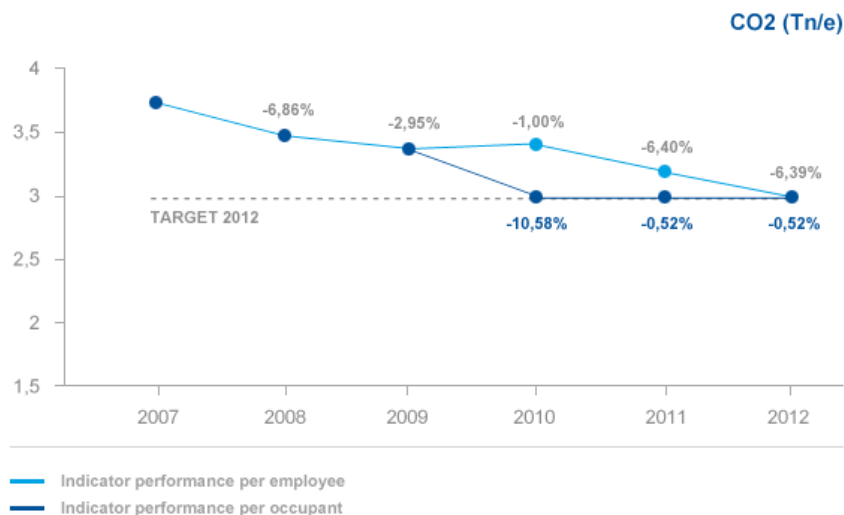
The 2012 figure refers to the set target. Scope: BBVA Bank, except the United States, Puerto Rico and Bolivia (the Bank accounts for 82% of the Group's workforce).

Paper consumption



The 2012 figure refers to the set target. Scope: BBVA Bank, except the United States, Puerto Rico and Bolivia (the Bank accounts for 82% of the Group's workforce).

CO2 emissions



The 2012 figure refers to the set target. Scope: BBVA Bank, except the United States, Puerto Rico and Bolivia (the Bank accounts for 82% of the Group's workforce).

Also, in 2011 certificates were awarded for 11 new buildings in accordance with environmental management standard ISO 14001, which raises the number of certified buildings to 36. A total of 20,267 employees work in these certified buildings, representing 23.83% of the total workforce. The 2012 target has therefore already been fulfilled before the planned date. Several of the Group's buildings are also being built in accordance with the LEED green building certification, such as the new BBVA Compass corporate headquarters in Houston, and the Group's recently-opened training center in Madrid, *Campus La Moraleja*. These certifications are in addition to the one already awarded to the BBVA headquarters in Asunción (Paraguay).

In order to fulfill these targets, the GEP establishes a number of lines of action covering optimization of natural resources, sustainable procurement, energy efficiency, reduction and offsetting of emissions, and eco-partners. Within each of these lines of action, the Group's countries have developed different initiatives over the course of the year including:

The GEP does not include BBVA Compass in its scope. However, in recent years the Group's US subsidiary has worked toward becoming aligned with this commitment and has set its own annual eco-efficiency targets. To fulfill these targets, in 2011 BBVA Compass implemented software that allows it to record its electricity, water, diesel and natural gas consumption, thereby identifying potential problems in its ecological footprint and managing the direct consequences.

In Argentina, 123 branches were audited to determine the possibility of rationalizing water and electricity consumption. More efficient systems were installed at 41 branches and more are planned for next year.

In 2011 in Spain we focused on reducing paper consumption in the monthly report sent out to customers by issuing a unified statement. The trickle of letters printed out on one third of a page were replaced by a single monthly report containing all of the information the customer needs grouped together by topic. The new report groups the customer's financial information, such as account transactions, credit card statement and receipts for the month relating to direct billing, transfers, loans, and so on. This initiative is expected to save a total of 230 tons of paper in 2012. The virtual correspondence service, BBVA's online banking service in Spain, which has more than 150,000 customers, has also been updated.

In Spain we have also collaborated with an independent consultancy firm on the “carbon footprint calculation” study. The purpose of this calculation was to establish a reference model to analyze measures for improvement and carbon footprint reduction for our national branches. We must also mention the success of the launch of the electrical vehicle that BBVA purchased in 2010. This year it has been used to transport employees between different buildings in Madrid, clocking up an average of around 90 kilometers a day.

In addition, the 18,403 videoconferences held in Spain in 2011 cut back on commuting and saved an estimated 17,287 tons of CO₂.

In 2011 BBVA Chile applied energy efficiency criteria and standards in the construction of the Group's new branches. These guidelines aim to achieve three main goals related to the consumption of electricity and water and the generation of more environmentally-friendly and sustainable spaces. Examples include timers installed in the lighting circuits for 24-hour signs and areas, reducing consumption by 65% compared to traditional signs thanks to LED technology. Termopanel glass and solar control film are also being used to reduce heat loss and entry of cold in the summer and winter, and to reflect a high proportion of solar radiation.

In the field of sustainable procurement, in 2011 we worked on defining a global responsible procurement plan which includes environmental and social aspects in each stage of the BBVA procurement process. This plan will be embodied in a responsible procurement policy in line with the other corporate policies and with the GEP itself. For more information, see the chapter on Responsible Procurement.

Ecological footprint

In 2011 we continued to make progress in the process of monitoring the Group's environmental footprint through the collection of information relating to the GEP indicators every four months. In some cases, readjustments have been made to the figures published in previous reports as a result of improved quantification and information tracking. This year we have continued to monitor consumption under the GEP per occupant because this is an indicator that gives a more reliable picture of the Group's environmental consumption.

We define occupant as any person, both BBVA Group employees and non-employees, who occupies a physical position in the Bank's buildings and who therefore has a direct impact on the consumption of its resources (water, paper and energy, and consequently CO₂).

The scope of the data reported below extends to BBVA Bank, which accounts for 82% of the Group's workforce, including the United States and Puerto Rico.

Emissions

Paper

Water

Energy

Audiovisuals

Waste

ISO 14001

Climate change and renewable energy funding

In 2011, we had a specialist in the sector analyze our climate change position. The aim was to analyze the need to establish an integrated strategy in this field, and we worked on this together with the Structured Financing, Global Markets, BBVA Research, BBVA Asset Management, MDBs, Risks and Corporate Responsibility areas. BBVA is aware of the climate change risks and opportunities derived from its operations. Even though we have not conducted an exhaustive analysis of the climate change impact on our business, we are working to respond to the main issues that have been detected by means of both internal initiatives (Global Ecoefficiency Plan) and the boost of some products and services, such as the renewable energy financing and the carbon trading mechanisms.

BBVA is strategically committed to providing funding and advice on renewable energy operations, a sector which it leads and where in 2011 alone it financed and advised the installation of over 2,797 MW. In total, in 2011 BBVA's volume of investment in renewable energy operations totaled more than €1,000 million.

In this process, BBVA has received the most prestigious recognition in the industry. In 2010 it was the number one advisor in the Mergers and Acquisitions of Renewable Energy global ranking and at the beginning of 2011 received the Bloomberg New Energy Finance Award for reaching the top spot. The economic news agency drew up this ranking based on the volume of operations during the year, where BBVA advised transactions for a total value of \$1,145 million.

The database specialist Dealogic again stressed the strength of BBVA in funding renewable energy projects in the first half of 2011. BBVA was awarded the second spot in this ranking, for its part in the funding major projects in Europe, Asia and the Americas. By type of renewable energy, according to the Infrastructure Journal, BBVA is in third place globally in wind energy and leads the rankings in solar and photovoltaic power.

The renewable energy funding operations carried out this year include construction of two Elecnor solar plants in Ciudad Real (Spain) with total installed power of 100 megawatts. BBVA took a leading role and headed up the operation by acting as agent, structuring bank and coordinating bank of the club deal. BBVA plays an active role in the solar sector, where in Spain it is participating in the funding of 15 50-megawatt plants, representing more than 60% of the capacity financed until now. In 2011 we also played a leading role in the funding of the 'Eolia' Wind Power Project, consisting of two wind farms in Lérida. Both farms are set to start operating in 2012, with total installed power of 74 MW and an annual energy output of around 149,000 MWh/year.

In 2011, we stepped up our participation in carbon trading projects and we negotiated 5.8 million tons of EUAs (European Union Allowances) and 4.2 million tons of CERs (Certified Emissions Reductions). This year we also funded three registered projects under the United Nations Clean Development Mechanism, which have helped reduce a total of 16.1 tons of CO₂e.

Furthermore, in line with the Group's commitment to support initiatives against climate change, we have once again backed the main international agreements in this regard. BBVA has also joined the '2°C Challenge Communiqué' in order to ask governments to take decisive action to seriously address the problem of climate change during the 17th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP17) in Durban (South Africa).

BBVA has once again sponsored the publication of the Iberia 125 Carbon Disclosure Project 2011 report, which examines the policies and actions taken by the major Spanish and Portuguese companies to reduce their carbon emissions. We are also committed to the Investor CDP and CDP Water Disclosure programs. In accordance with the latest version of the CDP [Global 500 Report 2011](#), for the last period, we have reinforced our commitment and strategy in the field of climate change and we belong to the group of companies with the highest carbon performance band ratings. Click [here](#) to find out BBVA's responses in this analysis.



Environmental training and awareness

In 2011, twelve risk analysts (three from Venezuela and Mexico, two from Peru, five from Columbia and two from Spain and Chile) participated in the “*Programa de Capacitación Virtual sobre Análisis de Riesgos Ambientales y Sociales (ARAS)*” (Virtual Training Program for Environmental and Social Risk Analysis), a 30-hour online course organized by UNEP FI (United Nations Environment Program Financial Initiative). Two analysts from BBVA Continental (Peru) also participated in the Funding Energy Efficient Buildings online course, also organized by UNEP FI.

The Corporate Responsibility area also organized a conference on financial social and environmental risk, together with the consultancy firm Wolters Kluwer, with participation from twenty-two people from the Bank's different areas (Structured Financing, Risks for Spain and Portugal, WB&AM and Corporate Responsibility).

As far as environmental awareness is concerned, in 2011 we undertook reforestation activities in various countries under the Group's corporate community service program. In Panama, we reforested two hectares of land in the Panama Canal Basin, and in Spain, coinciding with the International Year of Forests, we set up the *Ardilla* project, consisting of various environmental preservation projects and the planting of more than 3,500 trees around the country.

Our BBVA Provincial area commenced an internal recycling program at the Provincial Finance Center, aimed at collecting and recycling plastic, paper, aluminum and other materials. Recycling modules were installed in the Center's different areas for this purpose. The employees who work at this Center actively participate in this program, and are able to apply the initiative to their everyday activities by discarding their household waste there.

We also participated in *La hora del planeta* (Earth Hour) again, during which 123 headquarters and 35 BBVA offices in 95 cities around the world switched off their lights to support the largest global mobilization campaign to tackle climate change, organized by WWF.

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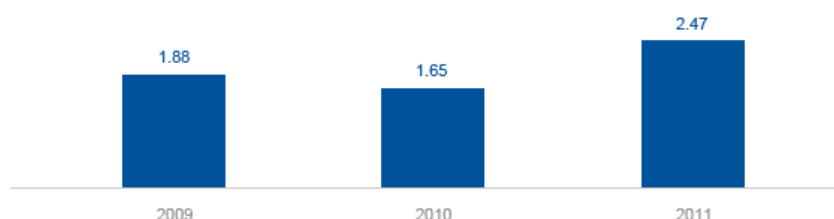
Síguenos



Community involvement

In 2011 we allocated €74.24 million to community involvement activities, representing 2.47% of the Group's net attributable profit for the year.

Funds allocated to community involvement over net attributable profit



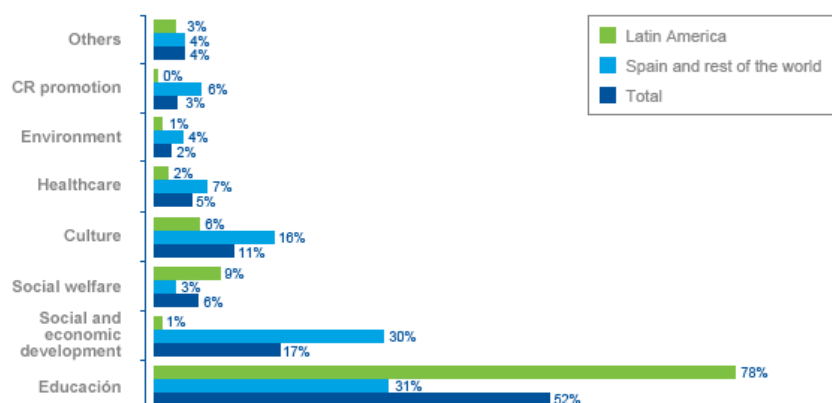
Scope: BBVA Group

By allocating these funds to community involvement we have reinforced our commitment to priority sectors under the corporate responsibility plan: financial literacy, financial inclusion, education for children and young people and research and culture. We also brought in a new strategic area in 2011: social entrepreneur.

In 2011 we also consolidated the engagement initiatives commenced in 2010 to include stakeholders in our community involvement. Our customers donated €3.41 million to the «Niños Adelante» (Forward, children) integration scholarship program in Latin America and our employees put €1.28 million toward community investment projects, mainly in the United States. Taken together with the Group's contributions, these total €78.93 million.

Funds allocated by the BBVA Group and its foundations

Distribution of funds by activity and region



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Education

Activity in South America and Mexico

In 2011 the policy defined in the Community Investment Plan for Latin America was maintained, with an allocation of 1.1% of the Latin American countries' net attributable profit for 2011.

BBVA's commitment to education was once more evident through the partnership signed in 2010 with the Organization of Iberoamerican States and their "Educational Goals for 2021: The education we want for the Bicentennial Generation".

The aim is to achieve an education over the next ten years that provides a satisfactory response to urgent social demands: a higher rate of schooling and for a longer time, with recognized quality education that is fair and inclusive and in which the majority of the institutions and sectors of society take part. This investment in education in Latin America will benefit more than 8 million people through BBVA initiatives.

As part of this agreement, BBVA attended the Third Session for Education Cooperation with Ibero-America on Children Education held in November 2011 in Panama with a view to improving early childhood services and education in the region.

«Niños adelante» (Forward, children)

In 2011 we allocated €13.3 million to the «Niños Adelante» integration scholarship program, under which 61,436 scholarships were awarded to primary and high school children in Mexico, Venezuela, Colombia, Argentina, Chile, Peru, Panama, Paraguay, Uruguay and Puerto Rico, benefiting more than 380,000 people in total.

Since 2011 we have involved third parties related to BBVA Group stakeholders in the «Niños Adelante» scholarship program. Our customers donated €3.4 million during the year, and 1,326 employees participated in volunteer work. The total amount given to the program was €16.7 million.

Main indicators of the «Niños Adelante» (Forward, children) program

The «Niños Adelante» integration scholarship program seeks to guarantee access to education for underprivileged children in the countries in which we operate. While most Latin American countries have public schools where education is provided free of charge, the local reality is that many children do not have the opportunity to study, either because they have no money to buy school supplies, or because their situation is so difficult that they live in hunger at home which forces them to work for a living.

The program objective is twofold: to reach the one million scholarships target proposed under the "Goals for 2021" project with the OIS and to be able to assist children in the next stages of their life

(continue to contribute to their academic training, development of social entrepreneur skills and their family empowerment).

Ruta Quetzal BBVA

Since 1993 we have sponsored and organized the Ruta Quetzal training program, which promotes a values education that encourages effort and mutual respect, promotes equal opportunity and helps overcome inequality. The program has been declared of cultural interest by UNESCO and has helped 8,000 young people of 16 and 17 years of age to broaden their knowledge and develop a spirit of international cooperation.

The 2011 Ruta Quetzal BBVA traveled to Peru, following in the footsteps of Baltasar Jaime Martínez Compañón through the Marañón River jungles and Peruvian desert where they studied the *Moche* culture. The journey continued through Spain, sailing the Cantabrian Sea from the Basque Country to Galicia and on to Extremadura, where in Trujillo they commemorated the fifth centennial of the birth of Francisco de Orellana, the discoverer of the Amazon River.

Work in Spain

«BBVA Plan Integra»

BBVA has set up the «*Plan Integra*» as part of its commitment to disabled people. This plan is aimed at promoting the social and work integration of disabled people and reinforcing the concepts of equal opportunity and non-discrimination.

The plan arises from the BBVA Integra Prize in recognition of bodies that work each day to achieve employment and therefore social inclusion for people with disabilities, particularly when they use innovative and effective methods to do so.

In 2011 we organized the third BBVA *Integra* Prize in Spain in conjunction with FEACEM, FUNDACIÓN ONCE, FEAPS, CERMI and COCEMFE. In 2011 the prize, worth €200,000, was awarded to Lantegi Batuak, which provides work for more than 2,200 disabled people at 20 centers in Bizkaia. Six projects were also given recognition, with a total of €300,000 awarded to Federación de Asociaciones de Personas con Discapacidad Física y Orgánica de la Comunidad de Madrid (FAMMA-Cocemfe Madrid), the **Centro Especial de Empleo de la Asociación de Tutores y Amigos del Centro San Cebrián** (ATACES C.E.E. "San Cebrián"), *Centro Andaluz de Integración Laboral Unificada S.L.* (CAILU), *Centro Especial de Empleo Manantial Integra*, SALARCA and Fundosa Accesibilidad (Vía Libre).

We signed a financial agreement with Fundosa (the business division of Fundación ONCE), through which the Bank gives the organization €10 million to support the development of Special Employment Centers and promote the hiring of people with disabilities. Fundosa will give the entire loan to its subsidiary Flisa, a leading company in the industrial laundry sector, which employs 3000 workers, of whom 86% are people with disabilities. With this loan, BBVA participates in the setting up of new Flisa industrial laundering centers in Spain, as well as the expansion and modernizing of services that already exist. This has helped to finance the acquisition of three new centers in Navarra, Cuenca, and Boadilla del Monte (Madrid), through the Special Employment Centers.

Teacher Action Prize

Since 2005 BBVA has sponsored the Teacher Action Prize, together with Fundación de Ayuda contra la Drogadicción and UNESCO as part of the Homage to Teachers project, in order to inform society about significant experience and educational projects that promote and develop teachers in educational centers around the country. Since the Prize was launched, over 1,400 educational projects have been submitted by teachers and educational centers from all over Spain. In 2011 the following projects earned awards: «*Buenos tratos, buenos ratos, en nuestro cole*» (Good treatment means good times at our school) from the CEIP Miguel Iscar school in Valladolid and «*Mira a tu alrededor*» (Look around you)” submitted by the IES José Luis Tejada Peluffo high school in El Puerto de Santa María, Cadiz.

Work in the United States and Puerto Rico

In 2011 we consolidated our work in six priority areas in the United States. The funds allocated to each are as follows: community development and financial literacy (30%); general education (30%); health (15%); art and culture (15%); the environment (5%); and diversity and inclusion (5%).

BBVA's educational projects in the United States include «Reading Counts» in partnership with Scholastic, Inc. Its aim is to close the achievement gap among children and young people in public education. The program has given 25,000 children in Texas and California reading books. BBVA Compass employees also participated as volunteers in various initiatives.

In Puerto Rico the «*Niños Adelante*» (Forward, children) integration scholarship program is targeted at adolescents who leave school early when they fall pregnant.



Research and culture

In 2011 BBVA Foundation stepped up its commitment to generating and disseminating knowledge through activities including: research work, meetings and workshops, conferences, consultations and discussions, publications in digital and paper format, and several groups of prizes in recognition of those who make the most significant contributions to scientific and technology breakthroughs.

We earmarked €10 million to support for advanced research, which we believe constitutes strategic leverage to meet early century challenges and is our Foundation's main differentiating factor. This is an assertion of our commitment to making "a better future for people" through promoting knowledge and innovation.

In the field of science and technology, we pay special attention to areas with the most potential to fulfill society's needs and expectations: health (Biology, Medicine, New materials, Imaging techniques, Bioinformatics), environment (Ecology and Conservation biology, Climate change), information and communication (ITC, Internet), knowledge of nature (Physics, Cosmology, Chemistry), growth, well-being and present-day social problem management (Economics and social sciences).

BBVA runs an ambitious cultural program, making it a reference point for art patronage in Spain. It also offers major backing for educational and dissemination work, to which it has donated €6.3 million.

BBVA's cultural program consists of backing classical and contemporary music, covering composition (commissions, prizes and premières), interpretation by regional orchestras (ORCAM, ROSS, Orquesta de Gran Canaria) and ensembles (PluralEnsemble), and audiovisual recordings (collection of Spanish and Latin American composers of our time, special projects); art, through painting exhibitions in conjunction with the main Spanish museums; and education, through advanced training for young performers, talent recognition through prizes, music forums and events, and more generally the dissemination of music knowledge.

Our BBVA Foundation "*Fronteras del Conocimiento*" Awards have been running since 2008. These awards give recognition to contributions that have pushed back the frontiers of knowledge and increased the possibility of a better future for society. The prize money is worth €400,000 in each of the eight categories and disciplines covered. In terms of prize money they can be considered the second largest in the world after the Nobel Prizes.

BBVA FOUNDATION FRONTIERS OF KNOWLEDGE AWARDS 2011

Basic Sciences (Physics, Chemistry and Mathematics)	Michel Mayor and Didier Queloz	Swiss astrophysicists
Biomedicine	Alexander Varshavsky	Russian biochemist
Ecology and Conservation Biology	Daniel H. Janzen	US ecologist and naturalist
Information and Communication Technologies	Carver Mead	US electronic engineer
Economy, Finance and Management	Angus Deaton	British economist
Contemporary Music	Salvatore Sciarrino	Italian composer
Climate Change	Isaac Held	US physicist
Development Cooperation	Ciro de Quadros	Brazilian epidemiologist and researcher

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Social entrepreneurship

In 2011 we stepped up our community involvement with the launch of a new strategic area: social entrepreneurship. This is an ambitious program to support social entrepreneurs in Spain and Latin America, and which will be progressively extended to all countries where BBVA operates.

Social entrepreneurs identify a social program and are able to create, manage and develop a business project to drive social change. They embody our vision, by working toward a better future for people.

BBVA has an ambitious program to support social entrepreneurs in Spain, Portugal, and Latin America, with two priority areas:

- «**Momentum Project BBVA**» to play a global and leading role in the support ecosystem for social entrepreneurs based on training and specialist advice to consolidate entrepreneurial initiatives that have high financial and social value, and
- «Young Social Entrepreneurs» Program to promote an entrepreneurial spirit and a vocation for social change among young people.

Work in Spain

Momentum Project

This is a pioneering initiative in Spain to help social entrepreneurs who have projects underway and need to consolidate and guarantee the feasibility of those projects and to give them complete training, advice and support on how to improve their project and increase social and economic impact. We also promote cooperation and knowledge-sharing between entrepreneurs.

BBVA launched «Momentum Project» together with ESADE, PwC and Stone Soup as management partners, and Ashoka, Skoll Foundation and GSBI as partners specializing in social entrepreneur.

BBVA is also pursuing two lines of work to fulfill the objective of the «Momentum Project» initiative:

1. Developing the training and advice program. -Training at ESADE in Barcelona- Support for 11 BBVA executive volunteers and 10 sponsors throughout the process, and involvement of ESADE students with the most skills and dedication.- Preparing and implementation of a Development plan for growth.- Help in the search for funding for growth plans by organizing the “Social Investment Day” at the BBVA Campus where social entrepreneurs submit their expansion projects to potential financiers, and participation in the funding of some projects for which BBVA has designed an investment vehicle with €3 million in funds.

2. Helping toward developing an ecosystem that consolidates the social entrepreneur sector.

One hundred and thirty-three candidates submitted applications in the first «Momentum Project», launched in February 2011. Of those candidates, 55 met requirements to become Momentum projects, and out of these the following 10 winning social entrepreneurs were selected: LA Tavella, Naturix, Sostre Cívic, Catering Solidario, DAU, Gran Vallés Asistencial, Hornos Lamastelle, Moltacte, Roba Amiga and Teixidors. The latter 7 companies will receive funding through our investment vehicle.

Young Social Entrepreneurs Program

We are intent on promoting an entrepreneurial spirit and a vocation for social change among young people. In 2011 we worked alongside the Fundación Ashoka Emprendedores Sociales in the «Young Changemakers Program».

Through this partnership with Ashoka we will hold practical workshops in Spain to inculcate the social entrepreneur concept in 2,000 young people, some of whom will benefit from our «*Valores de Futuro*» (Future Values) financial literacy program. We will also help to launch 15 social entrepreneurs projects by providing seed capital.

Activity in South America and Mexico

Momentum Project

A pilot «Momentum Project» will also be launched in Latin America. During 2011, through the Group's banks in Mexico, Argentina, Colombia, Peru and Venezuela, we made progress on building knowledge and support in the field of social entrepreneur in collaboration with local business schools belonging to the SKEN network, through case studies on this type of entrepreneur in each country, and on knowledge sharing, through a specialist seminar.

Young Social Entrepreneurs Program

In South America and Mexico BBVA set up the «Young Social Entrepreneurs Program» to promote entrepreneurial spirit and social change among young scholarship holders belonging to the «*Niños Adelante*» program to give them the chance to turn their situation around.

We also held practical workshops in 2011, in which 243 young people participated, and we awarded 56 continuation scholarships to young people between 16 and 20 years old, who took part in the «*Niños Adelante*» program in Argentina, Colombia, Chile, Mexico, Panama, Paraguay, Peru and Uruguay.

At the end of 2011 we launched a virtual competition for Latin America in countries in which we have worked on social entrepreneur with young people to support initiatives with seed capital, advice and support from Fundación Ashoka Emprendedores Sociales.

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Profile, progress and goals

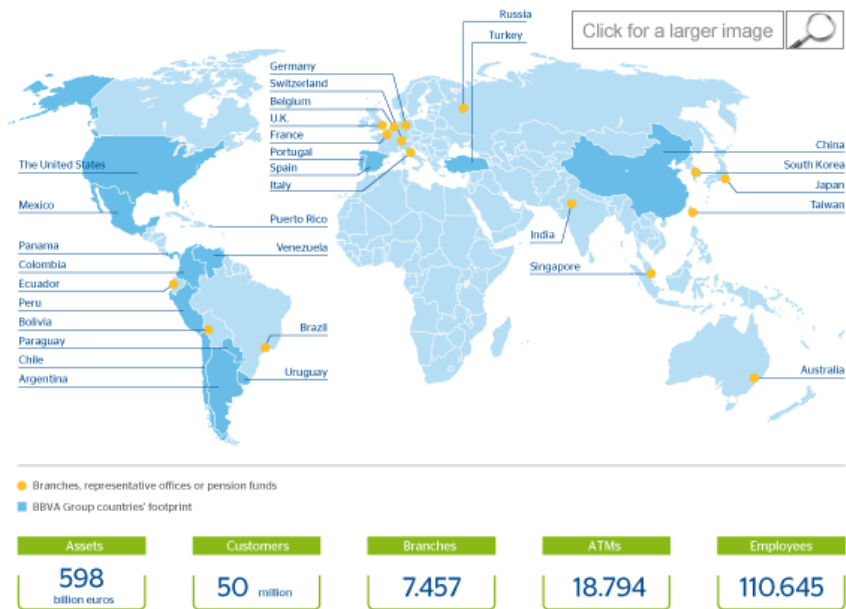
The BBVA Group is a global financial institution with a leading position in Spain and Latin America and a growing presence in the United States and Asia. The Group has 110,645 employees worldwide, over 50 million customers and more than 987,277 shareholders.

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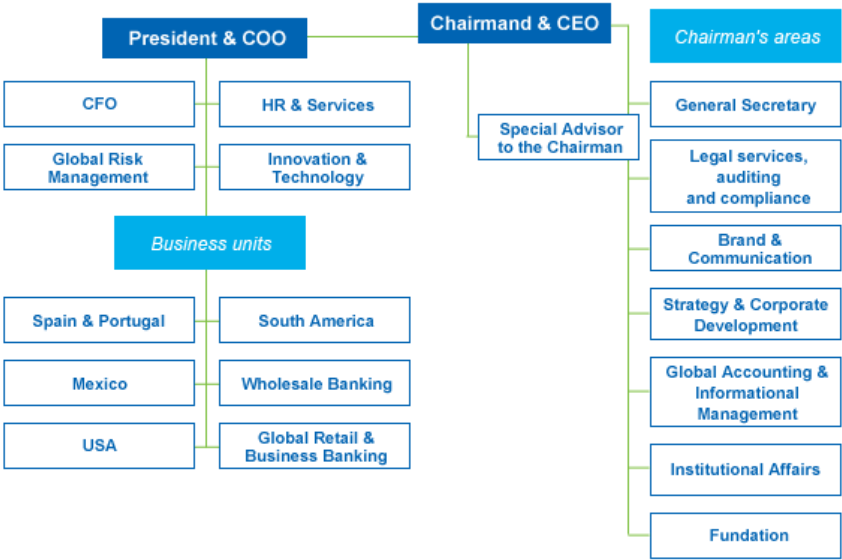


Main Group companies





Business organization chart and structure





Annual CR reports issued by other Group Banks

		GRI 2010 RATING	VERIFIED BY DELOITTE
BBVA Bancomer	since 2007	A+	✓
BBVA Banco Continental	since 2005	A+	✓
BBVA Banco Francés	since 2007	B+	✓
BBVA Banco Provincial	since 2006	B+	✓
BBVA Colombia	since 2007	A+	✓
BBVA Chile	since 2007	B+	✓
BBVA Compass	since 2008	B+	✓



Prizes and awards

- August 2011. BBVA Compass receives the Community Service Leadership Award from Financial Services Roundtable.
- July 2011. The Chilean Ministry of Planning rewards BBVA's «*Niños adelante*» (Forward, children) program.
- April 2011. The Inter-American Development Bank awards the «*Adelante con tu futuro*» (Forward with your Future) initiative two beyondBanking prizes under the learnBanking and people's choice categories.
- March 2011. BBVA Provincial included in the 2010 Great Place to Work ranking.
- September 2011. bancaparatodos, BBVA's CR portal, wins the Corporate Responsibility Communication category of the Digital Communication Awards 2011.
- December 2011. BBVA Continental is included in Peru's Great Place to Work ranking.
- April 2011. BBVA Bancomer receives the award for Socially Responsible Company (SRC) granted by Centro Mexicano para la Filantropía A.C. (Cemefi) and Alianza por la Responsabilidad Social.
- October 2011. BBVA Chile is ranked among the most socially responsible companies in the country according to the 2011 National Ranking of Corporate Social Responsibility drawn up by the PROhumana Foundation and Qué Pasa magazine.
- July 2011. Actualidad Económica magazine names BBVA 'the best place to work'.



Key CR indicators

KEY CORPORATE RESPONSIBILITY INDICATORS

	2011	2010	2009
Economic ⁽¹⁾			
International ranking of private banks by market capitalization ⁽²⁾	9th	14th	8th
Economic value added (EVA) (million euros)	21,615	18,559	20,315
Socially responsible mutual funds over total mutual and pension funds managed (%)	2.42	2.13	2.92
Social			
Customer satisfaction index ⁽³⁾	5.31	5.27	5.22
Employee satisfaction index (%) ⁽⁴⁾	n/a	90	n/a
Supplier satisfaction index (%) ⁽⁴⁾	n/a	79	n/a
Hours of training per employee	48	43	38
Women in senior management (Management Committee and corporate managers/senior managers)	9/19	10/18	9/18
Ratio of men to women	48/52	48/52	48/52
Resources allocated to community involvement (million euros)	74.24	76.03	79.1
Resources allocated to community involvement over net attributable profit	2.47	1.65	1.88
Number of children receiving scholarships under the «Niños Adelante» project	61,436	60,099	56,178
Number of beneficiaries of the Global Financial Literacy Plan ⁽⁵⁾	814,483	416,325	30,734
Number of direct and indirect beneficiaries of the BBVA Microfinance Foundation (millions)	3.7	2.5	2
Number of customers of the BBVA Microfinance Foundation	948,508	620,584	499,961
Total amount of microcredits granted by the BBVA Microfinance Foundation (€millions)	737.3	432	323
Average microcredit from the BBVA Microfinance Foundation (euros)	1,052	696	717
Number of volunteers	4,328	5,268	5,193
Environmental ⁽⁶⁾			
CO ₂ emitted per employee (t) ⁽⁷⁾	4.21	4.05	3.92
Paper consumption per employee (t)	0.13	0.13	0.13
Water consumption per employee (m3)	43.14	48.88	50.3
Electricity per employee (MWH)	9.07	8.72	9.28
Number of employees in ISO 14001 certified buildings	20,267	16,593	10,455
Corporate responsibility and reputation (CRR) management and governance			
Number of CRR appearances before the Board of Directors	2	1	2
Local committees or CRR participation in Management Committees (global, local and business) (8)	16	n/a	n/a

	2011	2010	2009
Scope: BBVA Group			
<p>(1) Other key economic CR indicators are net attributable profit per share, stock market capitalization and non-performing asset ratio. These figures can be reviewed in the significant data table of the BBVA 2011 Financial Report.</p> <p>(2) World ranking among the 18 companies in BBVA's peer group: Wells Fargo, HSBC, JPMorgan, Citigroup, Santander, Bank of America, BNP, UBS, Deutsche Bank, RBS, Barclays, CS, Lloyds Bank, Intesa, SG, Unicredit, Credit Agricole, CommerzBank.</p> <p>(3) Data for Spain. Scale of 1 to 7.</p> <p>(4) Biennial survey.</p> <p>(5) In 2011, the calculation criteria was modified to adapt to the academic calendar, such that the data for the program in Spain and Portugal is assigned to the second part of the academic year. Likewise, the series has been recalculated from 2009 to apply this new criterion.</p> <p>(6) The water, electricity and CO2 indicators for previous years have been updated, primarily due to the incorporation of data from the USA that was under review at the time the 2010 information was published.</p> <p>(7) The CO2 emitted per employee includes BBVA Spain's purchase of green energy.</p> <p>(8) Up to 2011 there were global and local CRR committees. In 2011 CRR issues were dealt with in the Group's global, local and business Management Committees.</p>			



Sustainability ratings



The BBVA Group has been included in the DJSI World since 2001 and in the DJSI STOXX since 2005. [See our latest scores.](#)



BBVA is included in the MSCI World ESG, MSCI EAFE ESG and MSCI Europe ESG indexes.



BBVA is included in the ASPI Eurozone and the Ethibel Sustainability Indexes and for the first time in 2007 in the Ethibel Excellence Index.



The BBVA Group is included in FTSE4Good indexes since 2005, and in 2008 it joined the FTSE4Good Ibex index.



In 2011, BBVA has once again been considered PRIME in competition with the world's best banks or Best in Class.



Sustainalytics, formerly known as Analistas Internacionales en Sostenibilidad (AIS), continues evaluating and granting sustainability ratings to BBVA since 2005.

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Progress 2011 and goals 2012

CR PRINCIPLES AND POLICIES

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
1. Report regularly (at least once a year) to the Board of Directors	Two reports (one from the Director of CRR, in May, and another from the Chief Operating Officer, in December)	100%	1. Report regularly (at least once a year) to the Board of Directors
			2. Social Impact Program: build a map of indicators for BBVA's social contribution and report it
			3. Draw up a report on the impact of BBVA's effective tax rate verified by an independent auditor
			4. Approve the 2012-2015 CRR strategic plan
			5. Update human rights, defense and environment policies.
2. Promote and participate in CR initiatives together with other companies and institutions and adherence to relevant international commitments	<ul style="list-style-type: none"> • Active participation in Global Compact Lead and Global Compact in Spain • Participation in annual FELABAN assembly • Participation in United Nations Global Roundtable • Cooperation in UNEP FI Guide to Banking & Sustainability and Integrating sustainability in Latin American banking survey • Active participation in International Integrated Reporting Council • Training business school students 	100%	6. Promote and participate in CR initiatives together with other companies and institutions and adherence to relevant international commitments
			7. Two CRR appearances before the Group Management Committee

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
3. Hold a total of 20 local CRR committees	Sixteen local CRR committees or CRR participation in local management committees	75%	8. CRR participation in 20 local management committees, with minimum of 2 per country
4. Hold 2 CRR committees in the U.S.	Goal pushed back to 2012	0%	9. Include CRR issues in at least 2 US Management Committees
5. Carry out actions aimed at achieving and disseminating the MDGs (Millennium Development Goals)	Microfinancing, education and BBVA Group foundation activities	50%	10. Carry out actions aimed at achieving and disseminating the MDGs (Millennium Development Goals)
6. Strengthen the integrity model in the businesses, focusing particularly on customer protection (customer compliance)	Advanced processes and tools to monitor conduct in securities markets standards that already exist in Europe, the US and Mexico have been extended to new jurisdictional areas in Latin America. On a European level, major efforts have been made to improve transparency and communication for customers regarding the features and risks of their investment products, and to tailor these products to customer needs.	75%	11. Improve the Model for Managing the Risk of Money Laundering

STAKEHOLDERS

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
7. Include CSR-ESG (environmental, social and governance) issues in Investors Day 2011	Investors Day did not take place. CSR-ESG issues were incorporated into the quarterly institutional presentation of the Chief Operating Officer	0%	12. Include CSR-ESG issues in institutional and results presentations
8. Set up an internal ESG committee including Investor Relations, CR and Corporate Governance	Goal pushed back to 2012	0%	13. Create the ESG Investment Committee and hold 2 sessions
9. Use the listening and analysis tools for global public opinion in the CRR committees	Improve inclusion of analyst demands for sustainability information in the bank's business. In 2011, the CR website, bancaparatodos, received 50,798 visits.	50%	14. Include six-monthly corporate meetings to review developments in image and reputation and the communication process
10. Extend the scope of new channels for stakeholder dialog and relations	Globscan survey on public opinion in 26 countries, commenced in 2010, completed with a study on the Future of Finance.	100%	15. Identify short list of key stakeholders

FINANCIAL LITERACY

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
11. Consolidate the school and beneficiary figures of the Valores de futuro program for 2010-2011 in Spain (578,000 students and 3,060 schools)	In the 2010-2011 edition of "Valores de Futuro", a total of 583,442 students at more than 3,000 schools participated.	100%	16. 3,500 schools and more than 650,000 beneficiaries with the "Valores de Futuro" program in Spain in 2011-2012
12. Consolidate the school and beneficiary figures of the Valores de futuro program for 2010-2011 in Portugal (100,000 students and 600 schools)	In the 2010-2011 edition of "Valores de Futuro", a total of 107,279 students at more than 843 schools participated.	100%	17. 800 schools and more than 105,000 beneficiaries with the "Valores de Futuro" program in Portugal in 2011-2012
			18. Define strategy, adapt content and implement "Valores de futuro" in Mexico
13. Reach 5,100 beneficiaries with the "Adelante con tu futuro" program in South America	291 beneficiaries in Chile and 120 in Uruguay. Venezuela started its online financial literacy workshops.	0%	19. 5,000 beneficiaries with the "Adelante con tu futuro" program in South America
14. Reach 400,000 beneficiaries with the "Adelante con tu futuro" program in Mexico and assess the impact with participants	In 2011 BBVA Bancomer taught personal finance workshops that benefitted 400,000 people	100%	20. 400,000 beneficiaries with the "Adelante con tu Futuro" program in Mexico
15. Participate in international benchmark initiatives to promote financial literacy and collaboration with the OECD's PISA Report	Presentation of BBVA-PISA agreement Participation in INFE conference in Cape Town	75%	21. Organize and participate in forums and initiatives to promote financial literacy

FINANCIAL INCLUSION

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
16. Extend the operating presence of the Microfinance Foundation from the current 6 countries (Argentina, Chile, Colombia, Panama, Peru and Puerto Rico) to 9	New entity in Chile (Fondo Esperanza) Public-private partnership with the Authority of Micro, Small and Medium Enterprises of Panama (AMPYME)	0%	22. Close two new operations. Operating presence in another country
17. Extend the BBVA Microfinance Foundation's current customer base of 620,584 by 20%	Nearly 1 million customers in Latin America, with a social impact of more than 3.7 million people	100%	Goal not continued in 2012
18. Increase the number of specialists trained in microfinance by 20%	315 students trained in 2011 (560 in 2010)	100%	23. Increase the number of executives trained in microfinance by at least 20% (250 students)

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
19. Disseminate the Universal Code of Good Governance in the microfinance sector in Latin America	The “Universal Corporate Governance Code for Microfinance Entities” and a “Guide to applying good governance principles for MFIs” were presented. Two good governance training workshops (Colombia and Costa Rica) were arranged for board members of microfinance institutions (134 professionals trained).	100%	24. Hold three new good governance training workshops for board members of microfinance institutions in Latin America
20. Collaboration between BBVA and the BBVA Microfinance Foundation to channel loans and donations from individuals to microentrepreneurs in developing countries	The goal has not been achieved	0%	Goal not continued in 2012
			25. Segmentation project: Poverty Map in Latin America 26. Develop and implement Social Impact Indicators
21. Carry out a microentrepreneurship qualification pilot project for relatives of scholarship recipients of the Forward, children program in Colombia	The goal has not been achieved	0%	Goal not continued in 2012
22. Increase the number of remote and non-face-to-face service channels other than branches	223 non-banking correspondents in Colombia, 17,973 in Mexico and 1,414 Express correspondents in Peru (total: 19,610 compared to 5,330 in 2010)	75%	Goal not continued in 2012
			27. Extending the customer base by strengthening the banking penetration process
23. Launch a complete commercial service for people and organizations in the disabled world in Spain	It is preferred to adapt existing products that to create a specific and discriminatory offer	0%	Goal not continued in 2012

RESPONSIBLE BANKING – CUSTOMER FOCUS

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
24. Guarantee AA accessibility of the Group's main websites	Developments in www.bancaparatodos.com and www.rutaquetzal.com websites in accordance with Technosite (ONCE Foundation) recommendations aimed at a double-A accessibility level	75%	28. Receive double-A certificate from Euracert for www.bancaparatodos.com

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
25. Approve a corporate manual for Group-wide transparent, clear and responsible (TCR) communication and design local implementation plans	The Corporate Manual was approved.	25%	29. Design a TCR communication implementation plan in Spain
26. Develop experiences of responsible product and service design	“Paga bien Paga menos” continued in Mexico “Vivienda sin límites” campaign launched in Colombia in 2011. In Spain, as well as providing welfare support following the Lorca earthquake, BBVA has given those affected down payments on subsidies and compensation, interest-free and with special conditions. Tailored solutions have also been designed for all affected customers that adapt their repayments to their new capacity to pay, by using grace periods, payment postponements and longer payment terms. BBVA Seguros also moved a team of people to its Lorca branches to help those affected process the damage compensation payments for their homes from the Insurance Settlement Consortium. In the United States, BBVA Compass is asking customers applying for their first mortgage to complete an on-line <<Own Your Own Home>> course by the Federal Deposit Insurance Corporation (FDIC) as part of the <<Money Smart's>> program. “	25%	30. Include CRR criteria in product and service design. Review and boost reputational risk management in new products committees
			31. Carry out “people centricity” training workshops for Segment Managers
			32. Development, implementation and follow-up of individual solutions for customers struggling to pay their mortgages

RESPONSIBLE BANKING – RESPONSIBLE FINANCE

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
27. Include analyses of mitigating factors for companies with high environmental risk and exposure over €500,000 in Ecorating	The goal has not been achieved	0%	Goal not continued in 2012
28. Implement Ecorating in Mexico	Tool developed in Bank's internal systems	0%	Goal not continued in 2012
29. Prepare an action plan aimed at rectifying the weaknesses detected by Internal Audit regarding application of the Group's Equator Principles and policy on the subject of defense sector financing	Preparation of new procedure to apply Equator Principles Preparation of new defense policy, including consultation with leading NGOs and presentation to social, environmental and reputational risks committee	100%	33. BBVA Risk Management Committee approval of new defense policy
30. Add BBVA Compass (U.S.) to the Group's environmental risk management circuit	Process commenced, expected to be completed in 2012	0%	34. Add BBVA Compass (U.S.) to the Group's environmental risk management circuit
31. Complete adaptation of the Manual for Social and Environmental Risk Management in the lending business in Argentina, Chile, Mexico and Venezuela	Adaptation complete in Chile and Venezuela and partially completed in other countries	50%	35. Adapt manual in every country in which BBVA Group operates
32. Set up a social, environmental and reputational risk committee, expanding the scope of the current Equator Principles committee	Creation of the Social, Environmental and Reputational Risk (SAR) Committee	100%	36. Hold two sessions of the SAR Committee
33. Increase the number of analysts trained in social and environmental risk management by 10%	36 people trained in environmental and social risk analysis (24 in 2010)	100%	37. Maintain the number of risk analysts trained in social and environmental risk analysis
34. Launch a Global Plan for Standardization of Technological Infrastructures and Processes as regards fraud risk	New measures to fight credit card and Internet fraud	50%	38. Continue to launch global technological infrastructures to manage fraud in the Group and optimize management of this type of risk, especially for credit cards
35. Complete the reputational risk map for the main countries and their consolidated map	Consolidated reputational risk map in completion phase	75%	39. Complete consolidated risk map with financial years for USA and CIB (Corporate & Investment Banking)

RESPONSIBLE BANKING - HUMAN RESOURCES

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
36. Conclude the teleworking pilot in Spain and Mexico and assess its results	Completion and evaluation of Flexible Work pilot scheme in Spain and Mexico	100%	Goal not continued in 2012

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
37. Boost initiatives that promote equal opportunity, the life/work balance and gender diversity, and extend the Genera social networking diversity tool throughout the Group	Principal needs observed in the BBVA Group in terms of gender diversity, equal opportunity and work/life balance. Identify fields of action Defined corporate initiatives to launch and develop	75%	40. Implement and promote the corporate initiatives approved in each of the areas/countries
			41. Evaluate progress of gender diversity after their implementation
38. Develop the coaching and mentoring program	Mentor training program adapted to include features that foster diversity. Implementation of program to provide guidance and support to employees returning to work after leave.	100%	Goal not continued in 2012
39. Carry out CR communication actions for managers through BBVA Hoy	Organization of Social Investor Day with participation from executives	0%	42. Launch CR content for executives via i-pad
40. Incorporation of CR knowledge into the "Functional Profiles" of the areas (IDP - Individual Development Plan)	CRR knowledge has been defined within the Group's competencies assessment model Progressive inclusion in specific profiles (currently 50 people approx. with knowledge in their profiles)	50%	43. Extend inclusion of RRC issues in functional profiles in areas (PDI- Individual Development Plan)
			44. Include CRR training chapter in new recruits module
41. Increase the number of employees collaborating as volunteers to 25%	In 2011, 4,328 of the Group's employees undertook volunteer work	0%	45. Maintain the number of employees collaborating as volunteers

RESPONSIBLE BANKING - RESPONSIBLE INVESTMENT

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
42. Third sustainability rating of the BBVA Employment Plan	Third sustainability rating of the BBVA Employment Plan carried out	100%	46. Fourth sustainability rating of the BBVA Employment Plan
43. Analyze the possibility of extending the exercise of voting rights to other geographical areas (currently only in Spain).	Efforts have been made in preparing the necessary mechanisms to extend the exercise of voting rights to European companies for 2012.	25%	47. Extend the exercise of voting rights to European companies
44. Develop and implement Socially Responsible Investment policies in fixed-income portfolios	Internal SRI model set up and other external analysis sources studied for our own fixed equity model.	75%	48. Train Asset Management managers in SRI

RESPONSIBLE BANKING - RESPONSIBLE PROCUREMENT

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
45. Approve and implement the sustainable procurement policy in the Group	Hiring of consulting services, diagnostics drafting and action plan	0%	49. Approve and implement the responsible procurement of the Group
			50. Extend the Global Procurement System to new geographical areas and functions
46. Consolidate the 2010 special employment center recruitment figure	Purchase totaling €3.4 million (compared to €1.2 million in 2010)	100%	Goal not continued in 2012

RESPONSIBLE BANKING - THE ENVIRONMENT

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
47. Increase the number of people working in ISO 14001 buildings by 20%	20,267 people in ISO 14001 buildings, i.e. 23.83%	100%	The Global Eco-efficiency Plan goal set for 2012 was achieved in 2011
			51. BBVA signed CDP Carbon Action
48. Reduction in consumption per employee: 6.40% in CO2 emissions, 0.57% in paper; 7.01% in water, 0.49% in electricity, under the Global Eco-efficiency Plan (GEP)	GEP 2011 consumption: 4.25% CO2; 0.46% paper; 3.41% electricity; -14.57% water	25%	52. Reduction in consumption per employee: 17.60% in CO2 emissions; 1.59% in paper; and 6.03% in electricity, in accordance with the GEP Prepare the new Global Eco-efficiency Plan, to come into force in 2013

COMMUNITY INVOLVEMENT

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
49. Boost lines of work to raise awareness and promote the job integration of disabled people in Spain	Sponsorship of the 3rd Integra Award Start of "Rampas Virtuales" (Virtual Ramps) project to respond to disabled people's needs, with awareness and sponsorship initiatives	50%	53. Launch actions to raise awareness and promote the job integration of disabled people in Spain, with emphasis on local needs
50. Consolidate the 60,000 children who benefit from the Niños Adelante (Forward, Children) program	More than 60,000 elementary and high school children were able to continue their studies and, thus, their families could also benefit (350,000 people)	100%	54. 65,000 children to benefit from the "Niños Adelante" integration scholarships program

GOALS FOR 2011	ACHIEVEMENTS	% OF PROGRESS (VERIFIED BY DELOITTE)	GOALS FOR 2012
51. Build loyalty among the Group's customers to extend the scope of the Forward, children scholarship program	614,428 loyal customers in Mexico. Joint initiative with the South America Business Development and Innovation area to study cooperation through bank products in each country	100%	55. Consolidate goals through local financial instruments set up
52. Launch a global BBVA program to support social entrepreneurs	I Edition of the Momentum Project successfully launched in Spain. 10 entrepreneurs supported, 7 sponsored. Approval of the creation of an investment vehicle with €3 million Youth Entrepreneurial Program in Latin America	100%	56. II Edition of the Momentum Project in Spain I Edition of the Momentum Project in Mexico and Peru Youth contests and workshops
			57. Consolidate "Territorios Solidarios" and increase submitted projects by 20%
			58. Launch BBVA Suma with collective financing tools to support small charity organizations

OTHER SIGNIFICANT ACTIONS IN 2011

Three CRR appearances before the Group Management or Planning Committee
Fiscal transparency: adoption of Code of Good Tax Practices in Spain
2 million new customers in Mexico and 0.7 million in South America
Joint global seminars with GR&BB and C&M with the development of communication plans by segment, including CR topics
Launch of "Territorios Solidarios" project in Spain with 590 submitted projects



Information criteria and standards

This year we have continued our commitment to the integrated reporting model commenced in 2011. The BBVA Group's social, environmental and economic information is included in a same document, the 2011 Annual Report. This report contains a chapter on non-financial information for the year, which is structured in accordance with our CR policy strategic areas. In this online version, there is additional information about our performance in these areas. This additional information complies with the Standard AA1000 regarding materiality analysis. It also complies with the requirements of the GRI (Global Reporting Initiative) version 3 2006, to prepare sustainability reports. This section includes the tables with the GRI indicators. The information is fully verified by Deloitte, as explained in detail in their Independent Review report.



Report criteria

Profile, scope, relevance, materiality and coverage of the report

BBVA has been drawing up annual corporate responsibility (CR) reports since 2002. The year 2010 was a turning point for our reporting model when we launched our first integrated report. The purpose of this report, entitled Financial Report 2010, was to integrate social, environmental and economic information in a single document. The Financial Report included management of ESG (Environmental, Social and Corporate Governance) in every chapter and a specific chapter on BBVA's CR management. This year we took this reporting model a step further by integrating non-financial information together with the legal information that the Group is required to provide, more specifically in the 2011 Annual Report.

This website contains further CR information, to meet the demands of specialist stakeholders. This information, organized in accordance with the strategic areas of our CR policy, has undergone an independent review in terms of scope and procedures which are similar to those used in previous years.

The information is for the BBVA Group and for the year 2011, although it also contains comparative data for 2010 and 2009, with an indication of their scope. Where the historical data has been changed to include improvements to the metrics, the historical series are recalculated and an explanation about this change is given.

Some new developments in this year's information include:

- Greater integration of financial and non-financial information (or also ESG), as a result of close collaboration between the Finance Division and the Corporate Responsibility area. BBVA has also undertaken to join the pilot program of the International Integrated Reporting Council (IIRC). This is a two-year program to promote integrated reporting.
- The bancaparatodos channel as a benchmark in global online CR communication through open consultation and discussion with stakeholders (through social networks) and frequent content updating.

When deciding upon the importance and materiality of the content to be included, the information expectations and demands of the main BBVA stakeholders have been taken into account, extending the engagement process in line with the recommendations of the Sustainability Reporting Guidelines (version 3, 2006) of the Global Reporting Initiative (GRI) and standard AA1000, which includes the AccountAbility Principles Standard AA 1000APS (2008) and the Sustainability Assurance Standard AA 1000 AS (2008). Along these lines, a specific analysis has been drawn up to assess the validity and relevance of the matters in the context of the present crisis, as described in the chapter "Principles, Policies and Stakeholders". Moreover, the BBVA Group prioritizes the definition and execution of its commitments based on the significant matters identified as regards CR. These commitments are described in the "Goals for 2010 and Achievements in 2011" section.

This information is supplemented by the 2011 Financial Report and the 2011 Annual Report, as well as other information in the

Basic references and international standards

The most widely recognized international standards and best practices have been followed in drawing up this information, including the principles and requirements of the Global Reporting Initiative (GRI G3), taking into account both core and financial sector indicators. Since 2003, GRI has rated BBVA as “in accordance” and as A+ since 2006. The report also complies with the AA1000 standard.

BBVA's actions in regard to the United Nations Millennium Development Goals and its response to the 2011 Progress Report as regards compliance with the principles of the United Nations Global Compact are also reported.

Rigor and verification

Information systematization and management enables us to provide a sound source of content. The information is reviewed by an external auditor, in this case Deloitte, according to the scope of the Independent Review Report. An action plan is then drawn up to ensure that the recommendations arising from review processes are implemented.



GRI indicators

Profile

PROFILE	
1. Strategy and Analysis	Reference
1.1 Statement from the CEO and chairperson on the importance of sustainability for the organization and its strategy.	Letter from the Chairman
1.2 Description of key impacts, risks and opportunities.	FI (pages 71-109) Stakeholders / Significant issues / Controversial issues
2. Organizational profile	Reference
2.1 Name of the organization.	Profile, achievements and goals
2.2 Primary brands, products and/or services.	Profile, achievements and goals
2.3 Operational structure of the organization.	Profile, achievements and goals
2.4 Location of organization's headquarters.	Profile, achievements and goals
2.5 Number of countries where the organization operates.	Profile, achievements and goals
2.6 Nature of ownership and legal form.	Profile, achievements and goals
2.7 Markets served.	Profile, achievements and goals
2.8 Scale of the reporting organization.	Profile, achievements and goals CFS (pages 40-43)
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	Profile, achievements and goals Report Criteria CFS (page 149)
2.10 Awards received in the reporting period.	Profile, achievements and goals
3. Report parameters	Reference
REPORT PROFILE	
3.1 Reporting period for information provided.	Profile, achievements and goals Report criteria
3.2 Date of most recent previous report (if any).	Profile, achievements and goals Report criteria
3.3 Reporting cycle (annual, biennial, etc.).	Profile, achievements and goals Report criteria
3.4 Contact point for questions regarding the report or its contents.	Contact (bancaparatodos.com)
REPORT SCOPE	
3.5 Process for defining report content.	Principles, policies and stakeholders / Stakeholders Report Criteria
3.6 Report scope.	Profile, achievements and goals Report criteria
3.7 State any specific limitations on the report scope.	Profile, achievements and goals Report criteria
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.	Profile, achievements and goals Report criteria
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.	Principles, policies and stakeholders / BBVA Impact on society / Economic Value Added and Economic Value Generated, Distributed and Retained RB / Customer focus / Quality, satisfaction and customer service RB / Human Resources / Profile of our employees

	RB / Responsible procurement RB / The environment / Environmental footprint Community involvement / Education
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	RB / Customer focus / Quality, satisfaction and customer service RB / Responsible Finance / Internal Audit RB / The environment / Environmental footprint
3.11 Significant changes from previous reporting periods in the scope or measurement methods applied in the report.	Report Criteria
GRI CONTENT INDEX	
3.12 Table identifying the location of the Standard Disclosures in the report.	Report criteria / GRI indicators
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).	Report criteria / Independent review report
4. Governance, Commitments and Stakeholder Engagement	Reference
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.	Principles, policies and stakeholders / Principles, policies and CR governance CGR (pages 8-49)
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	CGR (page 10)
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body who are independent and/or non-executive members.	CGR (page 10-12)
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Principles, policies and stakeholders / Stakeholders / Tools RB / Human Resources / Working conditions CGR (pages 62-66) http://accionistaseinversores.bbva.com/
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).	RB / Human Resources / Recruitment and remuneration CGR (pages 19-23, 40-41) RBD RP

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGR (pages 14-15, 42-44)
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	CGR (pages 24-25)
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.	Principles, policies and stakeholders
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.	Principles, policies and stakeholders CGR (pages 14-49)
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR (pages 42-44)
COMMITMENTS TO EXTERNAL INITIATIVES	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	RB / The environment / Climate change CFS (pages 46-68) BR / Responsible Finance / Integration of ESG variables into risk management
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives the organization subscribes or endorses.	Principles, policies and stakeholders RB / The environment / Climate change Community involvement / Education BR / Responsible Finance / Integration of ESG variables into risk management / Equator Principles
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Principles, policies and stakeholders RB / The environment / Climate change RB / Responsible Finance
STAKEHOLDER ENGAGEMENT	
4.14 List of stakeholder groups engaged by the organization.	Principles, policies and stakeholders / Stakeholders
4.15 Basis for identification and selection of stakeholders with whom to engage.	Principles, policies and stakeholders / Stakeholders / Tools
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Principles, policies and stakeholders / Stakeholders / Tools
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.	Principles, policies and stakeholders / Stakeholders / Significant issues and Controversial Issues

Disclosure on management approach / core indicators

Economic Performance Indicators	Reference	Assurance Scope

Disclosure on Management Approach	Profile, achievements and goals Principles, policies and stakeholders / CR management system and strategic areas Financial literacy RB / Customer focus, Human Resources, Responsible Procurement, Responsible Finance Community involvement	
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.	Principles, policies and stakeholders / BBVA Impact on society / Economic Value Added and Economic Value Generated, Distributed and Retained	✓
EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change.	RB / The environment / Climate change	✓
EC3. Coverage of the organization's defined benefit plan obligations.	RB / Human Resources / Working conditions and Passion for people CFS (pages 115-124)	✓
EC4. Significant financial assistance received from government.	RB / Human Resources / Development	(1)
MARKET PRESENCE		
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	RB / Responsible procurement	✓
EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	RB / Human Resources / Profile of our employees and Recruitment and Remuneration	✓
INDIRECT ECONOMIC IMPACTS		
EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Financial literacy RB / Customer focus / Responsible product and service design RB / Human Resources / Corporate volunteer work Community Involvement	✓
Environmental Performance Indicators (a)	Reference	Assurance Scope
Disclosure on Management Approach	RB / Responsible Finance / Integration of ESG variables into risk management RB / The environment	
MATERIALS		
EN1. Materials used by weight or volume.	RB / The environment / Environmental footprint	✓
EN2. Percentage of materials used that are recycled input materials.	RB / The environment / Environmental footprint	✓
ENERGY		
EN3. Direct energy consumption by primary energy source.	RB / The environment / Environmental footprint	✓
EN4. Indirect energy consumption by primary source.	RB / The environment / Environmental footprint	(2)(3)
WATER		
EN8. Total water withdrawal by source.	RB / The environment / Environmental footprint	(2)
BIODIVERSITY		
EN11. Description of land adjacent to or in protected areas and	Immaterial *	

areas of high biodiversity value outside protected areas.		
EN12. Descripción de los impactos más significativos en la biodiversidad en espacios naturales protegidos, derivados de las actividades, productos y servicios en áreas protegidas y en áreas de alto valor en biodiversidad en zonas ajenas a la áreas protegidas	Immaterial *	
EMISSIONS, EFFLUENTS AND WASTE		
EN16: Total direct and indirect greenhouse gas emissions by weight.	RB / The environment / Environmental footprint	(2)(4)
EN17. Other relevant indirect greenhouse gas emissions by weight.	RB / The environment / Environmental footprint	(2)
EN19. Emissions of ozone-depleting substances by weight.	Immaterial *	
EN20. NO, SO, and other significant air emissions by type and weight.	Immaterial *	
EN21. Total water discharge by quality and destination.	Immaterial *	
EN22: Total weight of waste by type and disposal method.	RB / The environment / Environmental footprint	✓
EN23. Total number and volume of significant spills.	Immaterial *	
PRODUCTS AND SERVICES		
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	RB / The environment / Global Eco-efficiency Plan and Climate change RB / Responsible Finance / Equator Principles	(5)
EN27. Percentage of products sold and their packaging materials that are reclaimed by category.	Immaterial *	
COMPLIANCE		
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Principles, policies and stakeholders / Standards of conduct and other commitments	✓
Social Performance Indicators: Labor Practices and Decent Work (b)	Reference	Assurance Scope
Disclosure on Management Approach	RB / Human Resources	
EMPLOYMENT		
LA1. Total workforce by employment type, employment contract, and region.	RB / Human Resources / Profile of our employees, Non-discrimination and equal opportunity	✓
LA2. Total number and rate of employee turnover by age group, gender, and region.	RB / Human Resources / Profile of our employees, Non-discrimination and equal opportunity	✓
LABOR/MANAGEMENT RELATIONS		
LA4. Percentage of employees covered by collective labor agreements.	RB / Human Resources / Working conditions	(5) (6)
LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	RB / Human Resources / Working conditions	(5)
OCCUPATIONAL HEALTH & SAFETY		
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	RB / Human Resources / Working conditions	(7)
LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	RB / Human Resources / Working conditions	✓
TRAINING AND EDUCATION		
LA10. Average hours of training per year per employee by employee category.	RB / Human Resources / Training	(8)
DIVERSITY AND EQUAL OPPORTUNITY		
LA13. Composition of corporate governance bodies and breakdown of employees per category according to gender,	RB / Human Resources / Profile of our employees, Non-discrimination and equal opportunity CGR (pages 8-13)	(9)

age group, minority group membership, and other indicators of diversity.		
LA14. Ratio of basic salary of men to women by employee category.	RB / Human Resources / Recruitment and remuneration	✓
Social Performance Indicators: Human Rights (c)	Reference	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders / Standards of conduct and other commitments RB / Responsible Finance RB / Human Resources / Working conditions RB / Responsible procurement	
INVESTMENT AND PROCUREMENT PRACTICES		
HR1: Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Principles, policies and stakeholders / Standards of conduct and other commitments RB / Responsible Finance / Integration of ESG variables into risk management	(10)
HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	RB / Responsible procurement	(5)
NON-DISCRIMINATION		
HR4. Total number of incidents of discrimination and actions taken.	Principles, policies and stakeholders / Standards of conduct and other commitments	(6)
FREEDOM OF ASSOCIATION AND COLLECTIVE LABOR AGREEMENTS		
HR5. Operations identified in which the right to exercise freedom of association and collective labor agreements may be at significant risk, and actions taken to support these rights.	Principles, policies and stakeholders / Standards of conduct and other commitments RB / Human Resources / Working conditions	✓
CHILD LABOR		
HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Principles, policies and stakeholders / Standards of conduct and other commitments	✓
FORCED AND COMPULSORY LABOR		
HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Principles, policies and stakeholders / Standards of conduct and other commitments	✓
Social Performance Indicators: Society (d)	Reference	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders RB / Responsible finance / Prevention of money laundering and terrorist financing Community Involvement	
COMMUNITY		
SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Principles, policies and stakeholders / Principles, policies and CR governance and BBVA Impact on society	✓

	Financial literacy	
	Financial Inclusion / BBVA Microfinance Foundation	
	RB / Responsible Finance / Integration of non-financial variables in risk management Community involvement / Education	
CORRUPTION		
SO2. Percentage and total number of business units analyzed for risks related to corruption.	RB / Responsible Finance / Internal Audit	✓
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	RB / Responsible finance / Prevention of money laundering and terrorist financing	✓
SO4. Actions taken in response to incidents of corruption.	RB / Responsible finance / Prevention of money laundering and terrorist financing and Prevention of fraud	(5)
PUBLIC POLICY		
SO5. Public policy positions and participation in public policy development and lobbying.	Principles, policies and stakeholders / Standards of conduct and other commitments Community Involvement	(11)
COMPLIANCE		
SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Principles, policies and stakeholders / Standards of conduct and other commitments	✓
Social Performance Indicators: Performance Indicators (e)	Reference	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders / Standards of conduct and other commitments RB / Customer focus / Security and protection, Business continuity and TCR advertising	
CUSTOMER HEALTH & SAFETY		
PR1. Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	RB / Customer focus / Security and protection, Business continuity and Responsible product and service design	(5)
PRODUCT AND SERVICE LABELING		
PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	RB / Customer focus / Security and protection and Responsible advertising	✓
MARKETING COMMUNICATIONS		
PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	RB / Customer focus / TCR Communication / Responsible advertising	✓
COMPLIANCE		
PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Principles, policies and stakeholders / Standards of conduct and other commitments CFS (note 25)	✓

Financial sector supplement

Impact of products and services	Reference	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders RB / Responsible Investment	
FS1: Policies with specific environmental and social components applied to business lines.	RB / Responsible Finance / Integration of ESG variables into risk management RB / The environment / Global Eco-efficiency Plan	✓
FS2: Procedures for assessing and screening environmental and social risks in business lines.	RB / Responsible Finance / Integration of ESG variables into risk management	✓
FS3: Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	RB / Responsible Finance / Integration of ESG variables into risk management	✓
FS4: Process(es) for improving staff competency to implement the environmental and social policies as applied to business lines.	RB / Responsible Finance / Integration of ESG variables into risk management RB / Human Resources / Development RB / The environment / Environmental training and awareness	✓
FS5: Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Principles, policies and stakeholders / Stakeholders	✓
PRODUCT PORTFOLIO		
FS6: Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	FI (pages 111-179), CFS (Management report)	✓
FS7: Monetary value of products and service designed to deliver a specific social benefit for each business line broken down by purpose.	RB / Responsible Investment	✓
FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	RB / The environment / Climate change and renewable energy funding	✓
AUDIT		
FS9: Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures.	RB / Responsible Finance / Integration of ESG variables into risk management and Internal Audit	✓
ACTIVE OWNERSHIP		
FS10: Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	RB / Responsible Investment	✓
FS11: Percentage of assets subject to positive and negative environmental or social screening.	RB / Responsible Finance / Integration of ESG variables into risk management RB / Responsible Investment / Socially Responsible Investment	(12)
FS12: Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right	RB / Responsible Investment / Socially Responsible Investment	✓

to vote shares or advises on voting.		
Social Performance Indicators: Society	Reference	Assurance Scope
Disclosure on Management Approach	Profile, achievements and goals Financial inclusion	
COMMUNITY		
FS13: Access points in low-populated or economically disadvantaged areas by type	Profile, achievements and goals Financial inclusion	(13)
FS14: Initiatives to improve access to financial services for disadvantaged people.	Financial inclusion	✓
Social Performance Indicators: Product Responsibility	Reference	Assurance Scope
	Financial literacy Financial Inclusion / BBVA Microfinance Foundation RB / Customer focus / Quality, satisfaction and customer service, Security and protection, and business continuity, Transparent, clear and responsible communication, Responsible product and service design Community involvement / Education	
CUSTOMER HEALTH & SAFETY		
FS15: Policies for the fair design and sale of financial products and services.	Principles, policies and stakeholders / Standards of conduct and other commitments RB / Customer focus / Quality, satisfaction and customer service, Security and protection, Business continuity, TCR communication, Responsible product and service design	✓
MARKETING COMMUNICATIONS		
FS16: Initiatives to enhance financial literacy by type of beneficiary.	Financial literacy Financial Inclusion/BBVA Microfinance Foundation Community involvement/Education	✓

Legend and notes on scope and assurance.

Legend	<p>CGR Corporate Governance Report 2011</p> <p>AR Annual Report 2011</p> <p>FR Financial Report 2011</p> <p>CFS Consolidated Financial Statements 2011</p> <p>RBD RP Report on the Board of Directors' Remuneration Policy 201</p> <p>RB Responsible Banking</p>
Areas and units chiefly responsible	<p>(a) Risks, Premises and Services, Corporate Responsibility and business areas.</p> <p>(b) Human Resources.</p> <p>(c) Human Resources and Compliance.</p> <p>(d) Corporate Responsibility and Compliance.</p> <p>(e) Communication and Image, Compliance and business areas.</p>
Reason for the omission of the following main GRI indicators from the CR Report 2011	<p>EN11: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.</p> <p>EN12: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.</p> <p>EN19: Immaterial indicator. Regarding the use of substances that are harmful to the ozone layer, there are no installations containing significant amounts of CFCs in BBVA Group buildings.</p> <p>EN20: Immaterial indicator. Given that the BBVA Group belongs to the service sector, SO and NO emissions are insignificant as they are produced solely by staff commuting.</p> <p>EN21: Immaterial indicator. BBVA Group offices are in urban settings, so waste is discharged through sewers.</p> <p>EN23: Immaterial indicator. BBVA Group offices are in urban settings, so water is supplied through the urban network and discharged through sewers</p>

EN27: Immaterial indicator. The products that BBVA Group markets do not have a significant impact in this regard.”

Notes on scope and assurance.

✓ Group

(1) Only training subsidies in Spain are included.

(2) The water, electricity and CO2 indicators for previous years have been updated, primarily due to the incorporation of data from the USA that was under review at the time the 2010 information was published

(3) Not broken down by primary source.

(4) The CO2 emitted per employee includes BBVA Spain's purchase of green energy

(5) Only qualitative information is included.

(6) Only reported for BBVA Spain.

(7) Only the absenteeism rate is reported.

(8) Not broken down by category.

(9) Only broken down by age and sex.

(10) Only the financing of large projects is reported.

(11) Only international agreements relating to sustainability are reported.

(12) The percentage over the total assets under management is not reported.

(13) The number of branch offices in low population density or underprivileged areas is not reported.

Síguenos

Independent Assurance Report on the 2011 Corporate Responsibility Information of the BBVA Group

Scope of the engagement

We have performed a review of the 2011 Corporate Responsibility Information (CRI) of the BBVA Group, the scope of which is defined in the "Information criteria and standards" section. Our work consisted of a review of:

- The adherence of the content of the Corporate Responsibility Information to the GRI Sustainability Reporting Guidelines version 3.0 (G3) and the 2011 core performance indicators and the financial services sector supplement indicators proposed in the aforementioned guidelines.
- The 2011 Corporate Responsibility Information of the BBVA Group, relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard (2008) (AA1000APS).
- The information provided about the progress achieved in the Corporate Responsibility goals for 2011.

Review standards and procedures

We carried out limited assurance in accordance with International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with Guidelines for engagements relating to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants. Also, we have applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 moderate assurance).

Our work consisted of making inquiries to management and certain units of the BBVA Group involved in the preparation of the Corporate Responsibility Information and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with BBVA Group personnel to ascertain the principles, systems and management approaches applied, both in Spain and Argentina, Chile, Colombia, Mexico, Peru, Venezuela and United States.
- Analysis of the processes used to gather and validate the data presented in the 2011 Corporate Responsibility Information.
- Review of the minutes of the local Corporate Responsibility and Reputation Committees meetings in 2011.
- Review of the steps taken in relation to the identification and consideration of stakeholders during the year and of the stakeholder group participation processes based on the analysis of the available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the Corporate Responsibility Information on the basis of the understanding of its BBVA of stakeholder groups' requirements in relation to the material issues identified by the Group and described under "Information criteria and standards" and "Stakeholders" sections of the Corporate Responsibility Information.
- Review of the information relating to the management approaches applied and verification of the existence and scope of the Corporate Responsibility policies, systems and procedures.
- Checking that the content of the Corporate Responsibility Information does not contradict any significant information furnished by the BBVA Group in its Annual Report.
- Analysis of the adherence of the content of the Corporate Responsibility Information to those recommended in the GRI G3 Guidelines and verification that the core indicators and the sector indicators included in the Corporate Responsibility Information agree with those recommended by these aforementioned Guidelines and that any inapplicable or unavailable indicators are identified.
- Review on a sample basis the information relating to the GRI performance indicators included in the 2011 Corporate Responsibility Information and the adequate compilation thereof based on the data furnished by the information sources of the BBVA Group. These tests were performed both in Spain and Argentina, Chile, Colombia, Mexico, Peru, Venezuela and United States.

Responsibilities of BBVA management and Deloitte

- The preparation and content of the 2011 Corporate Responsibility Information is the responsibility of the Corporate Responsibility and Reputation Department of BBVA Group, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the Corporate Responsibility Information.
- This report has been prepared for BBVA management in accordance with the terms and conditions of our engagement letter. We do not accept any liability to any third party other than BBVA management.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications and professionals with social, environmental and stakeholder engagement experience and sustainability report assurance experience.

Conclusions

The "GRI Indicators" section provides details of the indicators reviewed and the scope limitations of the review, and identifies any indicators that do not cover all the areas recommended by the GRI. As a result of our review, no other matters were disclosed that would lead us to believe that the 2011 Corporate Responsibility Information contained material errors or that it was not prepared in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.0 (G3).

Also, the review procedures performed did not disclose any matter that would lead us to believe that BBVA did not apply the principles of inclusivity, materiality and responsiveness as described in the "Stakeholders" and "Information criteria and standards" sections in accordance with standard AA1000 APS:

- **Inclusivity:** the BBVA Group has developed a participation process for stakeholders that facilitate their involvement in the development of a responsible approach, according to the section "Stakeholders".
- **Materiality:** the process of determining materiality requires an understanding of important or material issues for the BBVA Group and its stakeholders, according to the section "Stakeholders".
- **Responsiveness:** the BBVA Group responds with specific actions and commitments to the material issues identified, according to the section "Progress 2011 and Goals 2012".

Also, our work did not disclose any matter that would lead us to believe that the information furnished about the progress made in the Corporate Responsibility goals for 2011 included in the "Progress 2011 and Goals 2012" section contained material errors.

Observations and recommendations

In addition, we presented to the Corporate Responsibility and Reputation Department of the BBVA Group our recommendations relating to the areas for improvement in Corporate Responsibility Information and in the application of the principles of inclusivity, materiality and responsiveness. Following is the summary of the most significant recommendations, which do not modify the conclusions presented in this report.

Inclusivity and Materiality

The various analysis tools developed by the BBVA Group, together with the specific workshops held, are mechanisms that enable the Group to be apprised of the issues that the stakeholders consider material at both global and local level.

The Management Committee's assumption of the Corporate Responsibility and Reputation (CRR) functions should lead to an enhanced integration of the monitoring of material issues in the management of operations. In this connection, the revision of the proposed Corporate Responsibility (CR) goals, focusing them on the key aspects of the Strategic Plan, will facilitate the monitoring of the Group's performance in responding to material issues.

Responsiveness

One of the most noteworthy events in 2011 was the launch of the social impact project. With this project, the BBVA Group seeks to perform an in-depth assessment of the impact of its business activities on the societies in which it has a presence. To this end, the first steps were taken by defining new performance indicators which enhance the knowledge of this impact. In this regard, the BBVA Group should continue to work on systematising the reporting of these indicators and linking them to the CR goals.

It should be noted that the Global Eco-efficiency Plan is in its final year of implementation. Therefore, it is necessary to reflect on the results obtained and to define the objectives and lines of action for the coming years, expanding the scope of this plan to the entire BBVA Group and reinforcing the monitoring tools.

Moreover, in view of the Group's growing presence in China and Turkey, the organisation's approach to the management of CR matters and the response to the risks and opportunities in these countries should be defined and incorporated into the Strategic CRR Plan.

DELOITTE, S.L.



Helena Redondo
Madrid, 9th March 2012



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