

Information on corporate responsibility

2010

Adelante con tu futuro (Forward with your future)

This program was created in 2008 by BBVA Bancomer, the Museo Interactivo de Economía (MIDE) and the Tecnológico de Monterrey (TEC) University to offer both customers and non-customers workshops on personal finance. Currently, there are five interactive workshops in place covering subjects such as saving, saving for retirement, credit cards, credit health and mortgage loans (the latter was introduced in 2010). These workshops are based on six lines of action, which in 2010 with progress made as set out below:

1. Financial literacy classes in the branch network. There are 20 classes in all, with a capacity for up to 20 people in each, in the 14 major cities in the country.
2. Mobile classes. There are 15 classes, compared with 9 the previous year, with capacity for up to 21 people. The aim is to take them to the premises of companies that do not have the physical or technological infrastructure required.
3. Mobile equipment, with 15 mobile systems, compared with 9 the previous year, that can be set up in any skills classroom with a capacity for 20 people.
4. Virtual financial literacy classes. The workshops can be given through the portal <http://www.adelantecontufuturo.com.mx> thanks to the LMS distance learning platform of Monterrey TEC University. There is also a helpline number 018003888761 (FUTURO1).
5. Financial literacy in partnership with educational institutions. In 2010, the workshops have been extended to the educational sector through the agreement with the Monterrey Institute for Technological and Higher Studies (ITSEM) in Mexico City. The aim is to incorporate the idea of the importance of saving and the proper use of financial instruments into the university educational environment, as a way of supporting young people by offering them financial training that can help them handle their personal finances.
6. Awareness-raising campaigns.

At the close of 2010, BBVA Bancomer had given personal finance workshops benefiting 303,539 people.

In 2011 the Group aims to reach 400,000 people in Mexico. The program Adelante con tu futuro (Forward with your Future) has also been extended to Chile, Colombia, Paraguay, Peru and Uruguay, where workshops will begin in 2011.

BENEFICIARIES OF WORKSHOPS ON PERSONAL FINANCE IN MEXICO

YEAR	2010	2009	2008
Beneficiaries	303,539	111,362	7,000
<i>Scope: BBVA Bancomer</i>			

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.



FUND SUSTAINABILITY RATINGS

BBVA Employee Pension Fund
May 2010

SUSTAINALYTICS Spain (formerly AIS)



BBVA Employee Pension Fund

OVERALL RATING

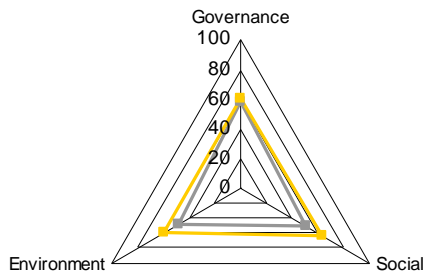
Equity
Fixed Income
Money Markets

61.3 (72.6*)
64.8 (70.6*)
60.5 (72.2*)
64.5 (78.1*)

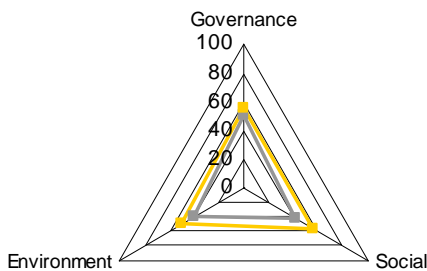
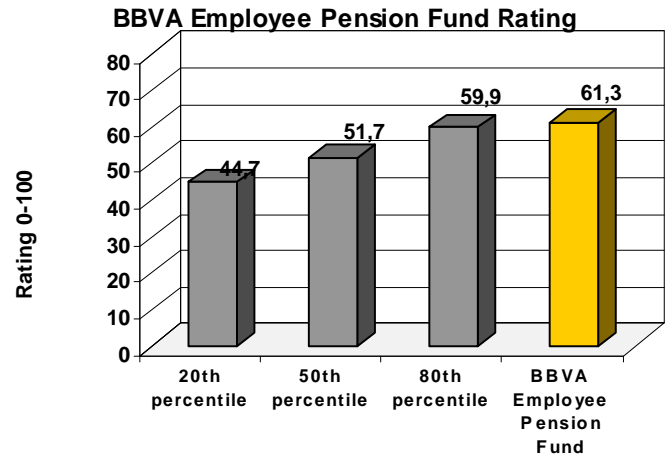
92% Coverage

68% Coverage
97% Coverage
100% Coverage

28/05/2010

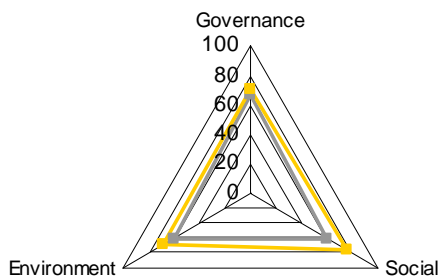
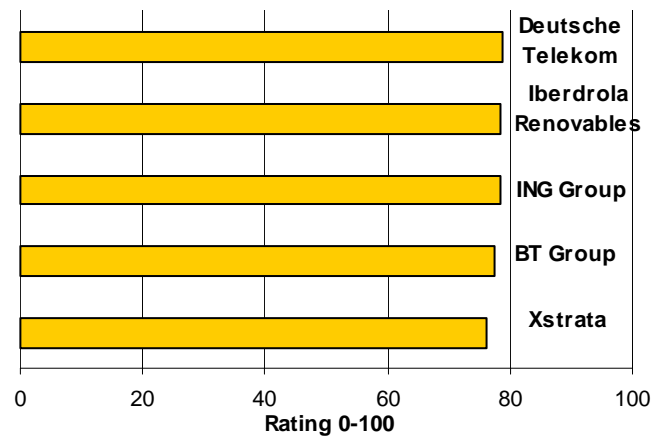


— Sustainalytics Average
— BBVA Employee Pension Fund Average



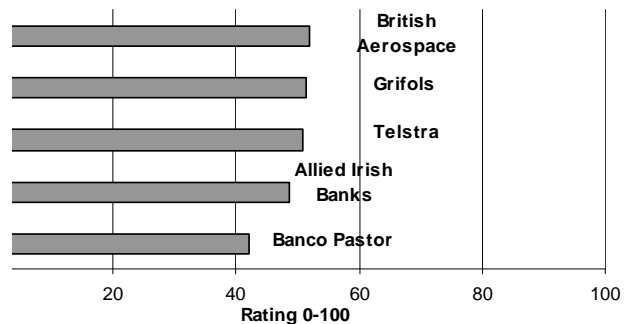
— Sustainalytics Low 20%
— BBVA Employee Pension Fund Low 20%

Leading securities in the portfolio



— Sustainalytics Top 20%
— BBVA Employee Pension Fund Top 20%

Under-performing securities in the portfolio



Conclusions

The average performance of securities in the BBVA Employee Pension Fund is better than the average performance of the securities of the Sustainalytics universe in all areas of analysis, particularly for the Social area. Also, the performance of the worst values in the Fund (Low 20% of BBVA Employee Pension Fund) is above those of the Sustainalytics universe. The same is true for companies with the best classification in the Fund (Top 20% BBVA Employee Pension Fund), which easily surpass the results of the 20% best in the Sustainalytics universe (Top 20% Sustainalytics) in the three areas analyzed. In average terms, mention should be made of the high score of the Fund in the Social area (relationship with employees, suppliers, customers and society), which exceed the Sustainalytics analysis universe by 15 points. Likewise, the data show that the Environment area is the worst rated for both the Fund's securities and the universe analyzed by Sustainalytics.

Explanatory note

Sustainability rating (0-100)

A sustainability rating is used to measure the performance of companies in the Corporate Governance, Social and Environmental areas. Sustainalytics analyzes various aspects of each area:

1. Corporate Governance This area focuses on topics of business ethics, good governance and public policies through the analysis of ethics codes, policies on bribery and corruption, the open channel for stakeholder complaints, controversies about ethical aspects; directors' remuneration policy, percentage of independent directors, composition of the auditing committee, separation of the Chief Operating Officer and Chairman, controversies regarding remuneration; lobbying policy; financing of political parties, etc.

2. Social: The company's relationships with employees, suppliers, customers and the community are studied. The company's community involvement is also assessed. The analysis includes policies on freedom of association and collective bargaining and about non-discrimination, objectives and programs for increasing diversity, about prevention of occupational risks and health and safety certifications, data on redundancies, accidents and labor disputes; policies on requirements for suppliers and the control system of compliance, controversies on occupational health and safety between suppliers, working conditions and discriminatory practices; quality and customer satisfaction policy, ISO 9000 certifications, controversies on anti-competitive practices, marketing and products and services; policy on human rights; charity activities, percentage of donations, controversies in local communities, activities in sensitive areas;

3. Environment: This report assesses the environmental policy, environmental management system, procurement policy with environmental criteria, ISO 14001 certifications, environmental targets and programs for suppliers, on reduction of emissions and energy consumption, increase in the use of renewable energies, waste reduction, controversies on pollution, waste, etc.;

A detailed analysis is carried out for each area through more than 200 indicators regarding the ESG issues specific to each sector. The analysis weighs the indicators according the sector of activity by importance for generating corporate value. Each company analyzed is given a score for each of

the areas evaluated. This is summed up in an overall sustainability rating.

Coverage

This indicates the percentage of the fund portfolio that has been analyzed when rating the fund.

Rating for Equity and Private Fixed Income

The rating of the issuing entity corresponding to each value is weighed according to the percentage represented over the total assets of the fund. In this way the proportional part of the company's rating is transferred to the fund based on the percentage it represents in the fund.

Rating for Government Fixed-Income

A sustainability rating is used for each issuing country. In the analysis of countries, the report takes into account different aspects regarding the environment (e.g. the environmental impact of the country; course of CO2 emissions; etc.); social aspects (the human development or quality of life index, etc.) and good governance aspects. The different international treaties, such as ILO Conventions; climate change conventions; and arms conventions, etc. will also be taken into consideration. These are on the basis of international public statistics selected from different sources of recognized prestige.

Overall Fund Rating

The Fund rating is obtained by weighing individual ratings obtained by the issuers (companies or countries) in accordance with the percentage of capital invested in them and the valuation and composition on the date indicated.

Planets

The number of "planets" granted depends on the score obtained by the fund:

- 🌱 0 – 20 points
- 🌱🌱 20 – 40 points
- 🌱🌱🌱 40 – 60 points
- 🌱🌱🌱🌱 60 – 80 points
- 🌱🌱🌱🌱🌱 80 – 100 points

SUSTAINALYTICS

Sustainalytics is a global professional services company specialized in the analysis of the sustainability of companies traded on international capital markets, as well as institutions and countries. Sustainalytics offers an analysis that corresponds to risk and return criteria, on social, environmental and corporate governance factors. In May 2010, Analistas Internacionales en Sostenibilidad adopted the name Sustainalytics España.

More Information: www.sustainalytics.com

Responsible procurement

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

Additional information

In addition, the Group has principles in place for the implementation of the Code of Conduct in the procurement area which apply to all parties involved in said process. BBVA's objectives include having all of its providers comply with at least its own social and environmental standards, as well as all current applicable legislation and the social and environmental principles stipulated in the United Nations Global Compact.

NUMBER OF SUPPLIERS BY ANNUAL TURNOVER BY REGION

	2010			
	BETWEEN €100,000 AND €300,000	BETWEEN €300,000 AND €1,000,000	OVER €1,000,000	TOTAL SUPPLIERS
Spain	2,493	491	310	3,294
Mexico	365	172	153	690
Rest of the Americas	1,096	594	291	1,981
Rest of Group	42	22	7	71
Total	3,996	1,279	761	6,036

(1) Number of suppliers classified by turnover in excess of €100,000.

Scope: BBVA Group.

The need for good management of the ESG variables in the procurement process has led to the design of two projects, both forming part of the development of the Group's Global Procurement Model. One is the preparation of a Global Responsible Purchasing Policy for the Group, which will be implemented over 2011; and the other, a new procedure for registration and pre-approval of suppliers, which will enable all the Group's Purchasing units to apply criteria on a standardized basis to improve management of these impacts and lead to increased satisfaction levels among BBVA's suppliers.

Additional information

Procurement policy

The responsible procurement policy is applicable to all BBVA Group companies and countries where they operate. It governs all procurement, the acquisition of goods and hiring of services needed for the development of the Group's activity, and will help to assess the ethical, social and environmental impacts and other risks involved in commercial relations and to ensure that they are taken into consideration when making all procurement decisions.

This policy shall be incorporated into the Global Procurement System (GPS) technological platform developed by BBVA to facilitate the implementation of a global procurement model.

Of the processes defined in the GPS corresponds to the homologation of suppliers, which consists in verifying that they have the productive, technical, financial, legal and commercial capacity required by the BBVA Group. Its objective is to oversee compliance with the agreements executed in terms of quality, levels of service and previously established costs, as well as to verify that the suppliers share the same values as the BBVA Group in terms of social responsibility.

In 2010, the first part of the process for homogenizing the registration procedures and pre-homologation (collecting general information about the supplier, product families and services provided and other specific relevant information) was developed in all countries.

SUPPLIER HOMOLOGATION (SPAIN)

	2010	2009	2008
Number of suppliers who have passed the approval process	647	562	535
% of purchases from suppliers who have taken part in the approval process	71	76	85
Number of suppliers who have failed the approval process	52	38	48
Scope: Spain.			

In addition, BBVA asks its suppliers to complete a satisfaction survey that it is now being introduced into all countries, including the United States, that joined in 2010. The results for 2010 were as follows:

SUPPLIER SATISFACTION INDEX (1)

	2010	2009	2008
Spain	79		82
Argentina		89	
Colombia		83	
Chile		85	
Mexico		86	
Peru		83	
Venezuela		84	
United States	81		
(1) Survey conducted every two years.			
Scope: BBVA Group.			

The BBVA Group grants priority to local suppliers. The transactions negotiated at a local level by the different countries where the Group operates account for 68% of the total amount awarded, as compared to the 56% the previous year.

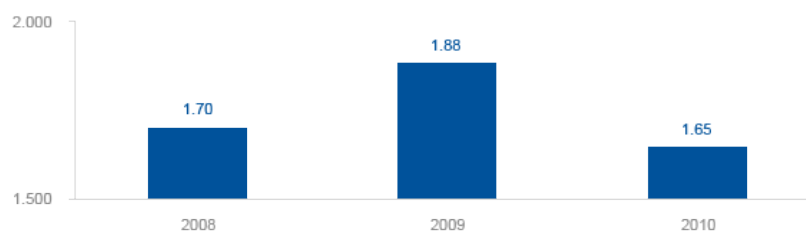
Of the total purchasing transactions made over the year, 5,552 were finalized through electronic negotiations, for a total amount awarded of €832.6 million. BBVA is working to strengthen this channel.

In terms of supplier payment periods, in 2010 all contracts drawn up were fully complied with under the agreed terms.

Community involvement

In 2010, the Group increased its community investment to €76 m, 1.6% of the Group's net attributable profit.

RESOURCES ALLOCATED TO COMMODITY INVOLVEMENT



(1) 2008 and 2010 include both contributions made by each Latin America country and the ones made by BBVA Spain in favour of each of those countries.

Scope: BBVA Group.

RESOURCES ALLOCATED BY THE BBVA GROUP AND ITS FOUNDATIONS (2)

(THOUSAND EUROS)	2010 (1)	2009	2008
By entity			
BBVA Group in Spain and the rest of the world (2)	15,696.9	26,154.8	30,732.6
BBVA Group in Latin America (3)	31,536	9,358.8	9,939.6
BBVA Compass (USA) (4)	3,809.8		
BBVA Foundation (Spain)	20,684.0	22,808.0	28,250.0
BBVA Microfinance Foundation (Spain)	4,304.0	3,366.0	1,807.8
TOTAL	76,031	79,063.0	85,267.1
By type of investment			
Monetary	69,065.7	66,946.4	80,465.5
Time	5,660.8	11,204.0	2,744.8
In kind	1,304.5	912.6	2,056.7
TOTAL	76,031	79,063.0	85,267.0
By theme area			
Education	41,605.7	30,616.8	28,605.7
Social and economic development	10,860.4	21,778.9	23,398.8
Social welfare	3,977.5	7,917.0	9,826.0
Culture	9,038.5	5,783.4	8,042.4
Environment	2,660.3	3,776.4	7,640.3
Health	4,243.0	5,456.2	6,114.8
Corporate Responsibility promotion	2,434.4	2,196.0	1,353.7
Other fields (5)	1,211.3	1,538.4	285.5
TOTAL	76,031	79,063.0	85,267.2

(1) Resources allocated by the BBVA Group and its foundations include: In foundations, where the figures include expenses devoted by each entity to its purposes and each foundation's administrative and structural cost. Regarding the BBVA Group, this includes the financial contributions made, plus management costs, contributions in kind and space provided. Assessment of Préstamos Familiares (Family loans), which includes direct costs (operating expenses, financing costs and dissemination expenses). In no case do the figures include any social benefits stipulated by collective agreements intended for company employees or their families, or grants and work placement within the Group. In 2010, we have progressed in the full application of the LBG model, eliminating all obligatory contributions that the model does not take into account. Finally, the average euro

exchange rate for the corresponding years has been used in converting local-currency contributions outside the euro zone.

(2) The accrual principle is applied.

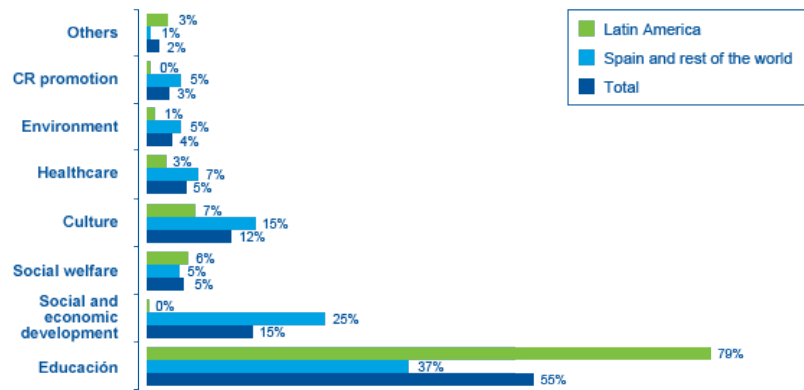
(3) Latin America includes the countries of South America, Mexico and Puerto Rico. It also includes the local foundations (Mexico and Peru).

(4) Includes BBVA Compass Foundation.

(5) The foundations' business overheads were distributed among, and included in, its different fields of action.

Scope: BBVA Group

DISTRIBUTION OF RESOURCES BY ACTIVITY AND GEOGRAPHICAL REGION



Report criteria

Since 2002, BBVA prepares every year a corporate responsibility (CR) report. For the first time, this year we have made changes to our reporting model and are launching our first integrated report so that basic social, environmental and economic information is included in one single document that contains a CR section and supplements on management of ESG matters throughout all of the report's chapters. Full information on the BBVA Group's CR performance in 2010 is available on this website. This information, which is divided into sections, has undergone an independent review in terms of scope and procedures which are similar to those used in previous years.

As on previous occasions, the report includes information for the BBVA Group in 2010, although it also contains comparative data for 2009 and 2008, with an indication of their scope. In some cases we have changed the historical data to include improvements to the metrics, but this is always indicated expressly; the historical series are recalculated and reviewed by the independent auditor, Deloitte. In the case of the Global Eco-efficiency Plan indicators, the report includes for the first time the indicator per occupant, in addition to the indicator per employee, which has commonly been used. 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). In 2010 we have included this indicator in the GEP scorecard, as it more accurately reflects the performance of the environmental indicators included in the Plan.

Listed below are some highlights in relation to this year's information:

- Gradual integration of financial and non-financial information, as a result of close collaboration between the Finance Division and the Corporate Responsibility area.
- Consolidation of the *bancaparatodos* channel with additional multimedia content, updates of Group news and posts on current affairs.
- Contribution of information and possibility of dialog with stakeholders through social networks (Twitter, Facebook, YouTube, etc.)

When deciding upon the relevance 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 "Stakeholders". Moreover, the BBVA Group prioritizes the definition and execution of its commitments based on the relevant matters identified as regards CR. These commitments can be found on [here](#).

This report is supplemented by the Annual Report 2010 and by the information on the website www.bbva.com.

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.

Also reported are BBVA's actions in regard to the United Nations Millennium Development Goals and its response to the Progress Report 2010 as regards compliance with the principles of the UN Global Compact.

Rigor and verification

Information systematization and management enables us to provide a sound source of content. The information is reviewed and verified 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.

This report has been reviewed linguistically by the Fundación Español Urgente.



Information criteria and standards

For the first time, this year we have launched our first integrated report so that basic social, environmental and economic information is included in our Financial Report, that contains a CR section and supplements on management of ESG (environmental, social and corporate governance) matters throughout the report. In this on-line version, there is additional information about our environmental and social performance in 2010. This additional information has been prepared in accordance with Standard AA1000 regarding materiality analysis. It also complies with the requirements of the Global Reporting Initiative (GRI), version 3 2006, on the preparation of sustainability reports. This section includes the tables with the GRI indicators. In addition, all the information has been fully verified by Deloitte, which explains in detail their assessment work in the Independent Review report.

GROUP DEFENSE SECTOR FINANCING REGULATIONS

Second revision approved by the Corporate Responsibility and Reputation Committee held on December 15, 2010

1. Since October 20, 2005, BBVA has followed a strict internal code concerning the “Principles, Criteria and Rules of Procedure for Defense Industry Lending”, compliance with which is obligatory for all Group institutions, both in the financial area and other sectors where the Group operates. The regulations were approved by top executive management in the Risk Department.
2. The Group’s policy on financing applications from the defense industry is under constant review to ensure it meets the strictest criteria. In the 2008 update, Group restrictions on operations related to cluster bombs and weapons of massive destruction were extended. This policy mirrors and adjusts to the content of Final Disposition Five in the Law on the Supervision of Overseas Trade in Defense and Dual Purpose Material.
3. Group policy in this matter is governed by the general principle of adherence to the eight criteria in the European Union Code of Conduct and, consequently:
 - a) Any approved application must comply with the applicable legislation in each jurisdiction, as well as the principles in the BBVA Group Code of Conduct and its commitment to Human Rights.
 - b) The BBVA Group will not participate in financial transactions where the borrower is a company in the arms and munitions sector and registered in a country or territory with any of the following characteristics:
 1. The company’s location country is on the list of countries with armed conflicts.
 2. The company’s location country is on the list where at least 1 in every 100 is a refugee in other countries.
 3. The company’s location country is on the list of countries subject to UN, OSCE and EU Arms Embargos.
 4. The company’s location country is on the list of countries condemned by the UN/EU for Human Rights abuses.
 5. The company’s location country is on the list of countries not having passed the main United Nations legal instruments on Human Rights.
 6. The company’s location country is on the list of countries not having signed international treaties and conventions relating to the Non- Proliferation of Weapons of Mass Destruction.

c) The BBVA Group will not be involved in financing those operations related to the Defense Material or Dual Use Products with any of the following characteristics:

7. Concerning participants in the operation:
 1. The purchaser is an intermediary in this operation.
 2. The purchaser is not a public body, a company with majority public capital or a private security company.
8. Concerning operation characteristics:
 1. The goods subject to the operation are related to Anti-personnel Mines, cluster bombs or weapons of mass destruction.
 2. Not holding Government Export and/or Import Licenses issued by the corresponding country.
9. Concerning countries involved (merchandise origin country and/or destination country): none of these countries may have any of the characteristics set out in section b).

As a result of applying these rules, many financing applications were denied. The BBVA Group also states that its commitments

4. Include the periodic review of these internal regulations at least once a year. This is in order to ensure they constantly comply with the criteria on which the policies set out by local authorities and international bodies are based, all in accordance with the European Union Code of Conduct.

To be in line with this commitment, the review taken place in 2010 has updated the exclusive and negative factors according to the UNESCO Alert Report 2010 on conflicts, human rights and peace.

Education

BBVA's commitment to education was once more evident in 2010 through its alliance with the Organization of Ibero-American States and their "Educational Goals 2021: the education we want for the Bicentenary Generation." This is an ambitious project that will decisively contribute to the economic and social development of Ibero-America and to the education of a generation of cultured – and therefore free – citizens, in democratic, egalitarian, open and caring societies. 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. In short, a commitment by BBVA to investment in education in Latin America that will benefit more than 8 million people.

Activity in South America and Mexico

In 2010 the policy defined in the Community Investment Plan for Latin America was maintained, with the allocation of a minimum budget of 1% of the profit for 2009 in each country in the region in which BBVA operates.

«Niños Adelante»

The star project of this plan is the *Niños adelante* (Forward, children) program of scholarships for social integration, funded with €15.4m in 2010. These scholarships have contributed to the social integration of 60,099 children from underprivileged families through scholarships for primary and secondary education. More than 350,000 people have benefited indirectly through this aid. Currently work is being done with different public and private institutions, with which more than 45 local alliances have already been forged. Among them is the 4-year (2008-2011) alliance with the Organization of Ibero-American States (OIS) to promote awareness of the importance early childhood education in the region. Employees are also contributing their skills to ensure the program has the biggest possible social impact.

Additional information

MAIN INDICATORS OF THE NIÑOS ADELANTE (FORWARD, CHILDREN) PROGRAM (2010 FIGURES)

	INVESTMENT 2010	NO. OF SCHOLARSHIP RECIPIENTS	INDIRECT BENEFICIARIES	NO. OF VOLUNTEERS	NO. PARTNERS
Argentina	761,285	1,169	5,845	0	20
Chile	2,103,342	4,816	7,224	400	2
Colombia	1,004,592	10,095	45,427	920	30
Mexico	8,962,050	15,000	75,000	700	18
Panama	171,681	952	3,808	101	4
Paraguay	276,811	2,840	2,733	125	1
Peru	681,024	20,559	194,416	80	13
Uruguay	75,481	128	33	25	8
Venezuela	1,249,907	4,500	22,500	124	2
Puerto Rico	98,060	40	120	10	
Total	15,384,233	60,099	357,106	2,485	98

Scope: Mexico and South America.

«Adelante con tu futuro»

The program *Adelante con tu futuro* (Forward with your Future) is a model project within the Global Financial Literacy Plan, as commented in the section on [Financial literacy](#).

Ruta Quetzal BBVA

Since 1993 BBVA has been organizing and sponsoring [Ruta Quetzal](#), a training program declared of cultural interest by UNESCO. Through it, 8,000 young people of 16 and 17 years of age have extended their knowledge and developed a spirit of international cooperation. The project promotes a values education that encourages effort and mutual respect, promotes equal opportunity and helps overcome inequality. The 2010 edition commemorated 25 years of trips between the Americas and Europe by traveling to Mexico. In Spain, the expedition walked along the Camino de Santiago to celebrate the Jacobean Holy Year 2010 and to commemorate the 11th century of the creation of the Kingdom of Leon.

Work in Spain

Valores de futuro

The second year of the program Valores de futuro (Future Values) was launched in 2010 as part of the Global Financial Literacy Plan 2009-2011. (For more information see the [Financial Literacy](#) section.)

Cultural activities

For over 30 years, BBVA has run an ambitious cultural program, making it a model for art patronage. It also carries out major educational and promotional work. In 2010, the [BBVA Foundation](#) also managed cultural activities, to which it allocated €6.3m during the year. The Group's cultural program is based on three lines of action: music, specifically contemporary music and its promotion among the general public; the arts, through key exhibitions; and education, through the program of scholarships designed to provide advanced training for young musicians, doctors, economists and specialists in the environment.

Integra Prize

BBVA's first Integra Prize award was held in 2009 in Spain, to promote the social and labor integration of people with disabilities. This initiative has been developed in collaboration with FEACEM, the ONCE Foundation, FEAPS, CERMI and COCEMFE. The prize pays particular attention to quality employment based on the innovation and sustainability generated by special employment centers (CEE). The prize, worth €200,000, was awarded in 2010 to the Majorcan association AMADIP-ESMENT. Their CEE provides work for 294 people with intellectual disabilities and is dedicated to food and catering, printing, graphics, maintenance, gardening and organic agriculture. A further 6 projects were awarded a total of €300,000: the Association of Paraplegics and People with Great Physical Disability in the Madrid Region (ASPAYM-MADRID); the Private Catalan Foundation for Cerebral Palsy (FCPC); the Association for People with Mental Disability of the Barberà Council (APRODISCA); the Association of Family Members and Mental Patients (LENDIA); Mater Treball i Natura; and Moltacte SCCL.

Additional information

Teacher Action Prize

Since 2005 BBVA has sponsored the Premio a la Acción Magistral (Teacher Action Prize) worth €100,000, together with the Fundación de Ayuda contra la Drogadicción (Foundation of Aid against Drug Addiction or FAD) and UNESCO. The essential aim of the prize is to publicize educational projects that transmit values such as tolerance, solidarity, respect, justice and equality, and to prevent behavior involving social risk. In 2010, we created two winning categories by opening the award to obligatory secondary education centers, together with the experiences presented by the infant, primary and special education levels. A total of 296 educational

projects developed over the 2009-2010 academic year were presented by teachers and schools throughout Spain. The following projects have earned awards: “ALEHOP: a program for the development of linguistic competence” of the CEIP León Solá school in the Autonomous City of Melilla and “Music of note: program for resources against school dropouts and social exclusion” of the IES Mateo Alemán school of the Community of Madrid.

Activity in the United States

A major effort was made to focus social projects on 6 priority areas in BBVA Compass. The resources 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%).

Among the educational projects is “Reading Counts,” the program designed to promote reading in partnership with Scholastic, Inc. Its aim is to close the achievement gap among children and young people in public education. The program has enabled 25,000 children in Texas and California to have reading books. In addition, BBVA Compass employees have participated as volunteers.

For details of the financial literacy programs in the country, see the [Financial Literacy](#) section.

Educación financiera

La educación financiera es una de las prioridades estratégicas en materia de responsabilidad corporativa para el Grupo BBVA. Una decisión informada contribuye a una mejor situación financiera personal, facilita la gestión del riesgo para las entidades financieras, e impulsa el ahorro a la vez que fortalece el sistema financiero. La educación financiera revierte, en definitiva, en ahorradores más consistentes y en deudores más responsables.

El año 2010 ha sido un año de consolidación del Plan Global de Educación Financiera “El dinero en nuestras vidas” dotado con 26 millones de euros para tres años (2009-2011), que tiene como objetivo apoyar la educación financiera de las personas y facilitar la mejora en la situación financiera personal actual y futura. Cuenta ya con más de un millón de beneficiarios en España, México, Portugal y Estados Unidos. Se desarrolla en todas las áreas geográficas donde el Grupo está presente con programas específicos en dos ámbitos de actuación prioritarios. En primer lugar, para acompañar los procesos de bancarización especialmente en América Latina. En segundo lugar, porque queremos contribuir de algún modo a impulsar la educación en competencias y valores asociados al uso del dinero de los más pequeños. Un enfoque alineado con nuestra visión y cultura corporativa y recomendado desde las autoridades internacionales.

El Plan Global de Educación Financiera se dirige a diferentes colectivos en función del área geográfica al que va destinado.

- En América Latina, “Adelante con tu futuro” está destinado a personas bancarizadas o bancarizables.
- En Estados Unidos, a través del programa “Money smart”, se incluyen las iniciativas “Teach children to save”, dirigida a niños y jóvenes, y “Get smart about credit”, dirigida a niños.
- En España y Portugal, “Valores de futuro” está diseñado para niños de primaria y primer ciclo de la ESO.

Además, en 2010, se ha reforzado el compromiso del Grupo con la educación financiera al firmar un convenio con la OCDE bajo el cual, y dentro del marco del próximo Informe PISA 2012, se realizará un estudio sobre las nociones de educación financiera entre los jóvenes para llegar a conclusiones como: su relación con la actual crisis económica, la relevancia de la misma para generaciones futuras y la importancia de contar con información comparable para plantear políticas y programas de acción. A continuación se exponen los principales avances realizados en 2010 en torno a los programas de educación financiera más relevantes puestos en marcha:

Financial literacy

Financial literacy is one of BBVA's strategic CR priorities. Informed decisions enhance the personal financial situation of consumers, improve risk management for financial institutions, encourage saving and strengthen the overall financial system. In short, financial literacy makes for dependable savers and more responsible debtors.

The year 2010 was one of consolidation for the Global Financial Education Plan *El dinero en nuestras vidas* (the Money in Our Lives), with a budget of €26m for the 2009-2011 period. The plan aims to support people's financial education and improve their current and future financial situation. It is being implemented in all the geographical areas in which the Group operates, and has more than a million beneficiaries in Spain, Mexico, Portugal and the United States, with specific programs in two priority areas for action: first, as an accompaniment to banking penetration processes, particularly in Latin America; second, as a contribution towards the education of the young in the skills and values associated with the use of money. This approach is clearly linked to BBVA's vision and corporate culture, as well as being recommended by the principles laid down by international authorities.

The Global Financial Education Plan is aimed at different groups, according to the geographical area in which it is to operate.

- In Latin America, *Adelante con tu futuro* is aimed at people who already use banking services, or could easily be persuaded to do so.
- In the United States, the "Money Smart" program includes the "Teach Children to Save" scheme for children and young people, and "Get Smart About Credit," aimed at children.
- In Spain and Portugal, *Valores de futuro* (Future Values) is designed for primary school children and those in the first cycle of ESO (the two years following primary school).

The Group's commitment to financial literacy was strengthened in 2010 by an agreement with the OECD to carry out a study on the notions of financial literacy among young people within the framework of the next PISA Report 2012. The aim will be to discover how they are affected by the current economic crisis, the relevance of the crisis for future generations, and the importance of having comparable information available when proposing policies and programs for action. The main progress made in 2010 with respect to the most important financial literacy programs underway is given below:

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 publicly reflects the sum of pledges BBVA has made to its direct stakeholders: shareholders, customers, employees and suppliers, and to the societies in which the company operates.

Policy of Conduct in the Securities Markets

The policy of conduct in the securities markets 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 furnished itself with other specific instruments for the management of core commitments in each operating area. The more salient of these are:

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

Business Conduct

One of the primary focuses for BBVA in terms of promoting and guaranteeing demanding standards of integrity and conduct is maintaining the applicability of all principles and standards governing these questions within the Group.

In 2010, the objective was twofold:

- Favor continuous knowledge and awareness of its principles and standards.
- Facilitate employees' access to said content.

The Group has continued advancing in the mechanisms of communication and dissemination of the Code of

Conduct and its implementation. In this regard, in addition to the ongoing training of the new members of the Group:

- Efforts have been made to make an online course available to all employees, regardless of their geographical area, to learn, in agreeable, practical manner, the contents of the policy for conduct on the securities markets.
- The corporate compliance portal has been updated, bringing the content on business integrity closer to the Group employees through the addition of existing local portals from a specific site with corporate content applicable to all.

Also, in 2010 specific reviews were carried out of certain processes associated with the Code of Conduct in the region of South America, which were directed at verifying their applicability and appropriateness, and no relevant deficiencies have arisen.

For 2011, the Group will continue advancing in terms of its integrity model, with a special focus on reinforcing its policies, procedures and measures in the area of Customer Compliance.

Legal Compliance

As of December 31, 2010, the BBVA Group has not recorded any 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

Special mention should be made regarding BBVA's active participation in the United Nations Global Compact since 2002. In 2004, four Group banks joined this initiative. BBVA Banco Francés, BBVA Bancomer, BBVA Colombia and BBVA Banco Continental. In addition, BBVA has sat on the Executive Committee of the Spanish Global Compact Association since it was founded.

The United Nations Global Compact is designed to encourage institutions to adopt a voluntary commitment to corporate responsibility through the implementation of ten principles based on human, labor and environmental rights and the fight against corruption. The organizations, in joining this initiative, undertake to incorporate these principles into their business strategy.

BBVA is the only financial entity to participate actively, through the area of compliance, in the United Nations work group focused on improving the implementation of Principle 10 of the Global Compact. "Businesses should work against corruption in all its forms, including extortion and bribery." In this regard, we have participated in a multidisciplinary work group throughout 2010, which was created in the Spanish Global Compact Network with the objective of drawing up an anti-corruption manual. The manual proposes, first of all, a transversal system for identifying the level of risks for corruption and, secondly, provides a model for its implementation specific to the risk level identified.

On the other hand, the United Nations Summit in 2010 was held to review the Millennium Development Goals, 10 years after their launch. To coincide with this Summit, the TED conference program and the Bill and Melinda Gates Foundation have organized a TEDxChange meeting. The aim of this event, attended by 150 world leaders, was to reflect on the official resolutions of the summit. BBVA supported this event, which could be followed live from its innovation center in Madrid; afterwards, a debate was organized with the participation of representatives from the private sector, public administration and NGOs. The conclusions arising from the meeting were gathered into a text issued to the Bill and Melinda Gates Foundation.

Furthermore, for the tenth anniversary of the MDGs, the BBVA corporate responsibility portal, published an awareness video weekly on each of the eight objectives as part of the "2015: Un mundo mejor para Joana" campaign, launched by the corporate reputation forum and supported by BBVA since its creation. In addition, the Group employees were asked about their understanding of the MDGs over the corporate intranet. The majority of the employees stated that they were interested in learning more about the cause, and, subsequently,

a communication campaign on the MDGs was carried out over the intranet.

As mentioned in the chapter on Human Resources, in 2010, the President of BBVA signed the United Nations declaration of principles for the empowerment of women “Equality is Good Business”, developed by the Global Compact and the United Nations Development Fund for Women (UNIFEM) and pursues the third MDG “Promote gender equality and empower women”.

Finally, through the Liga BBVA, BBVA supported the solidarity campaign “Professional Football Against Hunger” integrated in the “1BillionHungry” campaign of the Food and Agriculture Organization of the United Nations (FAO), which had the participation of 16 professional football leagues and 240 teams. Likewise, the Liga BBVA collaborated in the Millennium Campaign of the United Nations in promoting the MDG awareness campaign, “Make noise for the MDGs”, with the objective of issuing a solid message to the political leaders gathered at the United Nations Summit for the Review of the eight objectives. BBVA contributed to the dissemination of this initiative by providing proposals and materials to the Liga BBVA football teams, such as white bands (the symbol of the fight against poverty) which were worn during events, as well as audiovisual material presented in the stadiums.

Additional Information

BBVA AND THE UNITED NATIONS GLOBAL COMPACT

CATEGORIES	PRINCIPLES	GRI INDICATORS
Human rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.	LA4, LA 7-8, LA13-14, HR 1-2,HR 4-7, SO5, PR1
	Principle 2 – Businesses should make sure they are not complicit in human rights abuses.	HR 1-2, HR 4-7, SO5
Labor	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA 4-5, HR 1-2, HR5, SO5
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR 1-2, HR7, SO5
	Principle 5 – Businesses should uphold the effective abolition of child labor.	HR 1-2, HR6, SO5
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA 13-14, HR 1-2, HR4 , SO5
The environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, EN30, SO5
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	EN 1-4, EN8, EN 11-12, EN 16-17,EN21, EN26, EN28, SO5, PR3
	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, SO5
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	SO 2-5
Source of the correspondences between Global Compact and GRI indicators: draft of the report “Making the Connections by GRI and Global Compact” (www.globalreporting.com)		

THE MILLENNIUM DEVELOPMENT GOALS IN BBVA

MILLENNIUM DEVELOPMENT GOALS	MAIN BBVA INITIATIVE ⁽¹⁾
1. Eradicate extreme hunger and poverty	BBVA Microfinance Foundation
	BBVA Codespa Microfinanzas (microfinance hedge fund for Latin America)
	BBVA Foundation Frontiers of Knowledge awards for cooperation in development
2. Universal primary education	BBVA Community Investment Plan for Latin America
	CRR Strategic Plan
	Alliance with the Organization of Iberoamerican States (OIS) – BBVA Educational Goals 2021
3. Gender equality	Agreement on equal opportunities and the reconciliation of work and family life
	BBVA Microfinance Foundation
	Subscription to the “European Diversity Charter”
	Signing of the United Nations Declarations of Principles for the empowerment of women
	Launch of the Gender Diversity Project
	Signing of the Equal Treatment and Opportunity Plan in Spain

	MEGA certification in Argentina as a gender equality company.
4. Reduce child mortality	No specific initiatives
5. Improve maternal health	No specific initiatives
6. Combat HIV/AIDS	Research project for controlling malaria monitored by the World Health Organization (WHO)
7. Environmental sustainability	Management of indirect environmental impact through the Equator Principles
	Design of products and services according to environmental criteria
	Global Eco-efficiency Plan
	BBVA Foundation Frontiers of Knowledge awards in climate change, ecology and the biology of conservation
8. Develop a global partnership	fRC campaign for disseminating the Millennium Goals
(1) The foremost initiative is highlighted for each goal.	

FDIC, ABAEF and Money Smart

BBVA Compass has continued to support this educational program in partnership with the American Bankers' Association Educational Foundation (ABAEF), focusing on the education of children, with volunteers playing a very important role. BBVA Compass employees have participated in two programs, one entitled "[Get smart about credit](#)," which has benefited more than 3,000 children in 2010, and the other "[Teach children to save](#)," which has benefited 1,500. Both are ABAEF initiatives designed to educate future consumers in the proper use of credit and the importance of saving.

The first financial literacy program for adults was also launched in 2010 through an alliance with the Federal Deposit Insurance Corporation (FDIC). In addition, support continued to be given to the "[Money Smart](#)" program and the platform for the financial literacy plan in BBVA Compass. "Money smart" is a program that guides adults and adolescents in the proper use of financial products and services through 10 learning modules.

Responsible finance

Integration of ESG variables into risk management

The integration of ESG variables into the Group's risk management is a new element, although closely related to the rest of the traditionally managed risks. The ESG (environment, social and corporate governance) variables aim to manage extra-financial risks that can affect the credit profile of a borrower or financing project and may threaten the repayment of the debt.

While awaiting a clearer definition in this respect by the Basel Guidelines, the Group has already been working for years on four aspects: the credit profile of the company clients using the ecorating tool; financing major investment projects using the [Equator Principles](#) standard; sustainable development lines by agreements with multilateral development banks; and sectoral financing policies.

Additional information

In 2010, we included the management of the Equator Principles, whose correct implementation is also verified by Internal Control, and the procedures for implementing the Group's standards for loan applications related to the defense sector into the planning of the Internal Audit.

In addition, special attention has been paid this year to training in ESG risks, aimed particularly at risk analysts. More information in: [The environment](#).

1.- Ecorating: An environmental risk analysis was carried out in 2010 of 225,755 customers in Spain by combining three groups of variables: polluting emissions and consumption of resources; the environment of the area around the company liable to be directly or indirectly affected by it and legislative pressure and tax treatment of certain environmental components.

Additional information

The Ecorating tool allows for the evaluation of the risk portfolio of businesses from an environmental standpoint, and assigns each customer a level of credit risk based on the combination of various factors: 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.

In 2010, Ecorating began its extension into the business units. Thus, an environmental risk analysis was carried out in 2010 of 225,755 Corporate and Business Banking customers in Spain. Beginning with those customers qualified as High Environmental Risk and exposure to risk over 0.5 million euros, managers have been requested to record evidence of mitigating factors introduced by the businesses. A monthly follow-up from the Risk area for Spain and Portugal is performed.

ENVIRONMENTAL RISK SCALE

	EXPOSURE		CLIENTS	
	MILLION EUROS	%	NUMBER	%
Low (1)	107.816	82,03%	180.972	80,16%
Medium (2)	23.146	17,61%	43.956	19,47%
High (3)	471	0,36%	827	0,37%
Totals	131.433	100,00%	225.755	100,00%

- (1) Low: activities with low or almost insignificant environmental risk in terms of their emissions.
- (2) Medium: activities with moderate or high environmental risk. This bracket considers companies regardless of their size and economic solvency. In these groups, moreover, legislative pressure and environmental auditing may constitute a major risk.
- (3) High: activities with a very high potential environmental risk. One of the main features of this bracket is that the majority of the companies are large corporations with high economic solvency. They are the ones best prepared to deal with the challenges or constraints imposed by legislation on environmental protection.

Scope: Spain.

The implementation process for the tool continues in Peru and Mexico. In BBVA Bancomer, Ecorating will be launched to the network soon, and in Peru, BBVA Banco Continental is defining its categorization tool in coordination with the Inter-American Development Bank, a body that has an approved environmental line in place to this end.

2.- The Equator Principles: This is a global standard for management of ESG risks when providing finance and advice for investment projects with a capital cost of over US\$10 million. It arose from the performance standards of the International Finance Corporation and has been developed by the banks most active in project finance at a global level.

Additional information

Signing in May 2004, BBVA became the first Spanish financial institution to assume the agreements of the Equator Principles. BBVA has promoted the Meetings of the Spanish Signatories to the Equator Principles, which have now been celebrated on two occasions with the participation of the signatories (BBVA Santander, La Caixa, CAN, Caja Madrid, ICO, COFIDES and CECA) as well as other entities adhering to the EP.

BBVA actively collaborates in the revision of the IFC Performance Standards and in the strategic review of the EP, as well as in the translation tasks for EP documents, and is a member of the EP Communications Work Group, comprising banks from the world over.

We have participated in the annual EP meeting held in Washington and in the meeting with the ECAs in their process for revising the OECD Recommendation, and have presented in several EP conferences and collaborated on research such as that carried out by the University of California, Berkeley, School of Law.

In April, BBVA created its Equator Principles Committee, which has held two sessions with the participation of the areas of Business Development, Corporate and Investment Banking, the Technical Secretariat of Risks, Risk and Portfolio Management and Corporate Responsibility.

The primary objectives of this Committee are to establish the BBVA policy on the Equator Principles, the social and environmental risk profile and strategy, proposing measures for mitigating the environmental impact identified, suggesting improvements and promoting the implementation of best practices.

In 2010, the number of transactions financed under the Equator Principles increased by 20%. This was due to a business model that incentivizes compliance with the EP objectives and the involvement of the Group's Senior Management in these topics. In 2010, no project finance operations were denied due to breach of the EP criteria.

CATEGORIES OF FINANCING AND CONSULTATION PROJECTS ACCORDING TO THE EQUATOR PRINCIPLES

		2010			2009			2008		
(MILLION EUROS)	CATEGORY	NUM. OF OP.	TOTAL AMOUNT	AMOUNT FINANCED BY BBVA	NUM. OF OP.	TOTAL AMOUNT	AMOUNT FINANCED BY BBVA	NUM. OF OP.	TOTAL AMOUNT	AMOUNT FINANCED BY BBVA
Europa &	A	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	R	37	14 344 0	1 592 6	32	15 303 7	1 484 7	11	5 277 5	499 8

North America	B	31	14,074.0	1,002.0	32	10,000.7	1,404.7	11	0,277.0	700.0
	C	30	3,679.2	962.6	29	4,773.9	986.8	32	6,343.6	1,345.0
Total Europe & North America		67	18,023.4	2,555.3	61	20,077.5	2,471.5	43	11,571.1	1,844.8
Latin America	A	0	0,0	0,0	2	664.9	159.6	1	639.2	118.3
	B	22	4,379.0	974.6	6	88.5	34.8	6	1054.1	76.5
	C	2	211.0	84.4	4	80.3	30.2	2	346.8	148.7
Total Latin America		24	4,590.1	1,059.0	12	833.8	224.5	9	2,040.1	343.5
Asia	A	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	B	0	0.0	0.0	0	0.0	0.0	1	34.0	18.2
	C	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Total Asia		0	0.0	0.0	0	0.0	0.0	1	34.0	18.2
Rest Group	A	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	B	4	1,624.8	205.6	3	2,222.6	152.3	4	2,753.1	234.7
	C	0	0.0	0.0	2	387.0	64.9	1	187.1	39.6
Total Rest Group		4	1,624.8	205.6	5	2,609.6	217.2	5	2,940.2	274.3
Group Total		95	24,238.3	3,819.9	78	23,520.9	2,913.2	58	16,585.5	2,480.9

Note: Million euros.

- Category A: projects with a significant negative impact that may affect a wider area than that considered by the project.
- Category B: projects with a minor negative impact on the human population or on areas of environmental importance.
- Category C: projects with a very small or no impact on the environment.

Scope: BBVA Group.

Peru and Colombia currently have a developed, adapted Procedure for the Equator Principles in place. The Procedure is in draft stages in Venezuela, Argentina and Chile, and pending development in Mexico and the United States (planned for 2011).

Mexico will develop the Equator Principles procedure once it has completed the implementation of Ecorating, whose development and launch has been given priority.

3.- Lines from multilateral banks for regional development that require the recipient to have in place or to implement systems for managing environmental, social, ethical and corporate governance risks in fund management.

Additional information

In 2010 BBVA Colombia launched a new environmental credit product geared toward decreasing energy costs, improving quality and productivity, reducing the environmental impact, etcetera.

This product comprises various lines: consulting, with direct payment to the consulting company; investment, for the implementation of energy efficiency measures and environmental protection; Aprogresa Bancoldex line, for SME financing; Conciencias Bancoldex, which finances research, innovation and technological development; and the Ecoleasing line, which finances infrastructure in the transportation, energy, telecommunications, drinking water and basic sanitation sectors.

In addition, BBVA Colombia maintained ecological credit products in its portfolio, which are focused on financing projects that improve the quality of life of individuals through the development of programs that improve the environment and its sustainability.

This line combined special conditions for rates, terms and grace periods in the rediscount lines of Bancoldex, Finagro and Findeter, within the framework of the current policies for risk management and admission. In addition to the personal, mortgage and pledge guarantee, it guarantees the National Guarantees Fund, the Agricultural Guarantees Fund and finances up to 70% of the project value. Currently, a detailed review is underway for the agricultural loans that, due to their structure, are subject to qualifying as ecological loans.

4.- Sector policies: BBVA's policy of financing the defense sector.

Additional information

Policy on financing the defense sector

In 2010, the annual review of the internal regulations applicable to defense sector lending was carried out. The factors upon which the eligibility of countries and materials are decided were updated, according to the Alert 2010 Report of the UNESCO Chair in Peace and Human Rights of the School of Science of the Universidad Autónoma de Barcelona.

The regulations have been forwarded to the different countries so that they may proceed with their local updates. To date, a developed, adapted Defense Material Policy is in place in Peru, Argentina, Mexico, Venezuela and Colombia.

In applying this internal standard, in 2010, relations were ceased with the Lockheed Martin company, through the sale of our holding in a syndicate, upon confirming that their product lines included the manufacture of cluster bombs. In addition, various operations have been denied as they were in violation of the Policy in virtue of the country to receive the goods.

Prevention of money laundering and the financing of terrorist activities

The Prevention of Money Laundering and the Financing of Terrorism (henceforth referred to jointly as the Prevention of Money Laundering) constitutes, above all, an ever-present objective that the 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, the BBVA Group has adopted a Corporate Model for Managing the Risk of Money Laundering (hereinafter, the Model). 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).

This Model is made up of the following elements:

- An organizational structure with the resources required to manage this function and a clear assignment of responsibilities in each unit. BBVA's own body of regulations that determines the obligations and precautions in this field; and which respects the compliance with the stipulations of legal system where the Group entity operates, especially regarding those measures for "knowing your customer".
- The implementation of necessary controls for ensuring the proper application of the standards in effect regarding customer identification and, in particular, monitoring and detecting suspicious transactions.
- The execution of communication and training plans for employees. These plans are designed according to the level of exposure of each group at risk of money laundering. Its aim is to maintain an appropriate level of sensitivity and provides the capacity required to comply with the applicable law.

INTERNAL AUDITING ACTIVITIES ⁽¹⁾

	2010				2009			
	SPAIN AND PORTUGAL	MEXICO	USA	SOUTH AMERICA	SPAIN AND PORTUGAL	MEXICO	USA	SOUTH AMERICA
On-site branch audits	186	241	9	367	208	251	14	369

Other branch activities (anti-fraud, mainstream, etc.)	153	53	61	247	210	62	59	289
Remote audits: red flags for the prevention of fraud and internal control	3,503	5,552	3	8,462	5,245	7,228	0	12,775
Audits of financial information and global businesses	1,691	1,139	1,628	186	1,643	237	3,905	3,433
Systems audits	23	10	27	62	27	13	30	59
(1) With the growth of default and the greater need for loan-loss provisioning, one of the primary focuses of the annual audit plan to which a significant volume of funds have been allocated, has been credit risk in the Group, having carried out "risk quality risk analyses" by portfolios with the selection of random, and therefore, statistically representative, customer samples in Spain and Mexico, and with customer selection based on alerts and indicators of impairment in all countries. Furthermore, the regulatory projects have also been in line with the higher level of regulatory demands at the global level.								
Scope: BBVA Group.								

- Permanent communication between the Head Office and all the subsidiaries and branches of the BBVA Group, to ensure continuous monitoring and supervision in this regard.
- Finally, the need for independent review, with the aim of verifying and checking the implementation and effectiveness of the rest of the elements of the Model independently.

As indicated above, 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 preventing the risk of money laundering and financing terrorism, which allows its monitoring to be reinforced through the risk analyses conducted.

The Group's work continued in 2010 to strengthen the system of Prevention of Money Laundering and Financing of Terrorism 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 the internal legislation in Spain, Venezuela and Paraguay in its primary laws for the prevention of money laundering and financing of terrorism, as well as the modifications of the regulation in Mexico.
2. The most noteworthy of the measures for adapting to the new laws include the new obligation arising from Act 10/2010 on the prevention of money laundering and financing of terrorism in Spain, which demands the implementation of a customer cataloging model. In 2010, the "Corporate Model for Cataloging Customers Based on the Level of Risk for Preventing Money Laundering" was reinforced by the entity, based on the factors identified by the sector as relevant for delimiting the risks of money laundering. This Model of cataloging will begin to be implemented in the Group's units in 2011 and include a constant review of the cataloging of the entity's customers.
3. 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. Especially noteworthy is the implementation, in the Group's units in the USA, of the corporate tools for monitoring and filters, which will allow an improved use of the Group's information on the material.

At the same time, the BBVA Group has continued its collaboration with international organizations, government bodies and other institutions in the fight against organized crime, terrorism and other forms of crime and corruption.

For 2011, the BBVA Group will maintain its commitment to the Model for Risk Management for Money Laundering and will promote, from the corporate management for Prevention, the supervision of the units in this

material.

Prevention of fraud

In 2010, the global fraud risk management function was consolidated in the BBVA Group, in parallel with a gradual move toward its comprehensive management in virtually all the countries and businesses in which the Group operates. 2010 also saw the first internal forum on fraud risk management, with the setting out of the Group's best practices and the trends in this area, which in turn helped lay the foundations for the development of global plans.

In addition, the conclusion and publication of the BBVA Group's anti-fraud program contributed to the consolidation and strengthening of this function. This program, which is the framework for action in which comprehensive fraud risk management is to be carried out in the Group, becomes the global benchmark policy in all related scopes of activity. The principles of "Zero Tolerance Against Fraud" and "Tone at the Top", included in the document, reflect the Group's approach in this matter.

The BBVA Group continues to apply the latest fraud prevention technologies to its products, which prevent or hinder the perpetration of fraud by third parties and also reinforce customer trust in the Group's financial offering. In this sense, EMV technology is already present in the cards issued by the Group in various countries, while Internet banking security has been strengthened with the incorporation of unique codes or the use of two-factor authentication for transactions made.

Finally, the Group's goal for 2011 is to launch a global plan for standardization of technological infrastructures and processes related to fraud risk management. This project will complement the targets set in the information security master plan and offer the possibility of reaching higher levels of excellence and efficiency in managing all types of fraud risk.

Additional information

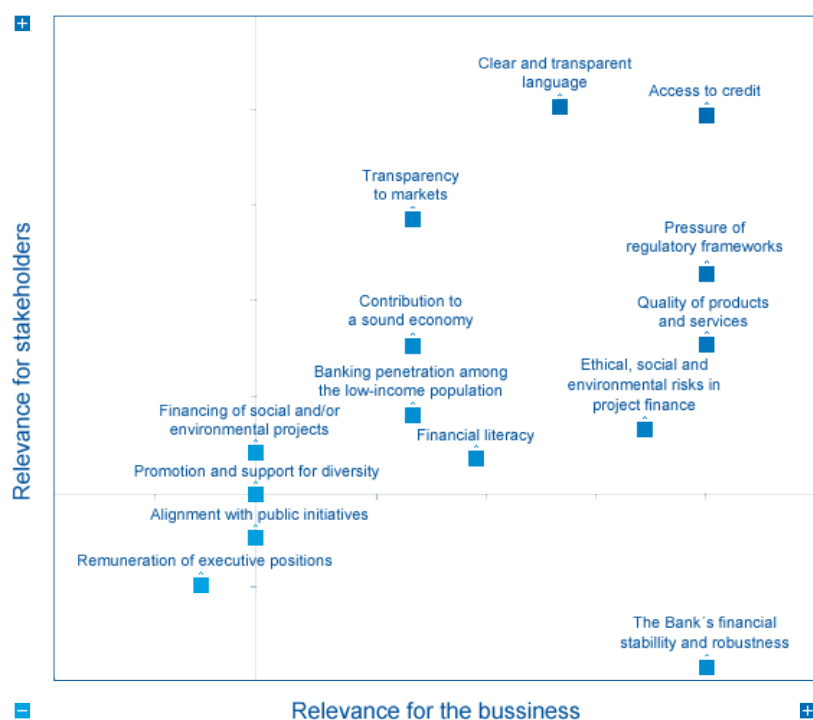
PREVENTION OF MONEY LAUNDERING AND TERRORIST ACTIVITIES

	2010	2009	2008
Participants in training schemes on the prevention of money laundering	71,722	48,372	49,939
Scope: BBVA Group.			

Stakeholders

Within the application of CR policy, permanent dialog with the different **stakeholders** is essential for understanding and managing their different expectations and relevant events in a proactive, balanced and planned way. Thus customers' opinions, their level of satisfaction and the handling of claims are all crucial. The same is true for employees and suppliers; analyses by investors, analysts and experts in sustainability; the initiatives of multilateral bodies and development banks; global corporate responsibility standards; growing legislative initiatives; and the opinion of labor unions, employers' organizations, associations and NGOs. All these form a crossing map of issues that have to be managed. A proactive analysis will be made to determine what issues are and will be relevant in the medium term for a financial institution from the perspective of sustainability; what institutions are leaders in designing solutions; and who the ideal contacts can be for making a head start along this path. In 2010, fourteen issues were identified and analyzed as relevant for the Bank's stakeholders and for the development of its business.

RELEVANT ISSUES



Additional information

BBVA has a broad range of tools for consultation and discussion with stakeholders in each country and business area ¹ in which it operates. These tools guarantee that customers, employees and shareholders have the proper channels available to be served.

In addition, groups and organizations with which BBVA does not have a constant or permanent relationship in its business operations, but which express legitimate concerns regarding the Group's performance on questions of corporate responsibility, have specific channels available for discussion.

Finally, to anticipate solutions to the challenges of sustainability, we continuously oversee the issues, institutions and people making up the sustainability agenda for a financial entity like our own. What this approach brings is a list of priorities that are stable over time, new ways of aligning the business strategy and a clear determination

to join in discussions with specific people and institutions that are considered to be key stakeholders.

Tools

There are three ways in which we analyze and integrate stakeholder expectations.

First, the specific tasks of each area in its daily relations with stakeholders and the periodic evaluation of our performance. This group comprises other more structured instruments, such as the employee satisfaction survey 2, conducted semi-annually, and the customer and supplier satisfaction surveys.

Second, continuous analytical efforts, the Customer Knowledge Unit and BBVA Research Department reports and working papers.

Finally, to complement the different areas of the organization, the Corporate Responsibility (CR) department contributes specific analyses in the field of sustainability, reputation and public opinion.

The CR area prepares global diagnostics by combining the results of a variety of tools for qualitative and quantitative analysis. In 2010, two new tools for listening and analyzing the expectations of the stakeholders were added:

- With the collaboration of Globescan in 2010, a global public opinion analysis program centered on corporate responsibility and business reputation, was developed. Using a face-to-face and telephone questionnaire, two annual rounds were finalized in the months of February and September 2010. The field work was performed in 25 countries, with representative samples at the national level and a total of 25,000 interviews each round. The program has enabled us to identify 32 relevant issues for the financial sector and the degree of importance attributed to each of them for each of the countries surveyed.
- With the collaboration of IBM, an online program focused on the monitoring and analysis of opinion was developed using a specific solution geared toward the structuring of information generated in conventional media, as well as in social networks. A sample of 59,177 relevant documents on sustainability and financial entities was used, which were generated in blogs, forums and digital media and other social networks over 2010. They covered 30 issues specific to corporate responsibility in the financial sector.

All of the work carried out over the year was synthesized in a workshop with the lead managers for the BBVA Group's CR policy. The workshop was specifically geared toward determining the application of the issues and changes experienced as well as detecting and agreeing on the relevance of new "emerging issues".

A broad range of tools for consultation and discussion with stakeholders in each country and business area in which it operates and every business area completes the structure. These tools enable us to ascertain their expectations and to provide responses in a balanced manner.

We also carry out a proactive analysis to determine what issues are and will be relevant in the medium term for a financial institution from the perspective of sustainability; what institutions are leaders in designing solutions; and who the ideal contacts can be for making a head start along this path.

Relevant Issues

In 2008, with the aim of updating the relevant issues for our stakeholders in the turbulent economic context, BBVA considered it opportune to review and update the key issues, taking into account the new circumstances.

Using the tools mentioned in the section above, it repeated this exercise in 2010 and reconsidered the interpretation and relevance of these issues in a workshop. The following are some of the main conclusions reached.

General economic context

World growth continues strong, basically in emerging countries, while cyclical and financial concerns predominate in advanced economies.

Worldwide growth remains solid and is expected to reach 4.7% in 2010 and 4.1% in 2011. This positive performance is mainly due to the strength of emerging economies, which have been less affected by the

financial crisis given the better health of their banking systems, and thus have recovered more quickly.

In contrast, renewed concerns about the cycle in the United States have combined with those related to the financial situation in Europe, where macroeconomic and financial adjustments are still pending.

Prospects for the next two years continue to show a significant gap between growth in advanced and emerging economies, even though emerging economies are beginning a controlled slowdown that will reduce the risk of their economies overheating.

In Europe, decisive progress on the question of fiscal consolidation, the measures adopted to support governments in greatest difficulty, and above all after the stress tests in the financial sector have produced a qualitative change in the form the crisis has taken in Europe. As a result, the markets have begun to differentiate between the different sovereign assets, and thus reduce the risk of a systemic event occurring. In spite of this, tension in the European financial markets continues to be the main source of risk in the region because of the link between concern for sovereign debt and risks in the financial sector, taking into account domestic and international exposure.

Aspects of concern to public opinion

This economic context maintains, among the primary concerns of the people, the economic questions and, especially, their consequences regarding unemployment and poverty. Both questions continue to be of major concern in the majority of countries when asked about the worst problem being faced by their country.

The concern regarding unemployment in the United States and in Spain is higher now than when posed by Globescan in 1998. In 2010, unemployment was the largest problem faced by both countries, in the opinion of the citizens interviewed. Delinquency and daily violence arise as one of the main concerns for those in Latin America.

With regard to the overall problem that most worries citizens, abject poverty remains at the top, and is followed, by a wide margin, by environmental issues.

Although it seems unlikely that this problem will disappear from the world agenda, according to the citizens consulted, concern for climate change, however, remains moderate and is falling in comparison with other questions.

In developing economies especially, corruption is seen as the most important world problem and is qualified as “very serious” in the majority of countries.

With regard to the financial sector as a whole, citizens express their concern regarding the prices of financial services and interest rates as the main priority, possibly as a reflection of their concerns regarding the issues of remuneration of senior managers and security of investments, honesty and ethical behavior, which are also topics that, along with prices, are most concerning to society. Finally, the increase of regulation of the sector and its potential effects arise as one of the most relevant issues of 2010, and is especially apparent in Europe and the United States.

Specific aspects

Although the different rates of emerging from the crisis in countries and regions continue to divide the local interpretation of some issues, in 2010, the relevant topics confirmed in previous surveys, which formed the basis of the Group’s corporate responsibility reports, were maintained. The list below highlights the issues that were relevant for both BBVA and its stakeholders in 2010:

- Development and promotion of diversity.
- Access to loans for businesses and individuals.
- Clear, transparent language.
- Quality products and services.
- Financial literacy.
- Alignment with public initiatives.

- Transparency with the markets.
- Contribution of the financial sector to reconstructing a solid economy.
- Banking penetration into the low income population.
- Financial profitability and sustainability of the entity.
- Financing of projects with social and/or environmental benefits.
- Regulatory framework pressure for the financial sector.
- Financing of projects with ethical, social and/or environmental risks.
- Remuneration of senior managers.

Dialog and commitment

Governments and multi-lateral institutions

In BBVA, we understand that the three pillars for building a sustainable financial system are: proper regulation, effective supervision and financial entities that base their business models on solid principles (transparency, prudence, integrity), that focus their activity on creating value in the long term for all of its stakeholders.

As in previous years, BBVA is working closely with multilateral institutions, governments and regulatory bodies in the countries in which it operates to join forces in creating a balanced framework for development.

In this regard, probably the most important figure in 2010 was the creation of the global business area with governments and multilateral bodies, which is integrated into the Wholesale Banking and Asset Management (WB&AM) area. This new area will have a team of experts in public policy and investment banking, and will work to guide the dialog between governments and multilateral institutions in the field of financial management. Emphasis will be placed on the management of knowledge as leverage for developing the business and differentiating its activity.

The new team, which works for the creation of long-term strategic relations with governments and multilateral institutions, is especially important in the current context, where the volumes of public deficit are very significant. Therefore, the challenges for financing public deficit require adequate proposals from financial entities that are based on a deep understanding of its customers' needs. In the developing world and, in particular, in Latin America, the objective is to support the strengthening of public finance and to contribute to the development of local capital markets. With this strategy, BBVA also reinforces its long-term commitment with these countries.

The three major milestones of 2010 in terms of commitment and dialog with stakeholders have been:

- The alliance to promote the improvement of public policy on education in Iberoamerica established between the Organization of Iberoamerican States (OIS) and the BBVA Group.
- The organization, by the Bancomer Foundation in the framework of the Global Forum on Migration and Development, of the fourth edition of Civil Society Days.
- The BBVA Group's formal adhesion to the Clinton Global Initiative (CGI).

With regard to the first of the milestones, Francisco González, President of BBVA, and Álvaro Marchesi, Secretary General of the Organization of Iberoamerican States, signed an alliance at the Iberoamerican Conference on Education held in 2010 to promote the public policies on education in Iberoamerica. This alliance with the OIS is expected to benefit more than eight million people and to grant one million scholarships through the development of five programs aligned with four of the educational goals established by the OIS.

The second milestone, the Global Forum on Migration and Development, is an initiative seeking high-level dialog of the United Nations that was founded in 2006 so that the United States could exchange experiences and fortify the cooperation between migration and development. It will be divided into Civil Society Days, organized by the BBVA Bancomer Foundation, and the Government Sessions, with the perspectives of the delegates and representatives of the civil society in 66 countries. For the first time, both shared a "common space" for dialog.

Finally, the Clinton Global Initiative (CGI) is an initiative whose mission focuses on transforming ideas into

actions. CGI works to establish a sense of shared responsibility in addressing global issues. Unlike other conferences, CGI works to generate changes by seeking new solutions so that each participant can acquire real specific commitments: a Commitment to Action.

Other players and relevant institutions

BBVA developed a fluid dialog during the year with sustainability rating agencies. These agencies determine whether BBVA is eligible for a fund or to form part of a stock market sustainability index.

Using the requests for information and results of the evaluations as a basis for this dialog, the work with the agencies and sustainability analysts has been constant throughout the entire year.

A relationship of mutual understanding through road shows with these stakeholders allows BBVA to improve its transparency and performance every year. The main analysts BBVA works with are as follows:

- Carbon Disclosure Project
- EIRIS
- CSR Watch
- Oekom
- RiskMetrics (MSCI)
- SAM
- SIRI
- Sustainalytics
- Vigeo

Similarly, as a result of the steady integration of ESG criteria, some institutional investors are beginning to request information on aspects they consider relevant to BBVA's sustainability. During 2010 BBVA has responded to, and given extensive information on, questions linked to sustainability, to (among others): GS SUSTAIN, Hermes Equity Ownership, Société Générale, F&C Investment, Triodos, etc.

In terms of non-financial institutions linked to corporate responsibility, BBVA maintains and intensifies its commitment to the United Nations Global Compact and the Global Reporting Initiative (GRI). Further information can be found on the [Commitment to the Global Compact and the Millennium Development Goals](#).

Controversial issues

In 2010, the main controversy was that arising out of the www.banksecrets.org campaign coordinated by Banktrack. Since June 2009, we have received approximately 800 emails, and we at BBVA have carried out an analysis of the claims while monitoring the campaign.

1. In addition to the report herein, the annual and corporate responsibility reports for each of the banks comprising the BBVA Group cover said topic in greater detail.

2. Under the slogan "listen to improve", the 2010 Employee Satisfaction Survey was conducted throughout the entire Group in September and October.

Financial inclusion

Financial inclusion is one of the two strategic focal points in the Corporate Responsibility (CR) 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. Our aim is to contribute to the improvement of living standards, and financial inclusion is the path we have set for ourselves.

Key CR indicators (KPI)

KEY CORPORATE RESPONSIBILITY INDICATORS

	2010	2009	2008
Economic (1)			
International ranking of private banks by market capitalization	27°	13°	7°
Economic value added (EVA) (million euros)	18,559	20,315	29,879
Socially responsible mutual funds over total mutual and pension funds managed (%)	2.13	2.92	2.70
Social			
Customer satisfaction index (%) (2)	5.27	5.22	5.57
Employee satisfaction index (%) (3)	90	-	87
Supplier satisfaction index (%) (4)	79	-	82
Hours of training per employee	43	38	37
Women in senior management (Steering Committee and corporate managers/senior managers) (%)	10/18	9/18	10/18
Ratio of men to women (%)	48/52	48/52	49/51
Resources allocated to community involvement (million euros)	76.03	79.10	85.30
Resources allocated to community involvement over net attributable profit (%)	1.65	1.88	1.70
Number of beneficiaries of the "Niños adelante" education project	60,099	56,178	47,104
Number of beneficiaries of the Global Financial Education Plan (5)	1,324,391	445,695	7,000
Number of direct and indirect beneficiaries of the BBVA Microfinance Foundation (millions)	2.5	2.0	1.7
Number of customers of the BBVA Microfinance Foundation	620,584	499,961	346,758
Total value of microcredits granted by the BBVA Microfinance Foundation (million euros)	432	323	195
Average amount per microcredit from the BBVA Microfinance Foundation (euros)	696	717	564
Number of volunteers	5,268	5,193	3,606
Environmental			
CO2 emitted per employee (t)	4.19	6.51	3.87
Paper consumption per employee (t)	0.13	0.13	0.13
Water consumption per employee (m3)	44.57	50.30	33.62
Electricity consumption per employee (MWh)	8.91	13.17	8.36
Number of employees working in ISO 14001 certified buildings	16,593	10,455	9,105
Corporate responsibility and reputation (CRR) management and governance			
Number of CRR appearances before the Board of Directors	1	2	2
Number of corporate CRR committees	3	2	4
Number of CRR committees in Latin America	18	16	10
Number of CRR committees in Spain and Portugal	3	1	0

Note: t = metric tons

(1) Other key economic CR indicators are net attributable profit per share, stock market capitalization and non-performing asset rate. These figures can be reviewed in the BBVA Group Highlights table of this Report.

(2) Data for Spain on scale 1-7.

(3) Biennial survey. Employees satisfied or very satisfied.

(4) Biennial survey. Data for Spain.

(5) Data for Spain, Portugal and Mexico.

(6) Under BBVA's agreement with Endesa and Iberdrola, 7.75% of electricity consumption in Spain in 2010 corresponds to "green energy", the equivalent of avoiding 5,641.6 tons of CO2 which have been deducted from CO2 emissions in Spain. The factor published by UNESA for 2009 has been used to calculate these emissions resulting from the purchase of green energy.

Scope: BBVA Group

GRI indicators

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 70-159) Stakeholders/Relevant issues
2. Organizational profile	
2.1 Name of the organization	Profile and targets 2011
2.2 Primary brands, products and/or services.	Profile and targets 2011
2.3 Operational structure of the organization.	Profile and targets 2011
2.4 Location of organization's headquarters.	Profile and targets 2011
2.5 Number of countries where the organization operates.	Profile and targets 2011
2.6 Nature of ownership and legal form.	Profile and targets 2011
2.7 Markets served.	Profile and targets 2011
2.8 Scale of the reporting organization.	Profile and targets 2011 CFS (pages 44-47)
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	Profile and targets 2011 Report criteria CFS (page 150)
2.10 Awards received in the reporting period.	Profile and targets 2011
3. Report parameters	REFERENCE
REPORT PROFILE	
3.1 Reporting period for information provided.	Profile and targets 2011 Report criteria
3.2 Date of most recent previous report (if any).	Profile and targets 2011 Report criteria
3.3 Reporting cycle (annual, biennial, etc.).	Profile and targets 2011 Report criteria
3.4 Contact point for questions regarding the report or its contents.	Contact (bancaparatodos)
REPORT SCOPE AND BOUNDARY	
3.5 Process for defining report content.	Stakeholders/Tools
3.6 Boundary of the report.	Profile and targets 2011 Report criteria
3.7 State any specific limitations on the scope or boundary of the report.	Profile and targets 2011 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 and targets 2011 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.	Financial inclusion / Banking penetration plan in Latin America Customer focus / Quality, satisfaction and customer service Human Resources / Profile of our employees Responsible Banking / Responsible procurement The environment / environmental footprint Community involvement / Education Profile and targets 2011 / Economic Value Added and

	Economic Value Generated, Distributed and Retained
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Financial inclusion / Banking penetration plan in Latin America Customer focus / Quality, satisfaction and customer service The environment / environmental footprint
3.11 Significant changes from previous reporting periods in the scope, boundary, 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.	Information criteria and standards / Independent review report
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).	Information criteria and standards / 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 / CR management system FI (178-195) CGR (pages 8-41)
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 (pages 10-12)
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Stakeholders / Tools Human Resources / Working conditions FI (page 183) CGR (pages 53-54)
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).	Human Resources / Recruitment and remuneration CGR (pages 18-21, 35-36) RBD RP
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGR (pages 14, 37-38)
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 22-23)
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 FI (185-191)
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR (pages 37-38)
COMMITMENTS TO EXTERNAL INITIATIVES	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	The environment / Climate change AR (pages 51-68; 233-234)
4.12 Externally developed economic, environmental, and social charters, principles, or other	Principles, policies and stakeholders / Standards of conduct and other commitments Stakeholders / Relevant issues

initiatives to which the organization subscribes or endorses.	Stakeholders / Relevant issues The environment / Climate change Community involvement / Education
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Principles, policies and stakeholders / Standards of conduct and other commitments Stakeholders / Relevant issues The environment / Climate change
STAKEHOLDER ENGAGEMENT	
4.14 List of stakeholder groups engaged by the organization.	Stakeholders/Tools
4.15 Basis for identification and selection of stakeholders with whom to engage.	Stakeholders/Tools
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	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.	Stakeholders

DISCLOSURE ON MANAGEMENT APPROACH / CORE INDICATORS		
Economic Performance Indicators	REFERENCE	Assurance Scope
Disclosure on Management Approach	Profile and targets 2011, Financial literacy Customer focus, Human Resources Responsible procurement, 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.	Profile and targets 2011 / 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.	The environment / Climate change	✓
EC3. Coverage of the organization's defined benefit plan obligations.	Human Resources / Working conditions and Passion for people CFS (note 26)	✓
EC4. Significant financial assistance received from government.	Human Resources / Development	(1)
Market Presence		
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Responsible Banking / Responsible procurement	✓
EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Human Resources / 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 Customer focus / Responsible product and service design Human Resources / Corporate volunteer work/community service Community involvement	✓
Environmental Performance Indicators (a)	REFERENCE	Assurance Scope
Disclosure on Management Approach	The environment	
Materials		
EN1. Materials used by weight or volume	The environment / Environmental footprint	✓
EN2. Percentage of materials used that are recycled input materials.	The environment / Environmental footprint	✓
Energy		
EN3. Direct energy consumption by primary energy source.	The environment / Environmental footprint	✓
EN4. Indirect energy consumption by primary source.	The environment / Environmental footprint	(2) (3)
Water		
EN8. Total water withdrawal by source.	The environment / Environmental footprint	(2)

Biodiversity		
EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	No material *	
EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	No material *	
Emissions, effluents and waste		
EN16: Total direct and indirect greenhouse gas emissions by weight.	The environment / Environmental footprint	(2)
EN17. Other relevant indirect greenhouse gas emissions by weight.	The environment / Environmental footprint	(2)
EN19. Emissions of ozone-depleting substances by weight.	No material *	
EN20. NO, SO, and other significant air emissions by type and weight.	No material *	
EN21. Total water discharge by quality and destination.	No material *	
EN22: Total weight of waste by type and disposal method.	The environment / Environmental footprint	✓
EN23. Total number and volume of significant spills.	No material *	
Products and Services		
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	The environment / Global Eco-efficiency Plan and Climate Change	(4)
EN27. Percentage of products sold and their packaging materials that are reclaimed by category.	No material *	
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	(2)
Social Performance Indicators: Labor Practices and Decent Work (b)	REFERENCE	Assurance Scope
Disclosure on Management Approach	Human Resources	
Employment		
LA1. Total workforce by employment type, employment contract, and region.	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.	Human Resources / Profile of our employees, Non-discrimination and equal opportunity	✓
Labor/Management Relations		
LA4. Percentage of employees covered by collective bargaining agreements.	Human Resources / Working conditions	(5)
LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Human Resources / Working conditions	(4)
Occupational Health & Safety		
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Human Resources / Working conditions	(6)
LA8. Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Human Resources / Working conditions	✓
Training and Education		
LA10. Average hours of training per year per employee by employee category.	Human Resources / Development	(7)
Diversity and Equal Opportunity		
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Human Resources / Diversity: non-discrimination and equal opportunity CGR (pages 8-13)	(8)
LA14. Ratio of basic salary of men to women by employee category.	Human Resources / Recruitment and remuneration	✓
Human Rights Performance Indicators (c)	REFERENCE	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders / Standards of conduct and other commitments Responsible finance	

	Human Resources / Working conditions 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 Responsible finance / Integration of ESG variables into risk management	(9)
HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Responsible procurement	(4)
Non-discrimination		
HR4. Total number of incidents of discrimination and actions taken.	Principles, policies and stakeholders / Standards of conduct and other commitments	(5)
Freedom of Association and Collective Bargaining		
HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Principles, policies and stakeholders / Standards of conduct and other commitments 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	✓
Society Performance Indicators (d)	REFERENCE	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders, Responsible finance / Prevention of money laundering and the financing of terrorist activities 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 / CR principles, policies and governance Financial literacy Community involvement / Education	✓
Corruption		
SO2. Percentage and total number of business units analyzed for risks related to corruption.	Responsible finance / Prevention of money laundering and the financing of terrorist activities, Prevention of fraud	✓
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	Responsible finance / Prevention of money laundering and the financing of terrorist activities	✓
SO4. Actions taken in response to incidents of corruption.	Responsible finance / Prevention of money laundering and the financing of terrorist activities, Prevention of fraud	✓
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	(10)
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	(5)
Public Responsibility Performance Indicators (e)	REFERENCE	Assurance Scope
Disclosure on Management Approach	Principles, policies and stakeholders / Standards of conduct and other commitments Customer focus / Security, protection and business continuity and Responsible 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.	Customer focus / Security, protection and business continuity	(4)

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.	Customer focus / Security, protection and business continuity, Responsible advertising	✓
Marketing Communications		
PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Customer focus / Transparent, clear and responsible 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	(2)
FINANCIAL SERVICE SECTOR SUPPLEMENT		
Impact of products and services	REFERENCE	Assurance Scope
Disclosure on Management Approach	Stakeholders Responsible investment	
FS1: Policies with specific environmental and social components applied to business lines.	Responsible finance / Integration of ESG variables into risk management The environment / Global Eco-efficiency Plan	✓
FS2: Procedures for assessing and screening environmental and social risks in business lines.	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.	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.	Responsible finance / Integration of ESG variables into risk management Human Resources / Development The environment / Environmental training and awareness	✓
FS5: Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	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 106-161), 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.	Responsible investment	✓
FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	The environment / Climate change	✓
Audit		
FS9: Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures.	Responsible finance / Integration of ESG variables into risk management and Prevention of money laundering and the financing of terrorist activities	✓
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.	Responsible investment	✓
FS11: Percentage of assets subject to positive and negative environmental or social screening.	Responsible finance / Integration of ESG variables into risk management Responsible investment / Socially Responsible Investment	(11)
FS12: Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Responsible investment / Socially Responsible Investment	✓
Society Performance Indicators	REFERENCE	Assurance Scope
Disclosure on Management Approach	Profile and targets 2011 Financial inclusion	
Community		
FS 13 Access points in low-populated or economically disadvantaged areas by type.	Profile and targets 2011 Financial inclusion	(12)

FS14: Initiatives to improve access to financial services for disadvantaged people.	Financial inclusion	✓
Product Responsibility Performance Indicators	REFERENCE	Assurance Scope
Disclosure on Management Approach	FI Financial literacy Financial inclusion / BBVA Microfinance Foundation Customer focus / Multi-channel banking, Security, protection and business continuity, Responsible advertising, Responsible product and service design Community involvement / Education	
Customer Health & Safety		
FS15: Policies for the fair design and sale of financial products and services.	FI (pages 107-163) Principles, policies and stakeholders / Standards of conduct and other commitments Customer focus / Multi-channel banking, Security, protection and business continuity, Responsible advertising, Responsible product and service design	✓
Marketing Communication		
FS16: Initiatives to enhance financial literacy by type of beneficiary.	Financial literacy Financial inclusion / BBVA Microfinance Foundation Commitment / Education	✓
LEGEND	CGR Corporate Governance Report 2010 AR Annual Report 2010 CFS Consolidated Financial Statements 2010 RBD RP Report on the Board of Directors' Remuneration Policy 2010	
Areas and units chiefly responsible	(a) Risks, Premises and Services, Corporate Responsibility and business areas. (b) Human Resources. (c) Human Resources and Compliance. (d) Corporate Responsibility and Compliance. (e) Communication and Brand, Compliance and business areas.	
Reason for the omission of the following main GRI indicators from the CR Report 2009	EN11: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity. EN12: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity. 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. EN20: Immaterial indicator. Given that the Group belongs to the service sector, SO and NO emissions are insignificant as they are produced solely by staff travel. EN21: Immaterial indicator. BBVA Group offices are in urban settings, so waste is discharged through the sewers. EN23: Immaterial indicator. BBVA Group offices are in urban settings, so water is supplied through the urban network and discharged through the sewers. EN27: Immaterial indicator. The BBVA Group simply markets these products, with no direct responsibility for the management of their packaging.	

Notes on scope and assurance.

✓ *Group*

(1) Only training subsidies in Spain are included.

(2) The information for the United States is preliminary and has not been reviewed.

- (3) Not broken down by primary source.*
- (4) Only qualitative information is included.*
- (5) Only reported for BBVA Spain.*
- (6) Only the absenteeism rate is reported.*
- (7) Not broken down by category.*
- (8) Only broken down by age and sex.*
- (9) Only the financing of large projects is reported.*
- (10) Only international agreements relating to sustainability and the research department are reported.*
- (11) The percentage over the total assets under management is not reported.*
- (12) The number of branch offices in low population density or underprivileged areas is not reported.*

Information on Corporate Responsibility 2010

After eight editions of the BBVA Group's **Corporate Responsibility Report** (CR), in 2010 we move forward with our **reporting model**, and we present our first integrated report, following the **most innovative trends**. In 2010, the Group's Financial Report comprises the most relevant **financial, social and environmental** information of the year. Additionally, this section provides more detailed information about our **social and environmental management in 2010** ("Supplementary Information"), broken down following the **main aspects of our CR policy**.

We invite you to contact our department through the different channels available on this site. We hope that this **new approach to reporting and exchanging information will help to better understand BBVA**, its risks and opportunities, and the impact of our activity in the communities where we operate.

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Independent Assurance Report on the 2010 Annual Corporate Responsibility Report of the BBVA Group

Scope of the engagement

We have performed a review of the 2010 Annual Corporate Responsibility Report (CRR) of the BBVA Group, the scope of which is defined in the "Report criteria" section. Our work consisted of a review of:

- The adherence of the content of the CRR to the GRI Sustainability Reporting Guidelines version 3.0 (G3) and the 2010 core performance indicators and the financial services sector supplement indicators proposed in the aforementioned guidelines.
- The information included in the CRR 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 2010.

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 CRR 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 2010 CRR.
- Review of the minutes of the Corporate Responsibility and Reputation Committee meetings in 2010.
- 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 CRR 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 "Report criteria" and "Stakeholders" sections of the CRR.
- 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 CRR does not contradict any significant information furnished by the BBVA Group in its Annual Report.
- Analysis of the adherence of the content of the CRR to those recommended in the GRI G3 Guidelines and verification that the core indicators and the sector indicators included in the CRR 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 2010 CRR 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, except in the cases for which some of these countries are excluded in the scope of the review described in the GRI Indicators table.

Responsibilities of BBVA management and of Deloitte

- The preparation and content of the 2010 CRR is the responsibility of the Corporate Responsibility 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 CRR.
- 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 in the 2010 CRR 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 CRR 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 "Report criteria" 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 of CRR "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 of CRR "Stakeholders".
- **Responsiveness:** the BBVA Group responds with specific actions and commitments to the material issues identified, according to the section "Goals".

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 2010 included in the "Goals" section contained material errors.

Observations and recommendations

In addition, we presented to the Corporate Responsibility Department of the BBVA Group our recommendations relating to the areas for improvement in Corporate Responsibility management 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

In line with the advances in the management of material issues boosted in 2009 by the creation of the Stakeholder Engagement Division, the BBVA Group continued to strengthen the mechanisms for communication with its stakeholders and expanded the tools for the analysis of stakeholder expectations. A Reference Guide for stakeholders was developed to provide a framework for action and enable comparison of results by country, which will facilitate their consolidation at Group level.

Materiality

The local Corporate Responsibility Committees are key for identifying and monitoring the material issues in each geographical area and, accordingly, although advances are noteworthy, we recommend strengthening their operating capacity, particularly in the case of those committees which have held less than two meetings in 2010 and in United States, where the Local Committee has not started up yet

Responsiveness

In 2010 the BBVA Group continued to respond to corporate responsibility issues identified as material. Particularly noteworthy were the actions taken in relation to commitment to the community, where advances were achieved in the area of vital management information.

In 2011 the actions aimed at effectively implementing Defence Sector and Responsible Purchasing Policies should be intensified, as part of the Group policy development process, to ensure adherence to the commitments undertaken.

Additionally, efforts should be doubled to increase the frequency and quality of the Global Eco-Efficiency Plan and of the environmental information at source, in order to facilitate control and monitoring of the goals for minimising the environmental impact.

DELOITTE, S.L.

Helena Redondo
Madrid, 21st March 2011



AA1000
Licensed Assurance Provider
000-14

Annual corporate responsibility reports issued by other Group Banks

		GRI 2009 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	B+	✓
BBVA Chile	since 2007	B+	✓
BBVA Compass	since 2008	C	

Responsible investment

In asset management there has been a growing commitment to socially responsible investment (SRI), which includes new extra-financial, environmental, social, ethical and corporate governance variables (ESG variables) into management, with the aim of obtaining greater returns on portfolios through a correct management of ESG risk. In fact, the employment pension scheme of people working for BBVA (worth over €2,500m) is entirely managed under SRI criteria.

SOCIALLY RESPONSIBLE INVESTMENT (SRI)

(PERCENTAGE)	2010 (1)	2009	2008
Out of all managed funds	2.13	2.92	2.70
(1) The reduction of this percentage in 2010 is due to two factors: First, assets under management in Spanish mutual funds fell 15% this year; this represents nearly €25,000 million in monetary terms. Second, the BBVA Extra 5 II Garantizado guaranteed funds matured.			
Scope: BBVA Group			

Additional information: Socially Responsible Investment (SRI)

There were considerable improvements in 2010 in integrating these variables:

- Development of internal management models for sovereign fixed-income.
- Implementation of new policies that improve and structure the exercise of voting rights. These policies do not specifically take environmental or social components into consideration.
- Promotion of the Principles for Responsible Investment (PRI), both between customers and in sector forums. It is worth highlighting that BBVA is not only the founding Spanish partner of the socially responsible investment forum SpainSif, but is also its president.
- Integration of ESG analysis into equity investment processes.

In 2008, BBVA's pension plan for employees in Spain adheres to the United Nations Principles for Responsible Investment (PRI), as well as Gestión de Previsión y Pensiones (GPP), one of the Group's major asset managers. In 2010, for the first time, BBVA presented the detailed progress reports of the PRI, in which it publicly demonstrated the advances made since their signing.

In November 2009, BBVA Asset Management in Mexico launched an investment fund in which the investor contributes 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” (For those left behind), an initiative for supporting education in Mexico. One year after its launch, the B+EDUCA fund was the product that recorded the greatest contribution to the scholarship program and now represents 70% of the total funds raised for the project.

VOLUME AND MEMBERS OF FUNDS WITH CR CRITERIA (VOLUME IN MILLION EUROS)

	2010		2009		2008	
	VOLUME	MEMBERS	VOLUME	MEMBERS	VOLUME	MEMBERS
SRI						
BBVA Desarrollo Sostenible	26.5	7,036	13.81	4,813	12.54	5,409
BBVA Codespa Microfinanzas	28.39	33	27.73	34	27.36	22
BBVA employment plan	2.586	41,660	2.622	42,726	/	/
Solidarity funds						

	Volumen	Participes	Volumen	Participes	Volumen	Participes
BBVA Solidaridad	15.26	417	17.15	504	15.49	508
Fund B+EDUCA	415.22					
(1) In 2010, the BBVA Extra 5 II Garantizado matured, the BBVA FTSE4Good Ibex was settled and BBVA Bolsa Biofarma was absorbed by BBVA Desarrollo Sostenible						
Scope: BBVA Group						

EQUITY INVESTMENT UNDER SRI MANAGEMENT

	2010				2009			
	MUTUAL EQUITY FUNDS	GUARANTEED FUNDS	EMPLOYMENT / INDIVIDUAL	TOTAL EQUITY	MUTUAL EQUITY FUNDS	GUARANTEED FUNDS	EMPLOYMENT / INDIVIDUAL	TOTAL EQUITY
Assets in equity under SRI criteria (Million euros)	26.71	(1)	2,059	2,086	13.9	607.3	2,076	2,698
Total assets in equity (Million euros)	1,995	2,922	3,467	8,385	2,243	5,400	3,560	11,204
Percentage	1.3		59.4	24.9	0.6	11.3	58.3	24.1
(1) In 2010, the BBVA Extra 5 II Garantizado matured and the BBVA FTSE4Good Ibex was settled.								
Scope: BBVA Group								

Additional information: 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 great social impact, was agreed by the fund's Control Committee, of which the BBVA forms part, the labor unions CC. OO, UGT, Confederación de Cuadros and CGT, as well as the representatives of the beneficiaries. In 2010, a progress report was prepared in compliance with its adherence to the PRI. Furthermore, the annual report for sustainability rating was completed in 2010 for the second consecutive year. One of the objectives for 2011 is to prepare the third edition of said report. This rating has a twofold objective: to maintain utmost transparency and to guarantee its management according to the SRI criteria.

[See BBVA employment fund rating](#)

Additional information: Pension funds

BBVA is a leader in the management of pension funds in Latin America, with a share of 22.1 % of all managed assets. 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.

Efforts continued in 2010 for the strategy to generate relevant ideas in the pensions industry. BBVA presented the book *Balance y Proyecciones en Infraestructura* (Balance and Projections for Infrastructure) of the pension funds in Latin America, which presented an analysis of the current situation in the sector, as well as the needs for investment in certain countries to boost development.

In order to share and debate with specialists and entities regarding the scope of this research and the opportunities for investment of the private components, a working group was created to organize a conference on private infrastructure in Latin America in 2011 together with the IDB and the World Bank.

CUSTOMERS' PENSION PLANS (MILLION EUROS AND MILLION MEMBERS)

	2010		2009		2008	
	VOLUME	MEMBERS	VOLUME	MEMBERS	VOLUME	MEMBERS
Spain	16,811	1.9	17,175	1.9	16,060	1.9
Latin America	56,687	12.304	45,554	12.7	31,727	12.7

In addition, there has been continued progress in the collaboration agreements with major multi-lateral bodies in topics regarding social security.

- We collaborated with the OECD on a research project on longevity risk designed to grant ideas for improving the pensions options of the affiliates of the systems of defined contribution, especially in Latin America.
- With the Inter-American Development Bank (IDB) we supported, through a pensions economist assigned to the Labor Markets Unit, a research project on the different pensions systems in the region. A predictive pension analysis methodology developed by BBVA Pension and Insurance Unit was used in this project.

Work on specific studies on the pensions systems in Latin America continued in 2010 through a team of pensions economists established by BBVA Pensions and Insurance in close collaboration with BBVA Research. The primary publications included:

- Multi-fund in the Chilean Pensions System. Working Paper, 10/27.
- Elements justifying a balance fee in the Peruvian pensions system. Working Paper, 10/24.
- Yield Simulation in the Private Pensions Industry in Peru. Working Paper, 10/19.
- Incentivizing the voluntary contribution of independent workers: The Chilean case. Working Paper, 10/11.
- Corporate Governance and Pension Fund Administrators: The Chilean case. Working Paper, 10/05.
- A Balance of pension fund infrastructure investment: The Latin American case. Working Paper, 10/03.
- Projections of the impact of pension funds on infrastructure investment and growth in Latin America. Working Paper, 10/01.

Finally, note should be made of the presentation of a book *Las Reformas de los Sistemas de Pensiones en Latinoamérica; Avances y Temas Pendientes* [Reforms of the Latin American Pension Systems; Advances and Pending Topics], that was presented in the Global Forum on Private Pensions 2010, OECD/IOPS held in Sydney, Australia, in which the Pensions Superintendants of more than 60 countries participated. This study was later analyzed in the XV Annual Meeting of the Latin American and Caribbean Economic Association (LACEA 2010).

Research

In 2010, the [BBVA Foundation](#) continued to develop its commitment to the generation and dissemination of knowledge through support to cutting-edge scientific research and the most innovative Spanish and international creation: economy and society, the environment, biomedicine and health, basic science and technology. Among the highlights since 2008 have been the BBVA Foundation Frontiers of Knowledge Awards. Through these awards, the Foundation recognizes scientific and artistic contributions that have extended the frontiers of knowledge and increased the possibility of a better future for society. The prize money is 400,000 for each of the eight categories. The disciplines they cover and their monetary reward make these the second most important awards in the world after the Nobel Prizes. In their three years (2008, 2009 and 2010) they have earned a position among the most important awards in terms of their relevance and impact on an international scale. In 2010, the repercussion of the 2009 prize-giving ceremony was a milestone due to its extensive coverage in the media. There were live broadcasts on a number of TV channels, and it was preceded by an extraordinary concert.

Additional information on social and environmental issues can be found at www.bancaparatodos.com where you can also contact the CR area through Twitter (www.twitter.com/bancaparatodos) to discuss, ask or share anything you deem appropriate. Said additional information has been verified by Deloitte, and is also in line with the Global Reporting Initiative (GRI) and Accountability standards. In addition to the contents of this chapter, the CR reports for the Group, as well as local CR reports from Mexico, Chile, Venezuela, Colombia, Peru, Argentina and the United States, are available at www.bancaparatodos.com.

Additional information

BBVA FOUNDATION FRONTERAS DEL CONOCIMIENTO (FRONTIERS OF KNOWLEDGE) AWARDS 2010

BBVA Foundation Fronteras del Conocimiento 2010 award for Basic Sciences (Physics, Chemistry and Mathematics)	Gabor A. Somorjai
BBVA Foundation Fronteras del Conocimiento 2010 award for Biomedicine	Shinya Yamanaka
BBVA Fronteras del Conocimiento 2010 award for Ecology and Conservation Biology	Edward O. Wilson
BBVA Fronteras del Conocimiento 2010 award for Information and Communication Technology	Donald E. Knuth
BBVA Fronteras del Conocimiento 2010 award for Economy, Finance and Business Management	Lars Peter Hansen
BBVA Foundation Fronteras del Conocimiento 2010 award for the Arts (Music, Painting, Sculpture, Architecture)	Helmut Lachenmann
BBVA Foundation Fronteras del Conocimiento 2010 award for Climate Change	Nicholas Stern
BBVA Foundation Fronteras del Conocimiento 2010 award for Cooperation in Development	International Rice Research Institute (IRRI)

BBVA, a global leader

Main entities of the Group

Group's banks

Spain

BBVA
Finanzia
Uno-e

South America

BBVA Banco Continental (Peru)
BBVA Banco Francés (Argentina)
BBVA Banco Provincial (Venezuela)
BBVA Bancomer (Mexico)
BBVA Chile
BBVA Colombia
BBVA Panamá
BBVA Paraguay
BBVA Puerto Rico
BBVA Uruguay

Rest of the Group

BBVA Compass (United States)
BBVA Portugal
BBVA Suiza (Switzerland)

Branches

Brussels
Dusseldorf
Frankfurt
Hong Kong
London
Milan
New York
Paris
Singapore
Tokyo

Representative offices

Beijing
Brussels
Havana
Moscow
Mumbai
Seoul
Shanghai
Sydney
Taipei

Foundations

BBVA Foundation
BBVA Microfinance Foundation
BBVA Bancomer Foundation
BBVA Banco Continental Foundation
BBVA Banco Provincial Foundation
BBVA Banco Francés Foundation
BBVA Compass Foundation

Pension funds

BBVA Pensiones (Spain)
Afore Bancomer (Mexico)
AFP Génesis (Ecuador)
AFP Provida (Chile)
AFP Horizonte (Peru)
AFP Horizonte (Colombia)
Previsión AFP (Bolivia)



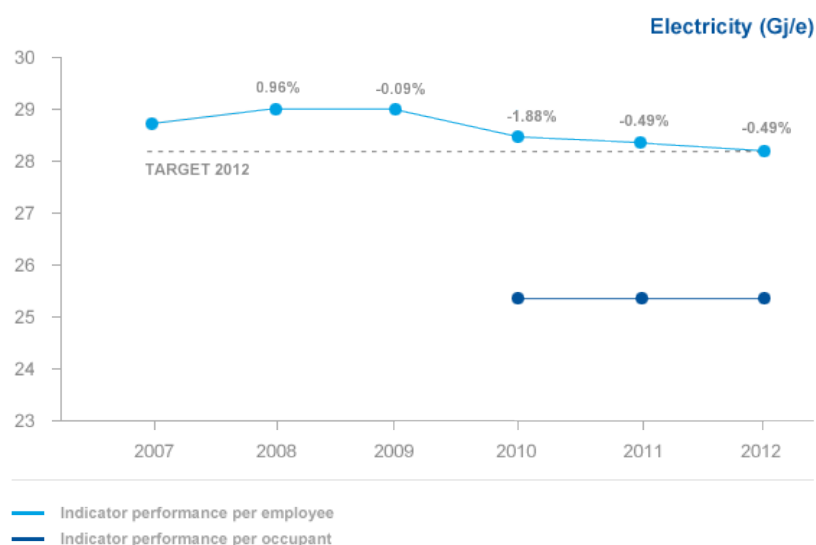
The environment

BBVA's environmental policy is in line with sustainable environmental management and the fight against climate change. The policy also includes the commitments subscribed by the Group with some of the main international environmental initiatives in this area, such as the United Nations Environment Program Finance Initiative (UNEP FI), the Equator Principles, the Principles for Responsible Investment and the Carbon Disclosure Project.

Global Eco-efficiency Plan 2008-2012

In 2010, BBVA continued to work towards each of the objectives set forth in the Global Eco-efficiency Plan 2008-2012, which include: a 2% reduction in energy use, a 7% reduction in water, a 10% reduction in paper and a 20% reduction in CO2 emissions (objectives per employee), in addition to a 20% increase of people working in buildings with the ISO 14001 certification. BBVA Paraguay has received the LEED Plata certificate from the Green Building Certification Institute and the US Green Building Council for its headquarters in Asunción. This makes it the first building in the country to earn LEED certification.

ELECTRICITY CONSUMPTION



Scope: Banco BBVA, excluding United States, Puerto Rico and Bolivia (the Bank accounts for 83% of the Group's workforce).

2011 and 2010 figures are targets.

WATER CONSUMPTION



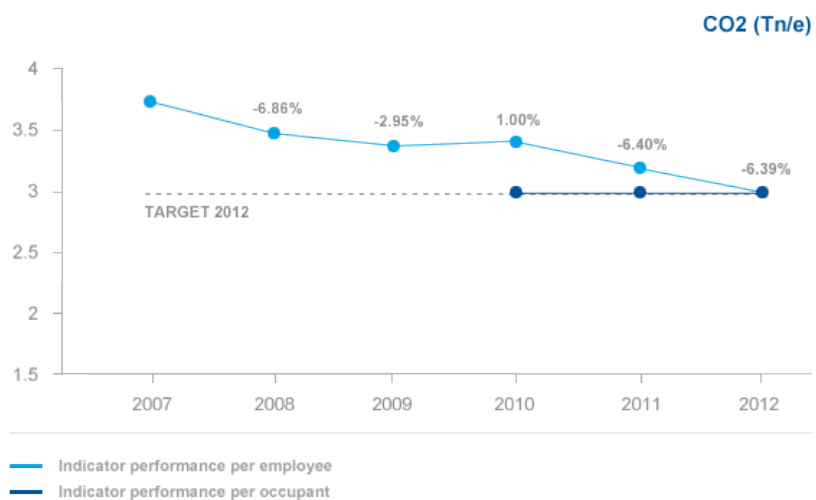
Scope: Banco BBVA, excluding United States, Puerto Rico and Bolivia (the Bank accounts for 83% of the Group's workforce).
 2011 and 2010 figures are targets.

PAPER CONSUMPTION



Scope: Banco BBVA, excluding United States, Puerto Rico and Bolivia (the Bank accounts for 83% of the Group's workforce).
 2011 and 2010 figures are targets.

CO2 EMISSIONS



Scope: Banco BBVA, excluding United States, Puerto Rico and Bolivia (the Bank accounts for 83% of the Group's workforce).

2011 and 2010 figures are targets.

In addition, BBVA made a major drive in its Global Eco-efficiency Plan in 2010 by signing contracts with Endesa and Iberdrola. As a result, 7.75% of the energy used by the Bank in Spain comes from renewable resources. In addition, BBVA has started up a pilot eco-efficiency branch in Madrid, which includes the latest technology available for efficient energy use, essentially in air conditioning, heating and lighting. The annual energy savings amount up to 49%.

Additional information

In order to manage the GEP we use a scorecard which every four months shows the performance of each of the six indicators for which targets have been set: CO2 emissions, paper consumption, water consumption, energy consumption, and ISO 14001 and LEED certifications.

In 2010, BBVA has given a considerable boost to its GEP in Spain, which through its Real Estate area has put into practice several energy efficiency initiatives, including the implementation of telemanagement systems in the office network, which enable remote and centralized control of the air conditioning, heating and lighting installations, as well as the replacement of over 17,000 halogen lamps by lamps using LED technology, with a much longer useful life than current ones and which provide a significant reduction in energy consumption.

Also in line with our commitment to reducing emissions under the GEP framework, BBVA has acquired the first fully electric, new-generation vehicle marketed in Spain by Peugeot, which will be used for employee travel between various buildings in Madrid.

In Chile, BBVA has continued to carry out its energy efficiency program, which was implemented in 2008 and includes measures for controlling air conditioning and lighting in its headquarters and branches. In addition, new technical specifications were defined in 2010 for office construction which result in a reduction in electric power and drinking water consumption, such as the installation of faucets with time-flow control, window glass with solar control and thermal and acoustic insulation systems.

BBVA Colombia has implemented an e-mail statement process which, in addition to reducing paper consumption significantly, has resulted in a reduction in the costs of the associated printing and distribution processes.

The GEP communication campaign “Get started” was launched in September 2010 under the slogan “At BBVA we are responsible with the environment”. Over a period of four months, Group employees in eleven countries received practical advice to incorporate eco-efficient habits into their personal and professional lives through the corporate intranet. Each month was devoted to a different cause: water, energy, paper and CO2 emissions reduction. Similarly, the employees shared their eco-efficient suggestions through a mailbox set up for this purpose. The response was very positive: over 2,000 proposals were received by the end of the campaign.

The table below shows other GEP initiatives implemented in 2010:

INDICATOR	LEADING INITIATIVES
CO2 emissions	Participation in the “Earth Hour” campaign launched by WWF: lights switched off in 65 headquarters and many offices in 29 cities in 13 countries
	Reforestation activities in Mexico and Spain
	Purchase of the first electric vehicle marketed in Spain for employee transportation between the various buildings in Madrid
Paper consumption	Implementation of statements via e-mail in Colombia
	Implementation of two-sided printing in Peru
	100% ecological paper consumption in Mexico
Water consumption	Launch of a pilot plan for fitting time control faucets in Chile
	Water eco-audits in 19 singular buildings in Spain
	Implementation of a system for automatically switching off air conditioning and lighting equipment throughout the branch network of BBVA Chile
Energy consumption	Application in Spain of Royal Decree 1826/2009 on temperature control in buildings
	“Switch off your PC” campaign launch in Chile
	Replacement of halogen lamps by lamps using LED technology in all regional buildings and in one third of the branch network in Spain
	Eco-efficient office pilot plan in Madrid, using the latest technological innovations available in air conditioning, heating and lighting, resulting in annual energy saving of 49%

	Implementation of telemanagement systems in the branch network in Spain and Portugal based on advanced home automation systems that enable remote and centralized control of air conditioning and lighting installations
	Energy saving plan launch in Venezuela
Employees in ISO 14001 buildings	ISO 14001 certification obtained for Group buildings located in 4 different countries
LEED certification for headquarters	LEED Silver certification obtained for the BBVA headquarters in Asunción (Paraguay)

Environmental footprint

In 2010 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. The improvements include the incorporation of the figures by occupant, as it more accurately reflects the performance of the Group's environmental indicators. We define occupant as any person, both BBVA 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).

The scope of the data reported below extends to BBVA Bank, which accounts for 83% of the Group's workforce, including the United States and Puerto Rico.

CO2 EMISSIONS (4)

	TOTAL		
	2010	2009	2008
Total (t)	365,101	572,243	352,549
Total per employee (t/employee)	4.19	6.52	3.86
Total per occupant (t/occupant)	3.75	n.a.	n.a.
Other fossil fuels (t)	5,213	4,257	4,294
Electricity (t)	321,376	536,475	307,576
Electricity/employee (t)	3.69	6.11	3.37
Trips (2) (5)	38.513	31,511	40,679

(2) The difference in relation to the data published for 2009 in Mexico is due to better information available.

(4) The emission factors used to calculate CO2 emissions for electricity consumption, fuel and trips are updated based on the best information available. In the case of the CO2 emission factor for electricity in Spain for 2010, the figure published by UNESA for 2009 has been used; in the case of the rest of the countries where the Group operates, the last factor available published by WBCSD has been used.

(5) Business travel by plane and car is reported, not including employee commuting to work. In the case of cars, both the mileage reported as an expense by employees and the best estimate, based on available information, of fuel consumption for the fleet cars used by senior managers has been considered.

[Enlarge](#)

PAPER CONSUMPTION

	TOTAL		
	2010	2009	2008
Total (t)	11,177	11,223	11484
Paper per employee (t/employee)	0.13	0.13	0.13
Paper per occupant (t/occupant)	0.11	n.a.	n.a.
% environmentally-friendly paper	97	60	54

(1) The differences in relation to the figures published in previous reports are due to improved quantification and information tracking in Chile.

Scope: Banco BBVA (the Bank accounts for 83% of the Group's workforce).

Enlarge

ENERGY CONSUMPTION

Enlarge

AUDIOVISUALS

Enlarge

WASTE MANAGED

Enlarge

ISO 14001

	SPAIN AND PORTUGAL			MEXICO			SOUTH AMERICA			TOTAL		
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
Buildings	15	13	10	5	2	2	6	1	n.a.	26	16	12
People in certified buildings	10,967	9,305	8,205	2,486	900	900	3,110	250	n.a.	16,563	10,455	9,105

Scope: Banco BBVA (the Bank accounts for 83% of the Group's workforce).

Climate change

BBVA has continued to strengthen its leading position in financing renewable energies in the North American market. It financed two wind farms in Texas (United States) and Nova Scotia (Canada) for \$180m and C\$60m respectively. The Group has also been chosen by the European Investment Bank to implement an initiative for developing renewable energy and energy efficiency operations for €400m, with a credit line and a risk sharing mechanism. BBVA has also once more participated in and sponsored the Carbon Disclosure Project to promote informational transparency and responsible management by large companies in matters affecting climate change. In addition, the Group has joined Water Disclosure, whose aim is to offer high-quality information for investors and make the target public aware of the risks arising from irresponsible use of water. On occasion of the COP16 in Cancún, BBVA signed the Cancún Communiqué and the Global Investor Statement on Climate Change. These high-level initiatives stress the Group's support for the fight against climate change.



Additional information

BBVA has become one of the most active institutions in solar thermal energy project finance. Thus, the Group, through the Structured Financing department, has been involved in 60% of solar thermal projects funded with a project finance scheme, both by investment volume and by installed power, which reflects the major role the Group has played in this market.

In 2010, BBVA marketed 2.8 million tons of CO₂ as part of the carbon trading mechanisms established under the Kyoto Protocol.

In addition, BBVA has offset the emissions deriving from the publication of the 2010 annual report through the Carbon Sequestration in Communities of Extreme Poverty in the Sierra Gorda of Mexico project, one of the country's richest regions in terms of biodiversity. The project involves the reforestation of around 400 hectares of land historically converted to farming and stockbreeding use and will enable 158,176 tons of CO₂ to be captured. Thus, the project promotes the economic development of the region, while enabling recovery of its own natural wealth within a comprehensive framework aimed at fighting poverty and boosting the sustainable development of the area.

Training and raising environmental awareness

In 2010 we have strengthened our commitment to the environment through various training and awareness initiatives:

- 16 risk analysts from Venezuela, Colombia, Mexico, Argentina, Spain, Chile, Panama, Paraguay, USA and Puerto Rico 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 on-line course organized by UNEP FI (United Nations Environment Program Financial Initiative).
- A face-to-face training course was held in Madrid on Social and Environmental Risk Management and Analysis in the Credit Process, with the collaboration of all areas involved.
- In October, the TEA Advanced Training Workshop was held in Lima on the identification and assessment of social-environmental risks in the lending processes, organized by the UNEP FI and sponsored by BBVA Banco

Continental, BBVA, ASBANC (Peruvian Banking Association) and COFIDE (Development Bank), with the participation of risk analysts from BBVA Banco Continental. Efforts are being made in the area of Training to adapt this course to a Virtual Classroom format so that it may be offered in our banks in Latin America.

- Participation in “Earth Hour”, during which 65 headquarters and many Group offices around the world switched off the lights to support the largest global mobilization campaign to tackle climate change, organized by WWF.

- Celebration of the World Environment Day at BBVA Bancomer, during which various activities were carried out by employees, including the ecological rally organized in partnership with the Pronatura Foundation, and the installation of trash bins for recycling solid waste in corporate buildings in Mexico City.

- BBVA Chile launched a paper recycling initiative for reusing this material at all of the Group’s headquarters. To support the dissemination and execution of the plan, a group of employee volunteers was set up in alliance with Sorepa, the company specializing in paper recycling. BBVA Colombia also implements various recycling programs in partnership with the Koala Foundation, such as the “Ecological Traffic Light”, based on proper waste separation in the respective bins.

- BBVA Broker, the Group’s insurance brokerage area, has started marketing and distributing environmental civil liability insurance under the name “Green Insurance”. This product is designed to help small and medium-sized business meet the requirements of the new Environmental Liability Act in Spain for damage resulting from their activity.

- The BBVA volunteer office in Spain has carried out three environmental actions in 2010 aimed at reforestation, river and forest cleaning, and awareness toward protected species.

- BBVA Panama launched the “Forward for People and the Environment” project, which aims to promote environmental awareness among employees on rational use of resources. Training sessions were held on waste management, and 90 Bank volunteers participated in a reforestation activity, in alliance with the Natura Foundation. A collaboration agreement has also been reached to support environmental conservation initiatives carried out by this Foundation in areas of special ecological value in the country.

- In Spain, BBVA has taken part in the launch of *ECOcarnet* (ECOllicense), an initiative promoted by the National Confederation of Driving Schools. The aim is to raise awareness among young people of the importance of efficient driving and the main technological innovations for reducing fuel consumption and polluting emissions deriving from this activity.

Microfinance: BBVA Microfinance Foundation

The **BBVA Microfinance Foundation** was created in 2007 as part of BBVA's commitment to financial literacy ¹. Currently, the Foundation has 620,584 customers in Latin America, with an accumulated social impact of close to 2.5 million people, 3,350 employees and 275 branches that manage a total volume of microcredits worth over €432m, with an average of €696 per microcredit.

In 2010, the BBVA Microfinance Foundation made progress in consolidating and extending its network of microfinance institutions in Latin America to bring its products and services to people in the region with low incomes. Two new institutions were added during the year to Caja Nuestra Gente in Peru, Banco de las Microfinanzas Bancamía in Colombia, Corporación para las Microfinanzas in Puerto Rico, and Servicios Microfinancieros S.A. in Chile: Servicios Microfinancieros, S.A. in Argentina, created following an agreement with Fundación Grameen and Microserfin an institution acquired in Panama.

It is also worth highlighting that the Foundation has concluded agreements of intent with a number of financial institutions to start its activity in Brazil, Mexico, Central America and the Dominican Republic, as well as extending its operations in the Chilean, Peruvian and Colombian markets by closing new deals.

With regard to strategic alliances, the second of the World Bank (IFC) investments in the Foundation's microfinance entities was concluded in 2010, under a strategic agreement between the two institutions. Under this agreement, IFC bought \$10m of Bancamía preference shares to boost its growth and extend access to productive microfinance for underprivileged people in Colombian society.

KEY DATA OF THE BBVA MICROFINANCE FOUNDATION

	CUSTOMERS	EMPLOYEES	BRANCHES
Bancamía (Colombia)	343,671	1,634	125
Caja Nuestra Gente (Perú)	261,085	1,472	117
Servicios Microfinancieros (Chile)	6,128	106	23
Corporación para las Microfinanzas (Puerto Rico)	15	7	1
Servicios Microfinancieros S. A. (Argentina)	896	19	2
Microserfin (Panamá)	8,789	112	7
TOTAL	620,584	3,350	275
Scope:BBVA Group			

Additional information

As additional information about the network of microfinance institutions, mention should be made that the Corporación para las Microfinanzas began its activity in 2010 by granting its first loans. The entity, founded by the Foundation in April 2008 together with the Development Bank for Puerto Rico (BDE) is the first institution on the island working solely with microfinance. The purchase of Financiera Confianza in 2010 will also provide greater coverage in the central sierra region of the Peruvian region (Huancavelica, Huanuco, Junín and Ucayali, etc.). The transaction includes plans for its merger with Caja Nuestra Gente and its conversion into a bank.

As a complement to its main activity, the Foundation also undertook initiatives to promote and transform the development of the microfinance sector. In this line, it continued to develop its training program for specialist microfinance managers in partnership with the UNED and local universities. In 2010, the fourth edition of the program in Peru, the third in Colombia and the second and first in Chile and Argentina were conducted. The Program, supported by the IDB and the MIF, is also facilitating the training of 950 individuals since its launch in 2009.

At the end of 2010, the Foundation also designed, in collaboration with the Inter-American Development Bank and a group of experts, a universal corporate governance code for microfinance for the entire microfinance sector. The code, which was presented in 2011, will serve as a benchmark for the entire sector and will be made available to all interested microfinance institutions.

Together with the launch of the universal code, the Foundation will also prepare workshops on Good Governance for members of boards of directors of microfinance entities in order to facilitate their knowledge, improvement and dissemination.

In terms of its organization, the BBVA Microfinance Foundation reinforced its organizational and management structure in 2010 with the incorporation.

ECONOMIC DATA OF THE BBVA MICROFINANCE FOUNDATION

	AVERAGE LOAN AMOUNT (EUROS)	NPA RATIO (%)	VOLUME OF LOAN PORTFOLIO (THOUSAND EUROS)
Bancamía (Colombia)	699	2.9	240,062
Caja Nuestra Gente (Perú)	1,494	3.5	177,463
Servicios Microfinancieros (Chile)	1,192	6.7	7,304
Corporación para las Microfinanzas (Puerto Rico)	1,176	n.d (1)	18
Servicios Microfinancieros S. A. (Argentina)	641	7	575
Microserfin (Panamá)	n.a (1)	n.a (1)	6,559
(1)Information not available.			
Scope:BBVA Group			

CUSTOMER DATA FROM THE GENDER PERSPECTIVE

	TOTAL FEMALE CUSTOMERS	PERCENTAGE OF FEMALE CUSTOMERS
Bancamía (Colombia)	211,358	61.5
Caja Nuestra Gente (Perú)	261,085	48.7
Servicios Microfinancieros (Chile)	2,648	43.2
Corporación para las Microfinanzas (Puerto Rico)	8	53.3
Servicios Microfinancieros S. A. (Argentina)	575	64.2
Microserfin (Panamá)	4,280	48.7
TOTAL	346,017	55.8
Scope:BBVA Group		

More info at: www.mfbbva.org

1. The BBVA Microfinance Foundation was created as a response to the BBVA Group's corporate responsibility, but as a non-profit institution it is independent of it in both governance and management. Accordingly, the BBVA Group wishes this report to reflect the fact that the BBVA Microfinance Foundation is not part of BBVA financial group. For this same reason, the BBVA Group neither manages nor answers for the activity undertaken by the Foundation or by those financial institutions that the Foundation acquires in pursuit of its goals.

Progress 2010 and goals 2011

CR PRINCIPLES AND POLICY

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Make two appearances before the Board of Directors	One appearance made	50%	Report regularly (at least once a year) to the Board of Directors
Promote and participate in initiatives to boost CR with other companies and institutions	<ul style="list-style-type: none"> • Signing of the Global Investor Statement on Climate Change. • BBVA becomes a member of the Global Compact Lead. • Signing of the United Nations Declarations of Principles for the empowerment of women. 	100%	Promote and participate in CR initiatives together with other companies and institutions and adherence to relevant international commitments
Carry out a total of 20 local CRR committee sessions	21 completed (18 in LATAM and 3 in S&P, including workshops)	100%	Hold a total of 20 local CRR committees
Create the CRR committee in the U.S. and Panama		0%	Hold 2 CRR committees in the U.S.
Development of the internal CRR learning community using Wiki technology	Opening of a CR Wiki	100%	
Subscription to relevant international commitments	Signing by BBVA of the Global Investor Statement on Climate Change Subscription to the CDP Water Disclosure Project	100%	
Progress in dissemination of the MDGs and develop BBVA initiatives that contribute to its achievement	<ul style="list-style-type: none"> • Holding of TEDxChange • Campaign for disseminating the MDGs in bancaparatodos • Employee survey on the intranet 	100%	Carry out actions aimed at achieving and disseminating the MDGs (Millennium Development Goals)
Constant reinforcement of the elements of the Business Integrity risk management model	<ul style="list-style-type: none"> • Since 2010, the Group has been authorized by the Bank of Spain to apply advanced models to the calculation of regulatory capital for operational risk in Spain and Mexico. • Adaptation to Prevention of money laundering and the financing of terrorist activities. 	100%	Strengthen the integrity model in the businesses, focusing particularly on customer protection (customer compliance)
Verification by Deloitte of the CR Report 2010 in the U.S.		n.a.	

STAKEHOLDERS

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Roadshow by CR with sustainability	Visits to various sustainability analysts (SAM Riskmetrics and	50%	

analysts	analysts (CRM, RiskMetrics and Sustainalytics)	00%	
Extend communication actions to shareholders and investors in the international sphere		0%	Include CSR-ESG (environmental, social and governance) issues in Investors Day 2011
			Create an internal ESG committee including Investor Relations, CR and Corporate Governance
Incorporate new listening and analysis tools for global public opinion	New tools, both internal and external, have been incorporated (Globescan)	100%	Use the listening and analysis tools for global public opinion in the CRR committees
Extend the perimeter of Consumer Insight to Chile, Argentina, Colombia, Peru and Venezuela		100%	
Extend the volume, accessibility and interactivity of multimedia CR information	Banking for everyone, blog	100%	
Development and launch of new channels for stakeholder dialog and relations	Bancaparatodos channels have been launched in Twitter and YouTube	100%	Extend the scope of new channels for stakeholder dialog and relations
Extension of the Employee Care Service (SAE) to Chile		100%	
Promote social projects with involvement by shareholders and/or customers	Presentations have been made on this subject at the CRR Committee	50%	

FINANCIAL LITERACY

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Valores de futuro in Spain: reach 550,000 children and 2,800 participating centers		100%	Consolidate the school and beneficiary figures of the Valores de futuro program for 2010-2011 in Spain (578,000 students and 3,060 schools)
Launch of Valores de futuro in Portugal, with 100,000 children taking part		100%	Consolidate the school and beneficiary figures of the Valores de futuro program for 2010-2011 in Portugal (100,000 students and 600 schools)
Implementation of the “Adelante con tu futuro” (Forward with your future) program in countries in South America		100%	Reach 5,100 beneficiaries with the “Adelante con tu futuro” program in South America
Adelante con tu futuro in Mexico: reach 240,000 beneficiaries		100%	Reach 400,000 beneficiaries with the “Adelante con tu futuro” program in Mexico and assess the impact with participants
			Participate in international benchmark initiatives to promote financial literacy and collaboration with the OECD's PISA Report

FINANCIAL INCLUSION

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Acquisition of the microfinance entity “Confianza” in Peru	This goal has been postponed to 2011	0%	
Operating presence in Argentina, Mexico and Central America	Presence in Argentina and Panama	25%	Extend the operating presence of the Microfinance Foundation from the current 6 countries (Argentina, Chile, Colombia, Panama, Peru and Puerto Rico) to 9
			Extend the BBVA Microfinance Foundation's current customer base of 620,584 by 20%
Increase in training of specialists	There has been an increase in training: 555 students in 2010 versus 396 in 2009	100%	Increase the number of specialists trained in microfinance by 20%

Dissemination of the Foundation's Code of Good Conduct and Governance	Conferences and participation in events in which the BBVA Microfinance Foundation has been involved as a speaker disseminating the Code of Good Governance	75%	Disseminate the Universal Code of Good Governance in the microfinance sector in Latin America
			Collaboration between BBVA and the BBVA Microfinance Foundation to channel loans and donations from individuals to microentrepreneurs in developing countries
			Carry out a microentrepreneurship qualification pilot project for relatives of scholarship recipients of the Forward, children program in Colombia
Banking penetration plan for Latin America 2008-2010 Double the loan portfolio, 4 million new customers in Mexico and 3 million in South America		25%	
Consolidation of alternative distribution channels	Increase in the number of non-banking correspondents and express agents	75%	Increase the number of remote and non-face-to-face service channels other than branches.
Launch of a complete commercial service for people and organizations in the disabled world in Spain	Work with ONCE and the Spanish special employment centers federation to prepare an offer of products and services adapted to the needs of the disabled	25%	Launch a complete commercial service for people and organizations in the disabled world in Spain

RESPONSIBLE BANKING – CUSTOMER FOCUS

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Foster the use of non-face-to-face channels. Extend AA accessibility to other Group websites (Spain)	Advice and technical recommendations have been received from Technosite (ONCE Foundation) for adaptation of the main websites to AA accessibility level, and a budget has been approved for this purpose	50%	Guarantee AA accessibility of the Group's main websites
Define and implement a new procedure to increase the transparency and clear language used in the Group's advertising campaigns	Preliminary work on a corporate manual for Group-wide transparent, clear and responsible (TCR) communication	25%	Approve a corporate manual for Group-wide transparent, clear and responsible (TCR) communication and design local implementation plans
Develop experiences of responsible product and service design	<ul style="list-style-type: none"> • BBVA Seguros has implemented two new good practice guides. Creation of a website and a Transparency Committee for product and service design in Chile. • Creation of the product desk in Mexico 	50%	Develop experiences of responsible product and service design

RESPONSIBLE BANKING – RESPONSIBLE FINANCE

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Implementation of Ecorating in CBB Spain, Mexico and Peru	Partial implementation of the tool in Corporate and Business Banking in Spain, where it has been opened to the business units. The implementation process is under way in Mexico and Peru.	25%	Include analyses of mitigating factors for companies with high environmental risk and exposure over €500,000 in Ecorating
			. Implement Ecorating in Mexico
Internal audit for procedures under the	Existing policies, procedures and controls were		Prepare an action plan aimed at rectifying the weaknesses detected by Internal Audit

procedures under the Equator Principles and for the policy on the defense sector	audited to ensure fulfillment of the Group's Equator Principles and a sample of operations was reviewed	50%	Weaknesses detected by internal audit regarding application of the Group's Equator Principles and policy on the subject of defense sector financing
			Add BBVA Compass (U.S.) to the Group's environmental risk management circuit
			Complete the adaptation of the manual for social and environmental risk management in the lending business in Argentina, Chile, Mexico and Venezuela
Improve the Equator Principles procedure with the creation of an EP Committee in the WB&AM area	2 Equator Principles committees held	100%	Set up a social, environmental and reputational risk committee, expanding the scope of the current Equator Principles committee
Double the number of risk analysts trained in social and environmental risks		100%	Increase the number of analysts trained in social and environmental risk management by 10%
Definition and implementation of the Global Antifraud Program		100%	Launch a Global Plan for Standardization of Technological Infrastructures and Processes as regards fraud risk
			Complete the reputational risk map for the main countries and their consolidated map

RESPONSIBLE BANKING – HUMAN RESOURCES

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Quality of Life: pilot teleworking projects in BBVA	Start two teleworking pilots in Spain and Mexico	100%	Conclude the teleworking pilot in Spain and Mexico and assess its results
Launch of the "Diversity and Equality" course on the E-Campus platform (Spain)		100%	Boost initiatives that promote equal opportunity, the life/work balance and gender diversity, and extend the Genera social networking diversity tool throughout the Group
Extend the "Apúntate" tool to the rest of the Group	Implementation in Mexico, Spain, Colombia, Peru and Venezuela	100%	
Launch of a corporate coaching and mentoring policy	Policies available on the intranet	100%	Develop the coaching and mentoring program
Launch the online CR training course for 2,000 executives	Course launched for employees in general	0%	Carry out CR communication actions for managers through BBVA Hoy
Incorporation of CR knowledge into the "Functional Profiles" of the areas (IDP)	Goal put off to 2011	0%	Incorporation of CR knowledge into the "Functional Profiles" of the areas (IDP – Individual Development Plan)
Increase the number of volunteers by 20%	Total number of BBVA Group volunteers: 5,268 compared to 5,193 in 2009	0%	Increase the number of employees collaborating as volunteers to 25%

RESPONSIBLE BANKING – RESPONSIBLE INVESTMENT

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Second sustainability rating of the BBVA Employment Plan	2010 sustainability rating report of the BBVA employee pension fund completed	100%	Third sustainability rating of the BBVA Employment Plan
Progress in the engagement process and	Contracting of the ISS Riskmetrics proxy		Analyze the possibility of extending the

engagement process and the exercise of voting rights	voting service Engagement with the company for voting at General Meetings.	50%	exercise of voting rights to other geographical areas (currently only in Spain).
			Develop and implement Socially Responsible Investment policies in fixed-income portfolios

RESPONSIBLE BANKING - RESPONSIBLE PROCUREMENT

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Extension of the supplier satisfaction survey to the U.S.	Conduct surveys	100%	
Approval and implementation of the sustainable procurement policy	Engage a consultancy firm of recognized prestige for implementing the project	0%	Approve and implement the sustainable procurement policy in the Group
100% increase in recruitment from special employment centers in Spain	Contracts with two special employment centers, for cleaning services and office supplies.	100%	Consolidate the 2010 special employment center recruitment figure

RESPONSIBLE BANKING – THE ENVIRONMENT

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Increase the number of employees working in ISO 14001 buildings by 15,635	In 2011 there will be 16,563 occupants	100%	Increase the number of people working in ISO 14001 buildings by 20%
Reduction in consumption per employee: 3.78% in CO2 emissions, 1.41% in paper, 3.03% in water, 0.92% in energy (electricity)	<ul style="list-style-type: none"> • CO2 GEP 1% • Water GEP +5.34% • Electricity GEP - 1.88% • Paper GEP - 3.46% 	50%	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
Subscription to the CDP Water Disclosure Project		100%	

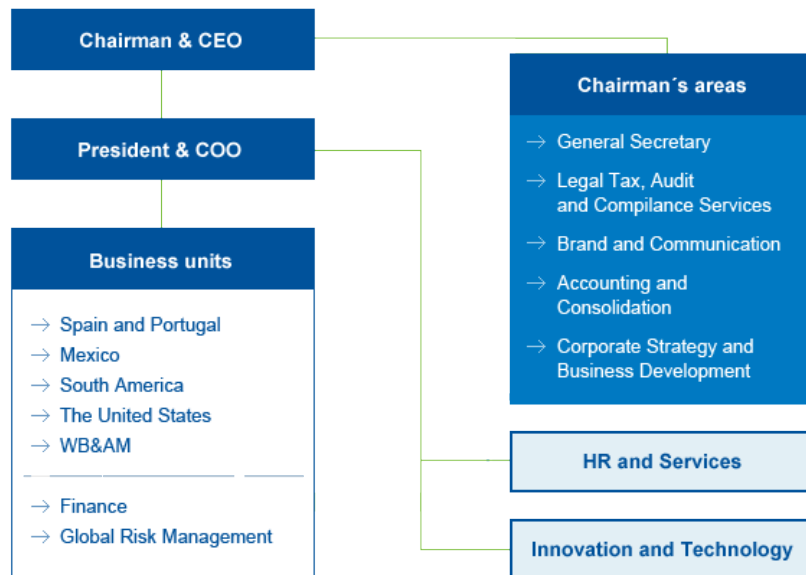
COMPROMISO CON LA SOCIEDAD

GOALS FOR 2010	PROGRESS ACCORDING TO BBVA	% FULFILLMENT (CHECKED BY DELOITTE)	GOALS FOR 2011
Boost lines of work to raise awareness and promote the job integration of disabled people in Spain	<ul style="list-style-type: none"> • Sponsorship of the Integra prize • Buy of the Christmas present at a special employment center • Awareness protocol for employees within the Equity 	100%	Boost lines of work to raise awareness and promote the job integration of disabled people in Spain

	Plan, of public use and valid for anyone		
Consolidate the Forward, children program and the number of children with scholarships: 60,000	Reach 60,099 scholarship recipients	100%	Consolidate the 60,000 children who benefit from the Forward, children program
			Build loyalty among the Group's customers to extend the scope of the Forward, children scholarship program
			Launch a global BBVA program to support social entrepreneurs

n.a The Annual Corporate Responsibility Report of BBVA Compass has not yet been published as of the date of this report

Business organization chart and structure



Customer focus

BBVA continues to work on its commitment to quality, satisfaction and customer service. Despite the difficult macroeconomic environment, the Group continues to be committed to a different model of relationship with its customers, one that is customer-centric. The changes in the customer satisfaction levels of the Group in different countries according to the FRS (Inmark Group) is given below. The improvements made are clear.

INDIVIDUAL CUSTOMER SATISFACTION LEVELS ACCORDING TO FRS (ON A SCALE OF 1-7) ⁽¹⁾

	PORCENTAGE		
	2010	2009	2008
Argentina	5.54	5.47	5.55
Chile	n.a.	n.a.	5.8
Colombia	5.45	n.a.	6.01
Spain	5.27	5.22	5.57
Mexico	5.91	n.a.	6.01
Perú⁽²⁾	5.78	5.75	5.74
Venezuela	n.a.	n.a.	5.41

(1) Figures from the FRS study (Inmark Group) ranging from 1-7, except for Argentina, where the figures are from the BRAIN study; the two are compatible.

(2) The figures for Peru are as of May 2010. The 2009 and 2008 figures correspond to year-end.

Note: n.a. = study not available.

Scope: BBVA Group.

Among the highlights this year are the implementation in BBVA Bancomer of the First Contact Resolution project. This initiative handles customer claims at the time they are made. Any corresponding payments can also be made immediately without the customer having to wait for the Bank to analyze the claim. It should also be mentioned that customer satisfaction regarding claims management is on the rise.

Additional information: quality, satisfaction and customer service

In this macroeconomic context, we opt for innovation in terms of the presentation on the activity and monitoring of the different management models for complaints filed in the different banks comprising the Group. Thus, the wiki on the results of activity and complaints management models for the BBVA Group was developed.

This wiki (a web format used internally through the corporate intranet) replaces the previous reporting format we had been developing in earlier years. Because of its flexibility and versatility when incorporating and presenting contents, the ease of access and capacity for dissemination, we believe this to be the optimum format for continuing to internally coordinate and interact within the Group regarding complaints management.

Although the same structure is maintained in the presentation of the content (comparison and description of the different local models against the reference model for complaints management, information on the activity of the last year closed, progress and status, etc.), we have focused the description and analysis on those sections we believe to be most valuable for managing complaints. In line with the above, we have sensibly reduced the presence of content regarding the most operative aspects of the different models, which are extensive and have been satisfactorily implemented in the different banks. As a result, we have been able to notably simplify this

entire process of corporate reporting.

At the same time, we have enriched the reference model for complaints management with those arising out of the process to be aligned with the Group's new Differentiation Plan focused on the customer as its guiding principle. Therefore, in working to become more customer-centric and to understand their concerns, we must make progress in terms of simplicity and convenience of both service and operations, and must always maintain a respectful attitude and level of quality in our relations. This concept forms the basis for several of the new initiatives to be launched over 2011 on quality and the customer experience.

AVERAGE TIMES FOR SETTLING A COMPLAINT (IN DAYS)

	2010	2009 ⁽¹⁾	2008 ⁽¹⁾
Spain	8	14	11
Mexico	5	3	9
Argentina	11	16	13
Chile	6	8	8
Colombia	9	13	12
Peru	10	9	11
Portugal	12	7	9
Venezuela	16	16	9
(1) The historical data have been recalculated according to the new corporate criteria			
Scope: BBVA Group			

NO OF COMPLAINTS BEFORE THE BANKING AUTHORITIES (PER €1,000 MILLION OF ACTIVITY)

	NO OF CASES BEFORE THE BANKING AUTHORITIES		
	COMPLAINTS PER €1,000 MILLION OF ACTIVITY		
	2010	2009 ⁽²⁾	2008 ⁽²⁾
Spain	*nd ⁽¹⁾	2	1
Mexico	426	339	294
Argentina	99	119	105
Colombia	231	368	275
Chile	26	29	34
Perú	27	36	29
Portugal	5	7	8
Venezuela	211	113	153
(1) The last information available from the banking authority in Spain corresponds to the 2009 Report.			
(2) The historical data have been updated after the publication of the information of the banking authorities.			
Scope: BBVA Group.			

Furthermore, one of the most important tools in BBVA for our efforts to improve customer satisfaction is the Ombudsman. In this regard, in 2010, BBVA Bancomer boosted the dissemination and presence of the UNE (specialized unit) both within the institution and before the regulating body in order to considerably increase the number of customers served through this channel. This effort fundamentally contributes to improving the customer-institution connection and creating long-term relationships. Likewise, BBVA Bancomer has pioneered new service models in conjunction with the banking authorities, and thus sustains the bank's leadership position in customer service in Mexico.

In Spain, the activity of the BBVA Customer Ombudsman extends to all units of the BBVA Group and its companies, including Banco Bilbao Vizcaya Argentaria, Uno-e Bank, Finanzia, Gestora de Fondos y de Planes de Pensiones, BBVA Seguros, etc. 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. In 2010, the Office of the Ombudsman made a significant effort to reduce the average time of response to BBVA Group customers by two days to ten calendar days, with the same number of complaints as in the previous year. Moreover, in compliance with one of its duties, the Ombudsman has encouraged friendly agreements between the Group and its customers at a rate that, in 2010, reached 50% of all files processed in this institution.

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 23, 2004, 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. The 2010 report highlights the activity of the Ombudsman and the criteria for resolutions from the 2000-2010 decade and present an overall perspective of their course.

Of the numerous actions carried out over 2010, the following are most worthy of mention:

- Suggestions for improving the Group's complaints system that could contribute to improved, satisfactory customer service.
- Recommendation regarding taking appropriate measures that would allow for a more speedy resolution of the procedures required developing the adjudication of goods in the name of customers who have passed to their inheritors.

In this regard, in 2010, the Ombudsman was informed that BBVA had implemented a new software system for processing wills and testaments in order to streamline said procedures and reduce their deadlines to fifteen days.

- Special monitoring of contractual compliance with requirements imposed by MiFID Directive regulations.
- 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.

CLASSIFICATION OF THE CASES BY RESOLUTION (CUSTOMER OMBUDSMAN)

	2010
ENTRIES	2,627
No. admitted for processing by Regulations	73
RESOLVED	2,554
Amicable resolution between the Group and the Customer	1,369
Rejected (no concessions made to the customer's claim)	1,102
Formal resolution (in favor of the person submitting the complaint)	83
Scope: BBVA Spain.	

In an increasingly global world, the **multi-channel** concept becomes particularly relevant when it comes to designing services for customers. BBVA has continued to develop its global multi-channel project that was launched at the start of 2009.

The introduction of Web 2.0 technologies has been completed in the **Internet** channel. These offer a better user experience, greater capacity for personalization and functions that are better adapted to day-to-day needs. In 2010, more than 5.8 million customers used this channel.

The Group has made a major commitment to the **mobile** channel, as it is considered to offer an excellent opportunity for the most disadvantaged segments of the population to access the financial markets. The *Cuenta Express* service has been presented in Mexico to provide easy banking based entirely on the cell phone. This service allows the customer who does not use banking services to carry out all kinds of financial operations, including payment for services or personal payment in shops exclusively by the use of the cell phone.

In the **telephone** channel, BBVA has continued with its plans to personalize and improve it as a complement to

the rest of the self-service channels. It currently has 3.1 million regular customers who carried out 125 million transactions in 2010.

A revolutionary concept of ATM has been introduced in the **ATM** channel, called ABIL, which includes the latest technology and user-friendliness. BBVA closed 2010 with a total of more than 18,000 ATMs.

It is also important to point to the important effort made to improve access to remote channels. This effort will continue throughout 2011 in order to ensure that the main BBVA websites are highly accessible according to the most demanding standards. The objective is to reach a minimum AA rating according to W3C (Worldwide Web Consortium) standards.

Additional information: multi-channel banking

As additional information regarding the ATM channel, BBVA Chile has incorporated “Easy Banking”, a help system for users with hearing disabilities, into its self-service network. The innovative system is based on explicatory videos incorporated into the ATMs. Likewise, people with hearing disabilities may access help videos with sign language for each of the operations, which explain how to use the application. In terms of non-face-to-face channels, today they have a level of accessibility of 60% of the Group applications.

NO. OF ATMS BY BUSINESS UNITS

	2010	2009	2008
Spain and Portugal	5.266	5.360	6.812
Mexico	6.760	6.311	5.815
United States and Puerto Rico	1.013	893	898
South America	5.127	4.444	4.070
Scope: BBVA Group			

TRANSACTIONS BY CHANNEL (PERCENTAGE)

	2010 ⁽¹⁾	2009	2008
Branches	38.30	39.95	42.93
ATM	22.66	23.75	23.17
Telephones	2.00	1.92	2.01
Online	37.04	34.38	31.89
(1) The information for all of the BBVA Paraguay channels in 2010 is under review due to the implementation of a new general management application.			
Scope: BBVA Group			

Finally, it is important to mention the work carried out on transparency and clear language in customer relations. These are very important aspects in the current environment. A number of initiatives will be launched in 2011 to strengthen these aspects.

Additional information: transparent, clear, responsible communication

The confidence of the financial sector has dramatically fallen since the outbreak of the current economic crisis due, among others, to the following:

- Complexity of financial products and services.
- Increased marketing of opaque products and services.
- Maintenance of the informational asymmetry between the financial entity and the customer.

BBVA is working to make it easier for customers to make better financial decisions and, therefore, needs to work 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.

In 2010, we have worked on a TCR communication manual at the heart of a scientific committee formed by BBVA employees and external experts, which will be launched in 2011.

In 2010, BBVA Seguros has voluntarily adhered to two new good practice guidelines approved by the main insurance companies as a sign of our commitment to clarity and transparency in the policies. On this occasion, the sectoral self-regulation they have adopted includes the following:

- Good practice guidelines on disability, in order for the entities to promote measures to prevent discrimination in the contracting of insurance for individuals with disabilities.
- Good practice guidelines on unit linked, whose purpose is to make it easier for customers, before purchasing a policy, to be able to compare between different life insurance policies with the unit linked modality.

Likewise, BBVA Chile has subscribed to the Code of Conduct and Good Banking Practice of the *Asociación de Bancos e Instituciones Financieras*, through which it ratifies its policy of transparency with customers and undertakes that the content of its advertising and information available to the public is complete and clear.

Similarly, it undertakes to maintain its customers informed with due notice of the characteristics of its products, and particularly of any changes in conditions. As part of its policy of transparency, in 2008 BBVA Chile created the Transparency Committee, whose meetings are held monthly. It monitors all the actions that may have an impact on the customer from the point of view of informative transparency. This committee has also defined a transparency index to assess progress made in dealing with claims relating to these matters.

Responsible advertising

In BBVA we continue to work actively to ensure responsible commercial and advertising communication: in Mexico, with the ABM (Association of Mexican Banks) and the National Publicity Council, and in Spain, through the AEA (Spanish Advertiser Association) and Self-Control (Association for the Self-Regulation of Commercial Communication) whose regulations we voluntarily adhere to in all of our publicity.

Likewise, BBVA Compass forms part of two organizations controlling the ethical practices of banks: the Federal Deposit Insurance Corporation (FDIC) and the Federal Trade Commission (FTC). In addition, BBVA rigorously complies with all regulations concerning product information and labeling in the countries where it operates.

Additional information: access to credit

The Spanish economy is experiencing an intense period of adjustment during this current economic crisis which has had a significant impact on social aspects, as shown by 20% unemployment, which has negatively affected banking activity and the banking business, particularly the demand for loans. In this difficult context, we at BBVA are faithful to our community involvement and the responsibility that binds us with shareholders and customers. A major effort is being made to grant loans to applicants thanks to a prudent risks policy and the defense of our Entity's solvency.

In 2008, BBVA anticipated the sector with a novel anti-crisis campaign for individuals, businesses and the self-employed by means of a wide range of flexible financial solutions that have been specially adapted to the current environment (mortgages, salaries and savings products). BBVA, in the framework of a business model leveraged on innovation and technology, has continued to generate new solutions that respond to the needs of its customers, supporting financing for individuals and businesses and customer loyalty through the *Aprovecha tu Banco*, Take Advantage of your Bank, initiative.

In 2010, mortgage lending was especially noteworthy, which has resulted in a market share gain in said business, in a situation of extreme lethargy in the market. BBVA has achieved this growth thanks to the success

of innovative campaigns such as the *Ven a Casa* products and the commercial efficacy of its powerful retail distribution network in Spain. Proof of this in 2010 are the 73,949 mortgages granted in Spain.

In turn, in BBVA, we have promoted various solutions adapted to our customers in consumer loans. Its success has allowed total consumer loans in 2010 to surpass that of 2009 in a period of weakness in consumption, as evidenced by the fall in registrations of vehicles by individuals in Spain.

In addition, in 2010, BBVA made more than €28,500 million in pre-approved loans available to individuals, SMEs, retailers and the self-employed. The current economic context has led to their scarce use in the face of the postponement of sales and investment decisions by the economic agents.

BBVA has intensely collaborated in the marketing of ICO lines, and has been selected as one of two financial entities to distribute the *ICO Directo* line, which puts its funds and distribution structure at the service of society in order to facilitate access to loans for businesses and the self-employed. Within the distribution of the ICO funds, BBVA has intervened in more than 39,000 transactions, marketing an amount of over €2,600 million, up 10% on the previous year.

In the Mexican financial market, BBVA Bancomer has 25.9% of the loan portfolio and 24.7% of the total deposits in the Mexican banking system, maintaining the ratios from 2009.

Finally, in BBVA, we continue to offer loans to our customers and are still proactive in the different segments and products in a context of lower demand, as a result of the economic slowdown. The above is compatible with a prudent risk policy that protects our shareholders and deposit holders and benefits society at large.

Additional information: security, customer protection and business continuity

In terms of personal data protection, throughout 2010, in accordance with the legal requirements established by the Spanish Data Protection Agency (AEPD) through Royal Decree 1720/2007, the corresponding biennial audits on the security measures implemented in 23 BBVA Group companies in Spain have been carried out, with no significant deficiencies being detected in any of them.

Likewise, despite the notable differences currently reflected by the different regulations in countries where the BBVA Group is present, a global modeling process has been initiated to homogenize the actions to be carried out in the field of personal data protection in each jurisdiction.

In 2010 a total of 128 **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. Thus, the impact of the earthquake in Chile was notable, as it affected human resources, singular buildings, the branch network and physical security and functionality. Others worth mentioning include the preventive actions taken with the loss of electricity due to the drought in Venezuela and Hurricane Alex; the Mexicali, Mexico earthquake; a fire in a singular building in the United States; floods on Madeira Island and snowfall in Spain (Gerona) that affected the branch network. In all of these cases, through the activation of business continuity measures, BBVA was able to maintain its provision of critical services to its customers, as well as the compliance of its obligations to society and the various authorities. The collaboration of BBVA Chile was outstanding in terms of its social efforts and work with the authorities to overcome the situation caused by the devastating earthquake.

Being aware that Business Continuity also has a major systematic derivative, BBVA continues to actively promote the creation of collaboration and exchange areas for business practices with other financial institutions and regulatory and supervisory authorities through the consolidation of the Spanish Business Continuity Consortium (CECON) and similar initiatives in other countries.

Additional information: responsible products and service design

Our commitment in BBVA is to progressively achieve the integration of criteria of maximum responsibility in the entire value chain from the development of products and services to their marketing. The integration process

addresses products and services geared toward groups with specific needs as well as those that are larger and have a greater scope.

In 2010, BBVA Bancomer has continued with the *Paga Bien, Paga Menos* (Pay well, pay less) program, which promotes financial literacy and thus the credit health of its customers.

At the end of this year, the number of accounts listed under this program totaled 748,163 and 34% of customers already part of the program saw a drop in their interest rates. Moreover, the main novelty is the permanent decrease in interest rates that will not only depend on prompt credit card payment, as other variables have been added to the program that depend on the credit card user and on recognizing and rewarding preferential use, financing and transactionality.

In 2010, a security device was launched for employees of businesses that are BBVA clients who have visual impairments and use online banking. The objective of the Token Plus device is to prevent the fraud produced by usurpation of passwords in the channel. The new device consists of a larger screen, as well as headphones that allow the user to hear the security code with greater discretion.

BBVA Bancomer launched the *Ahorra y Estrena* (Save and move in) program aimed at people who work but find it difficult to prove their earnings, or whose credit history is not sufficiently sound. They can also improve their credit profile and demonstrate a capacity to save. The program is designed so that the customers, through a savings agreement, can establish a history of payment compliance, which will help them to reach their goals and obtain a mortgage.

This year BBVA Chile launched *BBVA Transparente* (Transparent BBVA) on [its website](#). The aim is to give customers details of its banking products and benefits and thus enable them to make informed decisions. The portal gives details of the terms and conditions of the contracts for credit cards and plans, as well as fees and charges. The website also gives advice on the proper use of products, such as how to choose a password and how to block accounts in Chile and abroad. There is also a guide offering advice on contracting new services, in which the customer is advised on what to ask to be better informed.

Other initiatives

Initiatives in the United States

At BBVA Compass, we have worked with NGOs in five of our primary markets (United Way of Central Alabama – Birmingham, Ala.; YWCA – Dallas; Covenant Capital – Houston; Foundation Communities – Austin, Texas; and Riverside County Community Action Partners – Riverside, California). In these states, IDA Accounts, complementary individual savings accounts for the purchase of the first home, graduate studies or starting a new business, have been offered. They are geared toward individuals with low income and a low level of banking penetration. In total, it already had 295 IDA accounts in 2010, and hopes to extend this offer to ten more markets and 100 more accounts in 2011.

BTS and banking for migrants

BBVA Bancomer Transfer Services (BTS) is the electronic transfer service in Mexico. In the month of August 2010, according to the Bank of Mexico, BTS processed 40% of all electronic remittances sent to Mexico, while BBVA Bancomer paid 56% of the electronic remittances paid in banks in Mexico. This accounted for the completion of 15,684,366 transactions for a total value of over 4,201 million euros.

BBVA in Spain has also been working on the financial integration of migrants from the start of the phenomenon of immigration to Spain. Foreigners now represent 12% of the total Spanish population, and 600,000 are BBVA customers.

Since 2005 BBVA has been adapting to their basic needs. As well as its range of general products, we offer financial services specially designed for migrants. We have a market share of 15% of migrants, putting us at the same level as the general share of the bank on the market. In BBVA, immigrants have 30% of their income and 15% of their bills paid by direct billing. Total card holding is at 37% and 11% for life insurance. Close to 75% of the money transferred by our customers to their relatives is carried out by non-face-to-face means (ATM, Internet or phone), with the majority being by ATM. BBVA has extended its network of destination countries to 20. In addition to the extensive coverage in Latin American countries, money is also being sent to countries like Morocco and Romania, whose communities are very present in Spain, without leaving out the important countries of Brazil, China and Russia. The entire BBVA retail banking network is available to the immigrant group to help its inclusion in the financial system and offers this population a broad range of products adapted to their situation.

Profile, progress 2010 and targets 2011

The BBVA Group, a global financial institution, holds a prominent position in Spain and Latin America and has a growing presence in the United States and Asia. Our group is made up of 106,976 employees worldwide, serves 47.9 million customers and has more than 952,618 shareholders.

Banking penetration plan in Latin America

As part of its banking penetration strategy for the region, BBVA has for a number of years been developing initiatives to bring basic financial services to places not covered by the branch network and segments of the population not covered by banking services.

Banking penetration plan for South America

This plan, aimed at increasing the financial inclusion of people in the region who have no access to basic financial services, ended in 2010 in South America. In all it has won a total of 7.7 millions of active customers and 2.6 millions of financed customers. Credit card finance amounted to €1,642m and consumer finance to €5,153m.

BANKING PENETRATION PLAN IN SOUTH AMERICA

	2010	2009	2008	2007	OBJECTIVE 2010 ⁽¹⁾
No. of active customers (in millions) ⁽¹⁾	7.7	7.2	7.1	6.8	8.3
No. of financed customers (in millions) ⁽¹⁾	2.6	2.5	2.4	2	3.4
Credit card financing (Million euros) ⁽²⁾	1,642	1,110	997	763	1,781
Consumer loans (Million euros) ⁽²⁾	5,153	4,263	4,502	3,331	5,540
<p>(1) An active customer is one who has at least one commercial line holding or asset or liability balance that is not in default or marked as inactive. A financed customer is one with any of the following commercial lines: consumer, mortgage (in both cases with a balance and no default) or credit card (with a balance or payment within the last three months).</p> <p>(2) The series and targets are deflated with December 2010 exchange rates for their presentation with constant.</p>					
Scope: South America.					

The banking correspondent program in Mexico and Colombia and the network of express agents in Peru are examples of alliances with commercial establishments that extend the Bank's service network. At the end of 2010, the number of service points was 4,015 in Mexico, 171 in Colombia and 1,144 in Peru.

Additional information

In Peru, BBVA Banco Continental has reached a strategic collaboration agreement with Globokas, a company that provides services for attracting, transmitting and processing financial and commercial transactions. Thanks to this alliance, 838 kasnet agents have been implemented.

SERVICE POINTS OTHER THAN BRANCHES IN SOUTH AMERICA

	2010	2009	2008	DIFF 2010/2009
ATMs and self-service machines⁽¹⁾	5,127	4,694	4,321	+ 9.2 %
ARGENTINA	1,342	1,343	1,331	0%
CHILE	523	523	479	0%
COLOMBIA	852	784	755	+ 8.7 %

PERU	1,039	869	707	+ 19.6 %
VENEZUELA	1,240	1,080	971	+ 14.8 %
PANAMA	51	33	27	+ 54.5 %
PARAGUAY	51	37	30	+ 37.8 %
URUGUAY	29	25	21	+ 16 %
Other face-to-face networks (2)	1,315	526	496	+ 150 %
COLOMBIA	171	129	28	+ 32.6 %
PERU	1,144	397	468	+ 188 %
TOTAL	6,442	5,138	4,837	+ 25.4 %
(1) Includes ATM, multi-function ATMs and Kiosks (no cash handling).				
(2) Non-banking correspondents in Colombia and Express Agents in Peru.				
Scope: South America.				

Aware of the importance of youth in the social and economic life of the country, BBVA Colombia continues to offer the BBVA Blue program to this segment, which seeks to satisfy needs of this population with financial products and services with special conditions.

Likewise, BBVA Colombia has been offering the child population the Blue Kids savings account, a product designed to create good savings habits from childhood and that offers major benefits to both the children and their parents, with the option of participating in the semi-annual raffle for an educational policy that will allow the winner to study in the best universities in the country.

Faced with the great need for potentially-excluded sectors of the population to have access to loans and to the financial system in general, the BBVA Group companies in Chile contribute to the banking penetration process by offering the system to new segments.

One example is that of the Consumer and Mortgage Agreements areas.

The objective of the Consumer Agreement area is to generate accords between companies to offer debt refinancing and/or consumer loans under favorable conditions to their employees.

This range of products, the policy of covering employees with a poor credit history and non-discrimination in terms of income, rates, terms and credit policy have translated into an opportunity for banking penetration for segments who otherwise would have trouble accessing the formal financial market.

The Mortgage Agreements Area of BBVA Chile works to generate agreements with companies to offer their employees loans for buying real estate, refinancing and loans for general purposes that would allow their monthly financial burden to be reduced.

In addition, the bank is contributing to the banking penetration process through the expansion of its network of ATMs throughout the country.

In Argentina, through its scholarship program, BBVA Banco Francés promotes banking penetration and financial literacy among low-income families and youth.

The program is in place in 17 sites in Argentina and has 1,169 scholarships currently made possible through alliances with 20 civil society organizations. The youth receive an annual scholarship with monthly quotas. Those granted the scholarships, or their parents should they be under 16, receive a rechargeable BBVA Banco Francés debit card to access their funds, which, in turn, facilitates their inclusion as a client in the banking system and helps their social integration.

Furthermore, BBVA Banco Francés launched Blue in 2010, a proposal specially designed for individuals between the ages of 16 and 30 that offers benefits and products specific to their needs and aspirations, regardless of if they are clients of the Bank. Blue allows the Bank to break into this segment of the population with an attractive proposal that allows it to take its first steps toward banking penetration and to accompany these individuals in their professional growth.

In Venezuela, under the “customer as the focus of our business” principle, BBVA Banco Provincial completed the launch of the best comprehensive range of paycheck services in the Venezuelan market, which included significant benefits for the companies purchasing the service as well as the employees who work for said

companies. New products and services geared toward low-income workers have been incorporated in order to increase their levels of banking penetration.

In terms of SMEs, BBVA Banco Provincial sealed a strategic alliance with Sociedad Nacional de Garantías Recíprocas para la Mediana y Pequeña Industria (Sogampi) in virtue of which the Bank agrees to assess and grant financing to small and medium industrial or cooperative microenterprises to carry out projects in the microloan, manufacturing and tourism sectors, and thus demonstrates its support for the growth of those productive sectors in the country.

Banking penetration plan for Mexico

In 2010 the plan extended to 16.2 million active customers, 1,797 branches and 6,760 ATMs in Mexico.

In addition, within the framework of responsible financial inclusion, in 2010 BBVA Bancomer welcomed some of the major retail chains in the country, such as Walmart, through its Bodega Aurrerá, Sam's, Superama, Walmart and Suburbia, as well as Tiendas Chedraui and Super Che, Farmacias Benavides, PITICO and Oxxo, and Telecomm companies as non-banking correspondents.

These establishments comprise an additional network to the 1,800 Bancomer branches and allow more frequent banking transactions to be carried out.

BANKING PENETRATION PLAN IN MEXICO

	2010	2009	2008	2007	TARGET 2010
No. of active customers (in millions)	16.2	15.3	15.1	14.6	18
No. of branches	1,797	1,779	1,843	1,765	2,010
No. of ATMs	6,760	6,237	5,772	4,876	7,500
Scope: BBVA Bancomer. An active customer is one who has at least one commercial line holding or asset or liability balance that is not in default or marked as inactive.					

Prizes and awards

CR awards and recognition:

- **April 2010.** BBVA Bancomer, Seguros Bancomer and Afore Bancomer received the award for Socially Responsible Company granted by the Centro Mexicano para la Filantropía A.C. (CEMEFI) and Alianza por la Responsabilidad Social, AliaRSE.
- **August 2010.** BBVA Chile, included in the National Ranking for Corporate Social Responsibility, prepared by the Qué Pasa magazine and the Fundación Prohumana.
- **October 2010.** BBVA Chile holds the 9th position in the ranking of the 101 companies best prepared to address climate change, prepared by the Fundación Chile and Capital magazine.
- **November 2010.** BBVA Banco Francés receives the award for the Best Social Report for Companies in Argentina granted by the Foro Ecuménico Social.
- **November 2010.** BBVA Banco Continental and BBVA Colombia in 4th and 5th place, respectively, in the 2010 ranking prepared by Management & Excellence and LatinFinance on the most sustainable banks in Latin America. BBVA Banco Continental Peru also holds first place in the subcategory “sustainable management”.
- **November 2010.** BBVA received the Cinco Días award for business innovation in CSR for its financial literacy program “El dinero en nuestras vidas” (The Money in our Lives) and the Magisterio Prize for Leading Education Figures for its Valores de futuro educational program in Spain.
- **December 2010.** BBVA Bancomer is rewarded by the Interamerican Development Bank for its “Adelante con tu futuro” initiative at the beyondBanking awards.
- **December 2010.** BBVA receive the Solidarity in Sport award from the Fundación SOS, for the BBVA Solidarity Run

Corporate responsibility principles, policies and governance

The **mission** of BBVA's CR policy is to define and strengthen behavior that generates value for all its stakeholders: Customers, employees, shareholders, suppliers and society. This is based on the highest levels of integrity and transparency.

MAIN BBVA STAKEHOLDERS, AND THE GROUP'S COMMITMENTS TO EACH



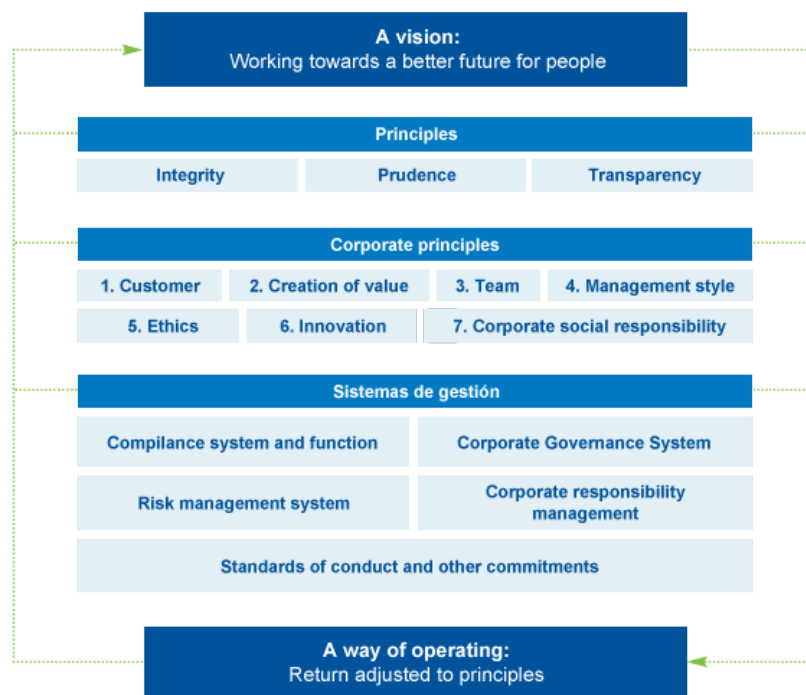
The main commitments undertaken by the Group through its CR policy are as follows:

- Uphold excellence at all times in its core business operations.
- Minimize the negative impacts caused by its business activity.
- Create “social business opportunities” to generate both social and economic value for BBVA.
- Invest in those societies in which the Group is present through support for projects, especially those involving education.

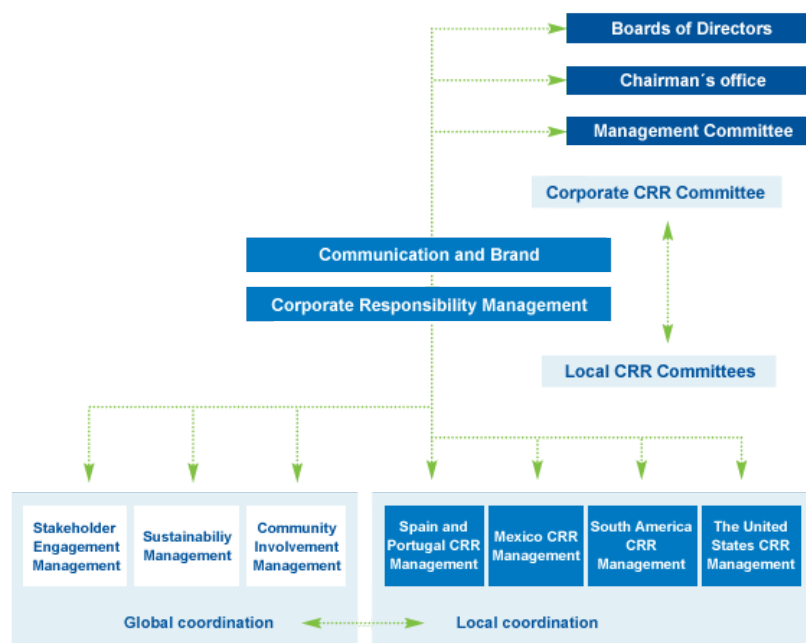
In short, they are commitments aligned with the **vision** of “working towards a better future for people” and with BBVA's **principles**.

In terms of the **organization** of the CR function in the Group, corporate responsibility policy is approved by the Board of Directors, and the Corporate Responsibility department is responsible for managing and coordinating it. The Global Corporate Responsibility and Reputation (CRR) Committee formulates and monitors CR policy and programs. This body is made up of the executive managers of the Group's main areas of business and support and chaired by the Brand and Communication manager (who in turn is a member of the Bank's Management Committee). Each of the countries where the Group has a significant presence has also created a Corporate Responsibility and Reputation (CRR) committee with representatives from each of the local business areas, chaired by the Country Manager, who is the Bank's CEO in each country. At the close of 2010 there were local CRR committees in Spain and Portugal, Mexico, Argentina, Colombia, Chile, Peru, Venezuela, Paraguay and Uruguay, as well as the Global Corporate Responsibility and Reputation (CRR) Committee. The Global CRR Committee meets at least twice a year, with the Group's Chairman-CEO and President-COO present at one of the meetings.

Workshops designed to promote strategic reflection on CRR were held in 2010 in Spain and Portugal, Argentina, Chile, Colombia, Peru and Venezuela. Those participating included the main managers of the Group's various business areas. The aim was to ground concepts and look for greater synergies in developing new CR initiatives.



CORPORATE RESPONSIBILITY GOVERNANCE



BBVA also continues 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 UN Environment Program Finance Initiative (UNEP FI), the Equator Principles, the UN Principles for Responsible Investment (PRI) and the Carbon Disclosure Project. Furthermore, the Group publicly adheres to the United Nations' Universal Declaration of Human Rights and the basic employment standards of the International Labor Organization, as well as the OECD Guidelines for Multinational Enterprises.

In an environment of financial and economic crisis, BBVA continues to strengthen its commitment to operate under the strictest principles of integrity, prudence and transparency. The Group is moving forward with actions based on the pillars of the **Strategic CR Plan** approved by the Board of Directors in 2008: financial literacy and inclusion, responsible banking and community involvement.

THE FOUR CORE ELEMENTS OF CR POLICY

Financial literacy	↔	Financial inclusion
→ Global Financial Education Plan		→ BBVA Microfinances Foundation

Responsible banking	
→ Customer-centric	→ Responsible management of human resources
→ Responsible finances	→ Compras responsables
→ Responsible investment	→ Medioambiente






Commitment to society
→ <i>Niños adelante</i>
→ BBVA Foundation: research and cultural activities

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: financial literacy and inclusion, responsible banking and community involvement.

Sustainability ratings

SUSTAINABILITY RATINGS ⁽¹⁾

ENTITY	INDEXES	CONTINUITY
	DJSI World DJSI STOXX DJSI EURO STOXX	The BBVA Group has been included in the DJSI World since 2001 In DJSI STOXX since 2005 See our most recent scores.
	MSCI World ESG Index MSCI World ex USA ESG IndexMSCI Europe ESG IndexMSCI EAFE ESG Index	The MSCI ESG indexes are the continuation of the indexes developed by KLD, which became part of MSCI following the acquisition of Riskmetrics in June 2010. The BBVA Group has been part of these indexes since the launch of the KLD Global Sustainability indexes in 2007.
	ASPI Eurozone Index Ethibel Sustainability Index Excellence Europe Ethibel Sustainability Index Excellence Global	BBVA is included in the ASPI Eurozone and the Ethibel Sustainability Indexes and for the first time in 2007 in the Ethibel Excellence Index.
Other Rating Agencies		
	In 2010, 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.	

(1) Measure the performance of companies in terms of economic, social, ethical and environmental dimensions. The rating and continued presence in these sustainability indices depends on the demonstration of constant progress in sustainability.

Human resources

A global project has been launched in the field of **diversity**, and specifically in that of non-discrimination and equal opportunities, with women at the forefront. BBVA aims to eliminate all impediments to the professional development of women in the Group.

The two main **focuses of action** in which work is being done to ensure gender equality are: the professional development of women and maternity, by implementing measures to improve the balance between maternity and a professional career.

The “**genera!**” tool is being tested as part of this project. This is a social network for the debate of opinions on a variety of subjects that must later be translated into specific action plans. The initiative is organized by a strategic committee with high-level representation, which is assisted by an operational committee that deals with greater detail and a managing body that acts to promote and organize the contributions.

The major progress made in this area in Spain and Argentina deserves particular mention. In Spain, BBVA signed the Equal Treatment and Opportunities Plan, which updates and develops the Equality Agreement signed in October 2005. The aim of the Equality Plan is to boost the development of real and effective equality between women and men. Among the items included in the plan are: content related to equal opportunities and the balance between work, personal and family life; a chapter devoted to protection during pregnancy, maternity and paternity; a protocol for action established for the prevention of sexual harassment; and further development of the legal measures on gender violence. Also included are the commitment to draw up a protocol for information and awareness-raising on the subject of disability and the use of non-discriminatory language in all company communications, as well as in public acts, promotion and advertising. At the same time, a joint equality committee has been created with trade-union representation to ensure the monitoring of the Equality Plan. There was a broad consensus in the signing of this agreement, with 97.56% of the trade-union representation in the Bank in favor.

Also in 2010, BBVA Banco Francés obtained the MEGA 2009 certification. This is a pilot project in Argentina that aims to reduce gender inequality. This initiative has been promoted by the National Institute Against discrimination, Xenophobia and Racism (INADI) and has the support and technical assistance of the World Bank.

DISTRIBUTION OF FUNCTIONS BY GENDER AND PROFESSIONAL CATEGORY (PERCENTAGE)

	2010		2009 ⁽¹⁾		2008 ⁽¹⁾	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Group average	48.11	51.89	48.41	51.59	49.36	50.64
Steering Committee and Corporate Managers	90.34	9.66	91.05	8.95	90.99	9.01
Senior Management	81.68	18.32	81.74	18.26	81.75	18.25
Middle Management	57.45	42.55	58.31	41.69	58.04	41.96
Specialists	52.84	47.16	53.39	46.61	52.88	47.12
Sales force	46.81	53.19	46.89	53.11	47.57	52.43
Rank & file	40.57	59.43	40.76	59.24	41.45	58.55
(1) In Mexico and South America in 2009 and 2008, the functional groupings of the countries comprising the People Soft management system were reorganized, so as to homogenize the historic series with the current criteria.						
Scope: BBVA Group.						

VOLUNTARY RESIGNATIONS OF THE WORKFORCE (TURNOVER) ⁽¹⁾ AND BREAKDOWN BY

GENDER (PERCENTAGE)

	2010			2009			2008		
	TOTAL TURNOVER	MEN	WOMEN	TOTAL TURNOVER	MEN	WOMEN	TOTAL TURNOVER	MEN	WOMEN
Group average	7.56	43.20	56.80	6.59	41.45	58.55	7.44	40.97	59.03
(1) Turnover = [Voluntary resignations (excluding early retirement)/number of employees at the start of the period] x 100.									
Scope: BBVA Group									

CONTRACTS BY GENDER(PERCENTAGE)

	2010 (1)			2009			2008		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Permanent or regular full-time	49.05	50.95	90.28	49.32	50.68	92.22	49.52	50.48	91.31
Permanent or regular part-time	27.87	72.13	3.15	29.40	70.60	3.21	33.13	66.87	4.39
Temporary	44.92	55.08	6.57	43.85	56.15	4.51	44.08	55.92	4.09
Others	n.a.	n.a.	n.a.	27.87	72.13	0.06	50.88	49.12	0.21
(1) Only permanent and temporary-type contracts were considered in 2010.									
Note: n.a. = not applicable.									
Scope: BBVA Group									

On questions of training related to CR, an online training model called *Sensibilización en Diversidad e Igualdad* (Awareness in Diversity and Equality) has been prepared. As well as this, the *Responsabilidad y Reputación Corporativas* (Corporate Responsibility and Reputation) course has been launched and is available via the e-campus tool for all Group employees.

TRAINING DATA

	2010	2009	2008
Total investment in training (thousand euros)	37,348	31,929	40,806
Investment in training per employee (euros)	350	307	374
Hours of training per employee	43	38	39
Satisfaction rating of training (out of 10)	8.8	8.3	8.2
Employees who have received training during the year (%)	73	75	75
Volume of subsidies received for training from FORCEM (Million euros)	3.1	2.9	3.37
Scope: BBVA Group			

Finally, 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 2010, 5,268 BBVA Group employee volunteer activities were carried out. In addition, 12,181 employees have contributed €1,6 between them to social projects.

Additional information: Corporate Volunteer

MAIN ACTIVITIES WITH A FINANCIAL CONTRIBUTION FROM EMPLOYEES AT THE GROUP LEVEL

AREA OF ACTION	PROJECT	NUMBER OF VOLUNTEERS	AREA OF ACTION	BENEFICIARIES	FINANCIAL CONTRIBUTION
SPAIN	Euro Solidario – Cofinancing	4,331	EDUCATION	2,073	105,074.00 €
UNITED STATES	Compass Charity	7,285	VARIOUS	-	1,445,200.32 €
CHILE	Fundraising			Children and young people	22,311.00 €

COLOMBIA	Euro Solidario-Cofinanciación	565	EDUCATION	Children and young people	20,700 €
TOTAL		12,181		2,073	1,593,285.32 €
Scope: BBVA Group					

Spain

In 2010, the BBVA volunteer office has 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 like *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 III BBVA Solidarity Run with UNHCR and the *Enseñar en barrios* (Teach in Neighborhoods) project of the SERES Foundation.
- Environment. We have carried out 3 projects on reforestation, river and forest clean-up and endangered species awareness.
- Social and employment integration in penitentiaries. This is a new line of work started in 2010 which includes the donation of materials, accompaniment for the support of inmates of the Madrid II penitentiary center during the Camino de Santiago, 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 2010:

MAIN PROJECTS IN PARTNERSHIP WITH THE BBVA EMPLOYEES IN SPAIN IN 2010

AREA OF ACTION	PROJECT	NUMBER OF VOLUNTEERS	HOURS
EDUCATION	Future values	512	5,120
EDUCATION	Competition for BBVA Volunteers projects	30	-
EDUCATION and IMMIGRATION	Digital Literacy tutorials	111	812
EDUCATION	Junior Achievement programs	51	566
EDUCATION	ENGAGE Project	12	-
EDUCATION	BBVA-UNHCR Solidarity Run	42	-
SOCIAL WELFARE CARE	Activities with prisoners	50	-
SOCIAL WELFARE CARE	Solidarity campaigns	6	-
ENVIRONMENT	Reforestation activity	333	1,332
TOTAL		1,147	7,830
Scope: Spain			

Latin America and Mexico

In Latin 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 to students who have received scholarships from the Bank. In all, 700 employees have fostered 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 Latin America and Mexico are as follows:

MAIN PROJECTS IN PARTNERSHIP WITH THE BBVA EMPLOYEES IN SOUTH AMERICA AND MEXICO IN 2010

PROJECT	NO. OF VOLUNTEERS	NO. OF BENEFICIARIES
Argentina	0	
Chile	400	-
Colombia	500	-

Mexico	1,118	121,008
Panama	110	
Paraguay	101	
Peru	80	
Uruguay	66	
Venezuela	52	135,506
Total	2,427	256,514
Scope: South America and Mexico		

United States and Puerto Rico

A total of 1,694 BBVA Compass employees dedicated more than 66,000 hours to volunteer work/community service activities in 2010. Various types of activities were performed: global, individual and local development. As of October, an internal tool has been in place to promote volunteer work/community service and improve its management.

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 2010. The program consists in 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 provided to children in 2010.

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.

Additional information

Diversity

Profile of our employees

Diversity management is important for the BBVA Group given the variety of professional profiles and multicultural employees (with 106,976 employees in 32 countries). Our corporate strategy is focused on respecting and welcoming differences, in terms of personal and professional aspects, to ultimately attract, retain and guarantee the strengthening of the talent of all of our professionals.

WORKFORCE BY AGE AND GENDER (PERCENTAGE)

	2010					2009					2008				
	AVERAGE AGE		<25	25-45	>45	AVERAGE AGE		<25	25-45	>45	AVERAGE AGE		<25	25-45	>45
	M	W				M	W				M	W			
Spain and Portugal	44.3	38.9	1.2	57.2	41.6	44.4	38.9	0.77	56.25	42.98	43.9	38.3	1.2	56.0	42.7
Mexico	35.4	32.6	17.5	69.2	13.3	35.3	32.3	17.75	69.68	12.56	35.0	32.0	18.7	67.8	13.5
United States	38.5	39.3	9.7	59.4	30.9	38.4	39.1	11.15	55.96	32.89	38.8	38.4	14.6	54.1	31.3
South America	38.1	35.8	8.3	71.1	20.5	38.5	35.8	8.66	69.90	21.44	38.3	35.6	10.3	68.6	21.1
Rest of the world	38.9	37.4	2.8	74.8	22.4	38.7	37.4	2.48	74.50	23.02	38.7	37.3	2.3	76.9	20.8
Group average	39.3	36.0	9.4	65.3	25.3	39.4	36.0	9.59	64.22	26.18	39.1	35.6	10.9	63.1	26.0
Scope: BBVA Group															

AVERAGE LENGTH OF SERVICE OF WORKFORCE (YEARS)

	2010	2009	2008

Spain and Portugal	17.3	17.6	17.5
Mexico	8.5	8.5	8.4
United States	6.5	5.6	5.1
South America	9.2	9.6	9.9
Rest of the world	4.3	4.7	4.6
Group average	10.8	11.0	10.9
Scope: BBVA Group			

EMPLOYEES BY PROFESSIONAL CATEGORY (PERCENTAGE)

	2010	2009	2008
Spain and Portugal			
Management Committee and Corporate Managers	0.66	0.68	0.68
Senior Management	3.18	3.15	2.96
Middle Management	5.25	4.36	3.87
Specialists	27.67	28.35	27.07
Sales force	38.96	37.87	39.09
Rank and file	24.27	25.59	26.34
Mexico (1)			
Management Committee and Corporate Managers	0.18	0.20	0.18
Senior Management	0.85	0.91	0.86
Middle Management	1.23	1.25	1.19
Specialists	29.38	28.03	30.45
Sales force	35.05	34.84	34.33
Rank and file	33.31	34.78	32.99
United States			
Management Committee and Corporate Managers	0.08	0.10	0.06
Senior Management	0.92	1.07	0.71
Middle Management	23.13	23.08	21.03
Specialists	15.48	13.97	12.71
Sales force	19.28	18.82	18.50
Rank and file	41.12	42.96	46.98
South America⁽¹⁾			
Management Committee and Corporate Managers	0.16	0.15	0.15
Senior Management	0.89	0.95	0.95
Middle Management	9.65	10.50	7.74
Specialists	31.73	27.13	33.36
Sales force	30.33	30.51	26.76
Rank and file	27.25	30.76	31.03
Rest of the world			
Management Committee and Corporate Managers	1.05	0.89	1.25
Senior Management	6.38	6.45	7.03
Middle Management	24.65	18.85	15.03
Specialists	42.48	40.77	41.14
Sales force	2.36	2.78	2.99
Rank and file	23.08	30.26	32.56
(1) In Mexico and South America in 2009 and 2008, we reorganized the functional groupings of the countries comprising People Soft with the current homogenous criteria.			
Scope: BBVA Group.			

RECRUITMENT OF EMPLOYEES

	2010	2009	2008
Spain and Portugal	2,942	1,709	2,459

Mexico	6,850	4,520	16,853
United States	3,229	1,844	3,368
South America	4,412	3,286	4,959
Rest of the world	264	132	212
Of which new recruits:			
Spain and Portugal	889	261	983
Mexico	3,491	3,707	4,482
United States	3,216	1,708	3,334
South America	2,720	2,477	3,246
Rest of the world	253	110	209
Scope: BBVA Group.			

DISCHARGES OF EMPLOYEES

	2010	2009	2008
Spain and Portugal			
Retirement and early retirement	774	911	2,053
Voluntary redundancy	106	222	131
Resignation	95	102	349
Others	1,464	1,630	1,896
Mexico			
Retirement and early retirement	66	119	197
Voluntary redundancy	8	18	781
Resignation	4,284	3,760	3,190
Others	990	2,578	13,363
United States			
Retirement and early retirement	78	0	99
Voluntary redundancy	164	247	244
Resignation	1,906	1,606	2,245
Others	999	2,119	1,036
South America			
Retirement and early retirement	1	6	50
Voluntary redundancy	626	550	914
Resignation	1,484	1,618	2,454
Others	1,112	2,601	2,017
Rest of the world			
Retirement and early retirement	3	5	2
Voluntary redundancy	20	59	116
Resignation	76	76	127
Others	44	19	61
Scope: BBVA Group.			

Non-discrimination and equal opportunity

In 2010, the President of BBVA signed the United Nations declaration of principles for the empowerment of women “[Equality is Good Business](#)“, describing the seven steps companies and other sectors of society must take for the advancement and empowerment of women. This project has been created by the Global Compact and the [United Nations Development Fund for Women \(UNIFEM\)](#) to help to achieve with the third Millennium Development Goal: Promote gender equality and empower women.

We are also committed to the European Diversity Charter, a measure whose aim is the promotion of management practices and the inclusion of diversity in companies and institutions. Likewise, we also participate in the international Catalyst network, a leading non-profit organization in strategic diversity consulting, etc.

In line with this institutional commitment, we have maintained our collaboration with the *Concilia* network run by the [Madrid City Council](#). This forum was created to further the new business practices by motivating and

encouraging other companies in Madrid to harmonize, using the experiences of companies already comprising the network. The latter, in turn, act as the vehicle for new companies interested in incorporating this type of policies in its business management.

VOLUNTARY RESIGNATIONS (TURNOVER) (1) AND BREAKDOWN BY GENDER (PERCENTAGE)

	2010			2009			2008		
	TOTAL TURNOVER	MEN	WOMEN	TOTAL TURNOVER	MEN	WOMEN	TOTAL TURNOVER	MEN	WOMEN
Spain and Portugal	0.33	54.74	45.26	0.34	54.90	45.10	1.16	52.16	47.84
Mexico	13.15	47.34	52.66	10.89	46.09	53.91	9.06	45.14	54.86
United States	14.73	30.33	69.67	11.38	25.43	74.57	16.73	28.24	71.76
South America	5.23	46.09	53.91	0.06	43.77	56.23	7.81	46.11	53.89
Rest of the world	7.80	61.84	38.16	7.32	61.84	38.16	9.84	51.89	48.11
Group average	7.56	43.20	56.80	6.59	41.45	58.55	7.44	40.97	59.03

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

Scope: BBVA Group.

DISTRIBUTION OF FUNCTIONS BY GENDER AND PROFESSIONAL CATEGORY (PERCENTAGE)

	2010		2009		2008	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Spain and Portugal	56.18	43.82	57.07	42.93	57.40	42.60
Management Committee and Corporate Managers	89.64	10.36	88.83	11.17	88.18	11.82
Senior Management	82.32	17.68	83.04	16.96	83.11	16.89
Middle Management	70.83	29.17	71.33	28.67	71.90	28.10
Specialists	57.07	42.93	57.93	42.07	58.54	41.46
Sales force	51.65	48.35	52.67	47.33	53.65	46.35
Rank and file	54.93	45.07	56.16	43.84	55.97	44.03
Mexico (1)	47.79	52.21	48.04	51.96	48.61	51.39
Management Committee and Corporate Managers	95.00	5.00	95.31	4.69	96.77	3.23
Senior Management	87.93	12.07	88.47	11.53	87.84	12.16
Middle Management	81.90	18.10	84.24	15.76	85.12	14.88
Specialists	55.27	44.73	55.07	44.93	53.33	46.67
Sales force	49.02	50.98	50.02	49.98	51.14	48.86
Rank and file	37.37	62.63	37.76	62.24	38.79	61.21
United States	32.79	67.21	31.07	68.93	29.95	70.05
Management Committee and Corporate Managers	90.00	10.00	90.91	9.09	87.50	12.50
Senior Management	75.21	24.79	74.79	25.21	73.68	26.32
Middle Management	40.12	59.88	39.34	60.66	38.68	61.32
Specialists	40.49	59.51	37.59	62.41	38.30	61.70
Sales force	45.74	54.26	43.48	56.52	42.59	57.41
Rank and file	18.64	81.36	17.84	82.16	18.06	81.94
South America (1)	46.61	53.39	46.50	53.50	47.33	52.67
Management Committee and Corporate Managers	86.96	13.04	91.11	8.89	88.89	11.11
Senior Management	74.90	25.10	75.00	25.00	75.71	24.29
Middle Management	62.62	37.38	64.34	35.66	65.41	34.59
Specialists	49.02	50.98	50.76	49.24	51.25	48.75
Sales force	38.03	61.97	37.24	62.76	36.88	63.12
Rank and file	46.52	53.48	46.06	53.94	47.26	52.74
Rest of the world	60.23	39.77	58.83	41.17	59.15	40.85
Management Committee and Corporate Managers	91.67	8.33	88.89	11.11	84.62	15.38
Senior Management	83.56	16.44	80.00	20.00	82.19	17.81
Middle Management	76.60	23.40	75.26	24.74	74.36	25.64
Specialists	56.38	43.62	59.61	40.39	62.53	37.47
Sales force	33.33	66.67	35.71	64.29	45.16	54.84

Rank and file	44.70	55.30	44.26	55.74	43.20	56.80
Group average ⁽¹⁾	48.11	51.89	48.41	51.59	49.36	50.64
Management Committee and Corporate Managers	90.34	9.66	91.05	8.95	90.99	9.01
Senior Management	81.68	18.32	81.74	18.26	81.75	18.25
Middle Management	57.45	42.55	58.31	41.69	58.04	41.96
Specialists	52.84	47.16	53.39	46.61	52.88	47.12
Sales force	46.81	53.19	46.89	53.11	47.57	52.43
Rank and file	40.57	59.43	40.76	59.24	41.45	58.55

(1) In Mexico and South America in 2009 and 2008, the functional groupings of the countries comprising the People Soft management system were reorganized with the current homogenous criteria.

CONTRACTS BY GENDER

	2010			2009			2008		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Spain and Portugal									
Permanent or regular full-time	57.37	42.63	95.23	57.41	42.59	98.50	57.72	42.28	98.58
Permanent or regular part-time	3.38	96.62	0.91	16.67	83.33	0.08	14.29	85.71	0.05
Temporary	39.17	60.83	3.86	35.78	64.21	1.41	35.19	64.81	1.37
Other ⁽¹⁾				0.00	0.00	0.00	0.00	0.00	0.00
Mexico									
Permanent or regular full-time	48.90	51.10	85.31	49.11	50.89	88.34	49.73	50.27	86.92
Permanent or regular part-time	35.09	64.91	5.51	35.84	64.16	6.05	38.51	61.49	9.07
Temporary	45.11	54.89	9.18	44.29	55.71	5.61	45.49	54.51	4.01
Other ⁽¹⁾				0.00	0.00	0.00	0.00	0.00	0.00
United States									
Permanent or regular full-time	33.78	66.22	93.11	31.81	68.19	91.45	30.97	69.03	90.96
Permanent or regular part-time	18.96	81.04	6.79	17.60	82.40	8.45	20.33	79.67	8.70
Temporary	53.85	46.15	0.10	30.77	69.23	0.10	0.00	0.00	0.00
Other ⁽¹⁾				0.00	0.00	0.00	93.33	6.67	0.34
South America									
Permanent or regular full-time	46.79	53.21	89.57	48.22	51.78	90.32	48.16	51.84	88.93
Permanent or regular part-time	29.75	70.25	1.19	32.09	67.91	0.70	28.78	71.22	1.42
Temporary	46.98	53.02	9.24	44.97	55.03	8.75	44.69	55.31	9.02
Other ⁽¹⁾				27.87	72.13	0.23	40.33	59.67	0.64
Rest of the world									
Permanent or regular full-time	60.32	39.68	98.69	59.03	40.97	98.31	59.41	40.59	97.30
Permanent or regular part-time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary	53.33	46.67	1.31	47.06	52.94	1.69	50.00	50.00	2.70
Other ⁽¹⁾				0.00	0.00	0.00	0.00	0.00	0.00
Group average									
Permanent or regular full-time	49.05	50.95	90.28	49.32	50.68	92.22	49.52	50.48	91.31
Permanent or regular part-time	27.87	72.13	3.15	29.40	70.60	3.21	33.13	66.87	4.39
Temporary	44.92	55.08	6.57	43.85	56.15	4.51	44.08	55.92	4.09
Other ⁽¹⁾				27.87	72.13	0.06	50.88	49.12	0.21

(1) Only permanent and temporary-type contracts were considered in 2010.

Scope: BBVA Group.

WOMEN IN MANAGERIAL POSITIONS WITH CHILDREN IN THEIR CARE (PERCENTAGE)

	2010	2009	2008
Spain and Portugal			
Management Committee and Corporate Managers	95.00	90.91	92.00

Senior Management	66.06	60.39	68.00
Mexico			
Management Committee and Corporate Managers	100.00	100.00	100.00
Senior Management	62.86	64.86	56.76
South America			
Management Committee and Corporate Managers	83.33	100.00	80.00
Senior Management	64.56	64.62	64.52
Rest of the world			
Management Committee and Corporate Managers	100.00	100.00	100.00
Senior Management	7.14	15.38	16.67
Group average			
Management Committee and Corporate Managers	93.55	89.66	87.88
Senior Management	59.93	56.52	62.24
Scope: BBVA Group (except United States).			

Recruitment and Remuneration

BBVA continues to be a reference for those who wish to enter the labor market. Using the different online channels available, more than 240,409 CVs were submitted over 2010. In the same year, we consolidated our presence in social networks. The job openings are published on the [BBVA employment site](#).

Due to this great interest in forming part of our Group, we should point out a new proposal, called the Referrals Plan and Candidate Presentation, which has already been implemented in almost all countries. This is an initiative that, based on an ad hoc software development, enables all BBVA employees to present individuals to become part of the established recruitment circuit. Thus, the entire Bank workforce becomes a potential recruiter for the best candidates for the required posts.

Also noteworthy is that the majority of employees are hired in their country of origin. In terms of the structure of the management team, 90.48% has been recruited locally.

In terms of compensation, as has been confirmed in previous reports, the payment level within BBVA is determined by the degree of responsibility of the position held and the professional experience of each individual, with full respect for the singularity of each employee and no type of discrimination whatsoever.

Variable salaries are maintained as an additional incentive, whose perception depends on achieving professional objectives set out annually that cover personal performance and that of the unit to which each belongs and the Group unit. In line with the principles of equality set forth in BBVA's policy, there is no difference in the treatment received by men and women.

Development

In addition to the range of training actions made available to employees for their professional growth, we also have actions like mentoring and coaching in place.

Mentoring is a system of learning within the work process that aids individuals to overcome the initial challenges inherent to their incorporation into the Group, or, when applicable, to a change in position. During the mentoring process, a BBVA employee, called a Mentor, helps a person who has recently joined the Group or a new area to familiarize him/herself with the company and the processes and tools available to him/her. To that end, as well as being an employee committed to the Group, the Mentor must also have been through a similar experience to the mentoree relatively recently.

Coaching in BBVA is an element of development that has demonstrated its value as a technique that allows the professional to grow and strengthen all of his or her abilities through an individual learning process with the support and supervision of a certified coach. The coachee is encouraged to self-reflect on these skills, to create a new strategy for behavior.

Guaranteeing employability is the necessary condition, but it is not enough to ensure that the person develops to his or her full potential. Therefore, new challenges must be provided and the necessary means for

professional advancement should be put within reach. Therefore, within this development-based scheme, the BBVA Group has launched a tool called Apúntate (Sign up) that was designed specifically to keep employees notified of recruitment processes open in each unit. The purpose of this tool is to optimize equal opportunity among all members of the team, while allowing individuals to redirect their professional path based on their own professional interests and to advance in their development.

However, the most important concept, behind Apúntate, is the institutional commitment to:

- Guaranteeing the public and transparent management of professional opportunities.
- Making this platform the primary channel for internal recruitment in the Group.
- Extending the scope of the publication of procedures, such that the search is international and open so that any person, regardless of the country he or she is in, can apply for a position.

Training

We at BBVA have always believed that training is a competitive advantage and, therefore, we have made development our trademark through the continuous training and education of our teams. This can be seen in the number of training hours completed this year: an average of 43 hours per year per employee. In 2010, 4.5 million hours of training were provided in the Group, up 15.96% on the previous year.

Continuing along the path begun in 2009, almost half of the training was presented through the e-campus, our e-learning channel (2 million hours). The use of this educational platform allows us to continue to transform presential training into e-learning programs and completely eliminate the role of long-distance activity. More than 72% of the Group's workforce participated in e-learning training in 2010.

Throughout this year, the Group has concentrated on training focused on the customer, strengthening solutions that are increasingly global and associating them with the different commercial models. This explains why more than 72% of the activity carried out has been in this line.

With regard to specific training related to corporate responsibility (CR), in 2010, work on developing a Global Training Plan in CR was continued and involved the participation of all Group areas and employees for the progressive development of corporate responsibility in the business.

The plan also includes specific projects for different sections of the Group, such as new employees, the executive team and sensitive areas for CR (risks, purchases, asset management, etc.). In the framework of this plan, BBVA launched a Corporate Responsibility and Reputation (CRR) course for all Group employees over the e-campus platform.

Working conditions

Work/life balance

This issue is covered in greater detail in each of the local CR reports. In 2010, 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 workday.

Likewise, BBVA Spain also renewed its Family-Responsible Company Certificate (EFR) in 2010.

For more information, see "[Passion for People](#)"

Freedom of association: labor union representation and settling of conflicts

In line with the various regulations in effect in countries in which BBVA operates, the rights and employment conditions are addressed in the standards, agreements and arrangements subscribed by each entity with the corresponding employee representatives. BBVA believes dialog and collective bargaining to be the best formulas for consensus and conflict resolution.

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.

The Group values social dialog as an instrument for employment relations and seeks consensus in the applicable spheres. Labor union elections were held in Spain in December 2010, and 65.68% of employees exercised their right to vote. The result of said elections was: 42.71% (CC.OO), 21.03% (UGT), 18.06% (CGT), 12% (CC) and 5.20% (for the other labor unions: CIG, ELA, LAB and ICSB).

The local reports of each country cover this information at the local level and in further detail.

Health at work

BBVA sees the promotion of health and safety as one of its basic principles and fundamental goals, which is served by means of the continuous improvement of working conditions. This policy is carried out in each country according the applicable regulations and, in the case of Spain, through the Service for the prevention of occupational hazards which, on an annual basis, draws up an action plan in matters relating to health and safety at work. The actions included in the plan are implemented progressively in two areas: the technical department for prevention and that for healthcare at work.

We at BBVA use a participative prevention model, based on the right of workers to actively participate in all that could affect their health and safety at work, so as to ensure that the steps necessary for their protection are taken.

In this respect, there are specific positions and bodies to perform these prevention functions in each country. In Spain, these are the safety and health committees and the state committee for safety and health are responsible for this task. As regards the presence of the Group in Spain, we have the representative channels in place as established by law, including the role of labor union participation, whose scope of application covers 100% of the workforce.

All activities are carried out in the framework of full respect for the social and environmental setting and working toward attaining the highest levels of safety and health at work and in the protection of the environment.

Throughout 2010, the prevention service in Spain assessed a total of 800 work centers, which included the isolated buildings.

Likewise, in 2010, the action protocol for pregnancy was maintained and promoted, and more than 290 risk assessments were requested. In this way, the Prevention Service evaluated the preventive and protection means required to adapt the job to the situation of pregnancy as well as possible.

Within the actions carried out to achieve improved health and safety conditions for the employees, numerous training actions were implemented; special mention should be made of the training plan for new hires and specific emergency training.

In addition to the actions listed above, the Prevention Service developed various activities on operative instruction and/or analysis of safety and health conditions in the work centers, research into incidents and corrective measures, information and consulting on regulatory compliance regarding prevention, projects and maintenance and upkeep studies. These projects were carried out on demand or organized by the Prevention Service, and were always coordinated with the areas involved.

Likewise, in 2010, with the collaboration of external companies, the Prevention Service coordinated technical assistance and safety and health projects in the execution phase in the construction work and maintenance actions carried out in the work centers and BBVA facilities. These works were all carried out with the obligatory documented management of labor risk prevention.

In terms of healthcare at work, more than 16,624 employees were scheduled for physical examinations to prevent risks to which they could be subject at work, and more than 725 technical-prevention procedures were carried out for updating in response to ergonomic needs at desks, as well as employment evaluations, in

general and for pregnant women, specifically.

The accident rate in 2010 was down significantly, as shown in the fall in accidents resulting in leave and the total number of days of leave due to occupational accidents.

At the local level, this subject is addressed in detail in [each of the Corporate Responsibility reports](#).

ABSENTEEISM RATE (PERCENTAGE)

	2010	2009	2008
Spain and Portugal	2.43	2.88	3.03 (1)
Mexico	0.49	0.47	0.47
South America	1.74	1.63	1.43
Group average	1.49	1.38	1.66
(1) Does not include Portugal.			
Scope: BBVA Group (except United States)			

Working climate

In 2010, the biennial employee satisfaction survey was conducted to evaluate the working climate in the BBVA Group. Employee participation in the online questionnaire was very high (76%). Positive progress with respect to 2008 was observed in practically all Group units and indicators of the survey. Thus, the so-called “single indicator” improved in the number of those responding “very satisfied” by four points (73%). In terms of “key indicators”, “confidence” was up five points (70%); “camaraderie” (74%), “pride” (80%) and “satisfaction” (61%) were each up four points; motivation was up three (79%) and “commitment” was up five (79%).

The general indicators have also improved. Concepts such as “proud to belong to BBVA”, “non-discrimination toward gender or sexual orientation”, “perception of BBVA as a very solvent group” and “potential for future growth” have been scored positively by more than 80% of employees. These data statistically support a fact: the concepts behind which the Group stands are very aligned with the questions valued by its employees and there is a clear correlation between corporate discourse and the measures adopted.

Passion for People

The activity developed under this heading is based on a fundamental principle: BBVA aspires to be the best place to work. The objective, then, is to satisfy the desires of those who comprise BBVA. “Passion for People” is the umbrella for all of these activities, both those with a direct impact on those making up the Group and those that benefit the rest of society.

The year 2010 has been rich in projects. In some cases, the activity developed in previous years was continued, while in others, completely new initiatives were launched. Highlights include:

- Gender diversity as a continuation of the BBVA policy This forms the basis for a global project launched some time ago that places special emphasis on the awareness of the organization and in which the woman is a protagonist and leader.

More information at: [“Non-discrimination and equal opportunity”](#).

- New ways of working: project geared toward the implementation of remote work supported by new technologies. After the pilot phase, efforts have been made in increasing the applicability of these tools to different departments of BBVA in Spain and Mexico. This scope will be extended throughout 2011.
- Physical therapy: an agreement with Sanitas has been established to adapt the facilities in certain Group buildings so that employees can receive muscle relaxation treatments. Subsequently, this initiative will be extended to other BBVA units.
- “III Solidarity Run”: BBVA has promoted and sponsored this run organized to combine sports with fundraising for collecting funds for the most underprivileged members of society. More than 50,000 individuals worldwide have participated in this solidarity action, everyone running for a good cause.

Personal Benefits

The aim is to complement and improve the Group's remuneration policy, and it includes the following initiatives:

- A system of flexible remuneration, available for all the employees in those countries in which it is feasible.
- Non-financial products and services with discount.
- A virtual notice board informing of exclusive conditions for employees.

General benefits, involving preferential banking terms offered to individuals as employees.

Compliance system

The Group's Compliance System constitutes one of the bases 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.
- Treatment of conflicts of interest.
- Prevention of money laundering and the financing of terrorist activities.
- 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.

Corporate responsibility management system and strategic focus

Corporate responsibility management system and the focus on education and financial inclusion.

The aim of BBVA's CR policy, therefore, continues to be to define and encourage commitments and behavior that create value for all of its stakeholders (social value), as well as for BBVA itself (reputational value and direct economic value). It is essential that such commitment and behavior express both BBVA's vision of "working for a better future for people" and its principles, which respond in the best possible way to the expectations of stakeholders while reinforcing the Bank's business strategy.

Therefore, we are working to increasingly and transversally integrate, in all business and support areas of the Group, strategic management of the environmental, social, ethical and government variables known as ESG, in order to reduce extra-financial risks and increase the opportunities for business and social innovation. To do so, we are addressing the most relevant topics for society and, finally, collaborate in finding the solution to social demands from a growing dialog and involvement with stakeholders.

Corporate governance system

The principles and elements comprising the Bank's Corporate Governance System are set forth in its Board Regulations, which govern the internal procedures and the operation of the Board and its Committees and directors' rights and duties as described in their Charter. Information on the BBVA's Corporate Governance System is included in the [Financial Report 2010](#) (see pages 179-185). In addition to this, [the investor relations website](#) contains detailed information on this matter, with special attention to the [Corporate Governance Report 2010](#) .

Economic Value Added and Economic Value Generated, Distributed and Retained

ECONOMIC VALUE ADDED (EVA)(1). BREAKDOWN BY STAKEHOLDER GROUP (MILLION EUROS)

		2010	2009	2008
Shareholders	Interim dividends	1,079	1,574	1,878
Employees	Personnel costs	4,814	4,651	4,716
Clients	Interest and similar charges (2)	7,814	9,893	18,718
Suppliers	Other general administrative expenses (3)	3,359	2,976	2,999
Society	Income tax	1,427	1,141	1,541
	Resources allocated by the BBVA Group	34	36	41
	Resources allocated by BBVA's foundations	42	44	44
	Economic Value Added (EVA)	18,559	20,315	29,937

(1) Calculated according to the GRI SPI model.

(2) Interest expense and similar charges from financial activity. Does not include fees and commissions.

(3) Estimate according to the payments made to third parties for purchases and services rendered.

Scope: BBVA Group and its Foundations.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (1) (MILLION EUROS)

	2010	2009	2008
Gross income (2)	20,910	20,666	18,978
Gains (Losses) in written off assets not classified as non-current assets held for sale	41	20	72
Profit on non-current assets	127	859	748
Economic value generated	21,078	21,545	19,798
Employees: Personnel expenses	4,814	4,651	4,716
Suppliers: General Administrative Expenses (3)	3,037	2,710	2,704
Public Sector: Corporate tax and other taxes	1,749	1,407	1,836
Shareholders: Gross dividend	1,079	1,574	1,878
Community involvement (w/o foundations)	34	36	41
Economic value distributed (EVD)	10,713	10,378	11,175
Community involvement (foundations)	42	44	44
Total Economic Value Distributed	10,755	10,422	11,219
Economic Value Retained	10,365	11,168	8,623

(1) Calculated according to the GRI protocol for calculating for EC1.

(2) Gross income after subtracting interest expenses and similar charges of €7,814m, €9,893m and €18,718m in 2010, 2009 and 2008, respectively.

(3) Estimate according to the payments made to third parties for purchases and services rendered, after subtracting taxes.

Scope: BBVA Group and its Foundations.

Valores de futuro (Future values)

In Spain, the Global Financial Literacy Plan is run through the Valores de futuro (Future Values) program, which is a global educational response for elementary school and ESO-level children (7-14 years). It aims to improve the education of children in the skills and values associated with the use of money, such as responsibility, prudence, saving, effort and solidarity. It is one of the biggest private initiatives of its kind in the world. The program is given in Spanish schools during school hours. It consists of a set of classroom activities supervised by teachers. The educational material supplied focuses on people, their values and their skills. It has been developed using innovative educational techniques to encourage the participation of students and their teachers through reflection and self-learning.

“Valores de futuro” has the backing of a scientific committee that reflects on and discusses the program and its continuous enrichment from an expert, objective and multidisciplinary perspective. BBVA employees have a very important role in this program as volunteers who give the workshops in the participating schools. Their participation is key to the success of the first part of this campaign, during which more than 500 volunteers have taken part in over 700 sessions in the 2009/10 academic year, its first year in operation. A network of teachers has also been created with more than 120 associates. A total of 1,734 schools and 334,440 school students have taken part across the whole of Spain.

For the 2010/11 academic year (the second year of the program) BBVA has decided to enhance the plan and reach out to more children. This will be done by extending the scope of action to areas that are within a radius of 20 kilometers from provincial capitals. The program has also been extended to Portugal, where it is already in place in Lisbon, Porto and Coimbra. In addition, the program offers other major innovations, including an online community where pupils, schools, family members and friends can get involved in the project's various initiatives and competitions; and the Ahorro para todos (Savings for all) pilot project which is being organized by 10 schools in Madrid with the aim of implementing real collective saving plans in these schools involving all the students, staff and other workers. A total of 3,600 schools and 680,000 students are expected to take part in Spain and Portugal, double the figure for the 2009/10 year.

More info at www.valoresdefuturo.com