

The BBVA logo is located in the top left corner of the slide. It consists of the letters "BBVA" in a bold, dark blue, sans-serif font. The logo is positioned to the right of a vertical bar that is composed of four horizontal segments of different shades of blue, ranging from dark blue at the top to light blue at the bottom.

BBVA

Information on Corporate Responsibility 2013

- 1. LETTER FROM THE CHAIRMAN
- 2. BBVA PROFILE
 - 2.1 Key data
 - 2.1.1 Key CR indicators
 - 2.1.2 Investment in social programs
 - 2.1.3 Economic value
 - 2.1.4 Impact on society
 - 2.2 Business organization chart and structure
 - 2.3 Sustainability ratings
 - 2.4 CSR awards and recognition
- 3. GOVERNANCE SYSTEMS
 - 3.1 Corporate governance
 - 3.2 Compliance system
 - 3.2.1 Prevention of money laundering and terrorist financing
 - 3.3 Corporate assurance and internal audit
 - 3.4 Standards of conduct
 - 3.5 International commitments signed
- 4. DIALOGUE WITH STAKEHOLDERS AND MATERIALITY ANALYSIS
 - 4.1 Stakeholder dialogue tools
 - 4.2 Materiality analysis
 - 4.3 Significant issues
 - 4.4 Sensitive issues
- 5. RESPONSIBLE BUSINESS
 - 5.1 CR principles, values and policy
 - 5.2 Responsible business
 - 5.3 CR governance and management systems
- 6. TRANSPARENT, CLEAR, RESPONSIBLE COMMUNICATION
- 7. EDUCATION
 - 7.1 Financial literacy
 - 7.2 Business training
 - 7.3 Education for society

8. HIGH SOCIAL IMPACT PRODUCTS

8.1 Financial inclusion

8.1.1 Initiatives for the financial inclusion segment

8.1.2 BBVA Microfinance Foundation

8.2 Support for SMEs

8.2.1 Entrepreneurship

8.2.2 I am employment

8.2.3 Other initiatives for SMEs

8.3 Support for individuals with special needs

8.4 Responsible investment

9. OTHER STRATEGIC LINES

9.1 Customers

9.1.1 Customer insight

9.1.2 Complaints and claims management

9.1.3 Omni-channel banking

9.1.4 Customer protection

9.2 The team

9.2.1 Recruitment, training and development

9.2.2 Diversity and work/life balance

9.2.3 Compensation and remuneration

9.2.4 Working conditions

9.2.5 Social engagement and volunteering

9.3 Social, environmental and reputational risk

9.3.1 Equator Principles

9.3.2 Work with multilateral institutions

9.4 Responsible procurement

9.5 Eco-efficiency

9.6 Science and culture

9.6.1 Culture initiatives

9.7 Innovation

10. RESPONSIBLE BUSINESS GOALS

11 INFORMATION CRITERIA AND STANDARDS

11.1. Report criteria

11.2. GRI indicators

11.3. Independent assurance report

1.

Letter from the Chairman

Dear friend,

Although the macroeconomic situation in 2013 was difficult, it improved during the year.

The emerging markets where BBVA operates grew strongly, at 6.2%, a rate similar to that of 2012. Despite recent increased volatility, these economies have great potential and everything suggests that they will continue to drive global growth in 2014.

The United States grew by 1.8%, slightly below the rate posted in 2012, but it consolidated a positive growth trend that accelerated in the latter part of 2013 and will continue in 2014.

Although growth was negative in Europe, the trend shifted over 2013 and the prospects for 2014 suggest a 1.1% increase in the Eurozone's gross domestic product.

In Spain, 2013 was a difficult year, but the country initiated a recovery in the latter part of the year and we believe that in 2014 GDP will grow by around 1%, or even more if the positive trends are confirmed.

In this context, BBVA's net attributable profit in 2013 amounted to €2,228m, up 33% in current euros on the previous year, or 55% after adjusting for the exchange-rate effect. This is the result of good management of our business model, which is based on geographical diversification, customer focus and prudent management based on our corporate principles.

During this crisis, not all financial institutions behaved

the same way and achieved the same results. BBVA has managed to maintain a trend of good results and is one of the few large banks in the world that did not have to resort to state aid. This can be summed up in a single concept: our principles.

BBVA's earnings were affected in 2013 by a number of external factors and management measures that were adopted to reorganize the business portfolio, removing non-strategic assets.

Despite this, BBVA maintained its leadership in 2013 in terms of profitability, measured as operating income over average total assets, and continued in a leading position in the rankings of its peers in terms of efficiency.

In 2013 we continued to work for a better future for people, strengthening BBVA's distinctive responsible banking model, a model based on best practices that includes all the stakeholders.

A new Responsible Business Plan was launched during the year, with three strategic priorities: education, with particular emphasis on finance; transparent, clear and responsible communication with our customers; and the development of products with a high social impact.

2013 was a very busy year due to the many initiatives carried out by the BBVA Foundation, the Microfinance Foundation and the Bank itself in the social, economic, cultural, artistic, scientific, environmental and research areas worldwide. All these initiatives reaffirm our commitment to the United Nations Global Compact.

In 2013 we also continued to make progress in our transformation.

The financial sector is at a crossroads. Our industry is being reshaped by demanding changes in regulation, the shift of economic weight toward emerging markets and, above all, an unprecedented technological revolution.

We are already witnessing the emergence of new digital competitors; others, much bigger, will no doubt arrive. Banks that are not prepared to compete with fully integrated technological platforms, with an innovative range of digital products and services and with a distinctive and improved customer experience, face an uncertain future.

As of today, the new entrants are more flexible and efficient; but banks have a significant advantage: a vast amount of information originated by their activity. The great challenge is to turn this information into knowledge and give customers what they demand. Digital customers want to operate in real time from any mobile device and access new contents and products seamlessly across the various channels. This requires Big/Smart Data technologies and large processing capabilities.

To tackle all these demands, banks need to design new platforms, built and developed under today's new paradigms, such as the one we have already built at BBVA. In 2013 these platforms enabled us to launch new digital products, such as BBVA Wallet and Wizzo and develop new ones, currently in the pilot stage, with a planned 2014 launch date.

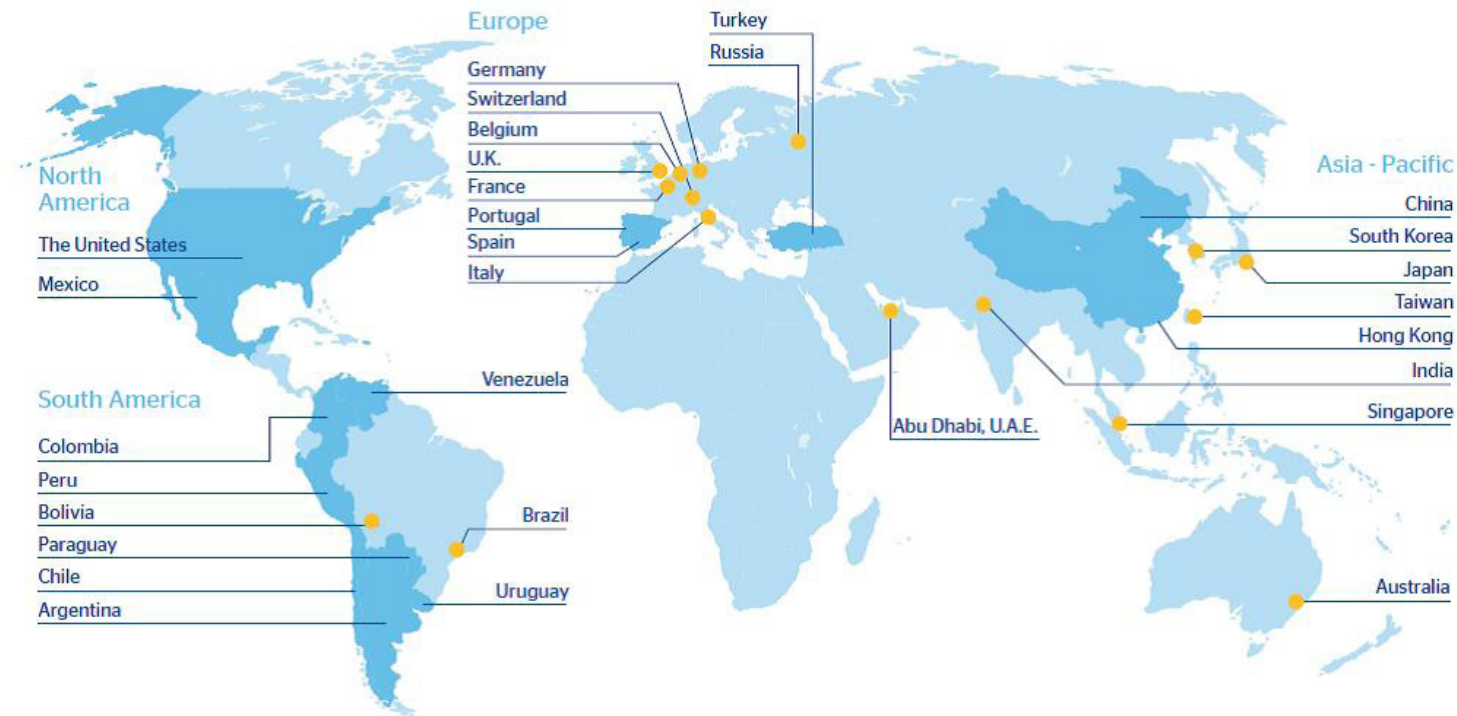
BBVA is reinventing itself, building on the three pillars of our strategy, Principles, People and Innovation, and underpinned by a diversified business model, with growth potential and prudent management. It is changing from an analog bank that is highly efficient and profitable by 20th century standards to a 21st-century digital knowledge services company. We have made great progress, but we still have a long way to go.

I would like to thank the nearly 110,000 BBVA employees for their efforts, and I encourage them to continue working with the same dedication, enthusiasm and responsibility that make BBVA a distinctive bank.

And to you, thank you very much once again for your support. I assure you that the Group will continue to work hard to improve every day in order to build the best universal bank in the world.

2 BBVA PROFILE

BBVA in the world



Total assets	Customers	Countries	Branches	ATMs	Employees
599 billion euros	50 million	30	7,512	20,415	109,305

BBVA Group Highlights (1)

	2013	2012	2011
Balance sheet and income statement (million euros)			
Loans and advances to customers	350,110	367,415	361,310
Deposits from customers	310,176	292,716	282,173
Total equity	44,850	43,802	40,058
Operating income	10,196	11,106	9,791
Net attributable profit	2,228	1,676	3,004
Significant ratios (%)			
ROE	5.0	4.0	8.0
ROA	0.48	0.37	0.61
Efficiency ratio	52.3	49.3	49.9
NPA ratio	6.8	5.1	4.0
NPA coverage ratio	60	72	61
BIS II ratio	14.9	13.0	12.9
Data per share			
Number of shareholders	974,395	1,012,864	987,277
Number of shares (million)	5,786	5,449	4,903
Share price (euros)	8.95	6.96	6.68
Price/book value (times)	1.1	0.9	0.8
PER (price/earnings; times)	23.2	21.5	10.9
Market capitalization (million euros)	51,773	37,924	32,753
Net attributable profit per share (euros)(2)	0.39	0.31	0.60

(1) The consolidated accounts of the BBVA Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and taking into account Circular 4/2004 of the Bank of Spain, as well as their successive modifications. With respect to the stake in Garanti Group, information is presented on a continuous basis, accounted for by the proportional consolidation method, and thus not applying IFRS 10, 11 and 12 early.

(2) Basic earnings per share, taking into account a possible dilution effect from the issue in the second quarter of 2013 of perpetual debt convertible into shares.

Scope: BBVA Group

2.1 Key data

2.1.1 Key CR indicators

Key BBVA Corporate Responsibility indicators

	2013	2012	2011
Economic			
International ranking of private banks by market capitalization ⁽¹⁾	7th	8th	5th
Socially Responsible Investment Funds (SRI) (with CR criteria) (million euros)	3,618	3,443	2,912
Socially Responsible Investment Funds (SRI) (%)	5.1	2.6	2.4
Synthetic sustainability index ⁽²⁾	n/a	76	71.9
Position in synthetic sustainability index compared with peer group ⁽²⁾	n/a	1st	4th
Economic value generated (million euros) ⁽³⁾⁽⁴⁾	21,112	22,120	20,055
Economic value distributed (million euros) ⁽³⁾	10,480	10,378	9,916
Economic value retained (million euros) ⁽³⁾	10,632	11,742	10,139
	2013	2012	2011
Social			
Community			
Investment in social programs (million euros)	97.1	81.3	74.2
Net attributable profit dedicated to social programs (%)	4.4	4.8	2.5
Number of beneficiaries of financial literacy programs ⁽⁵⁾	256,359	251,637	123,768
Number of beneficiaries of education for society programs ⁽⁵⁾	1,541,276	1,237,724	1,076,458
Number of microentrepreneurs supported by BBVA Microfinance Foundation	1,493,709	1,293,514	948,508
Total microloan volume of the BBVA Microfinance Foundation (million euros) ⁽⁶⁾	861	887	n.a.
Average microloan of BBVA Microfinance Foundation (euros) ⁽⁷⁾	994	1,027	n.a.
Customer complaints ⁽⁸⁾	879	647	867

	2013	2012	2011
Human capital			
Employees	109,305	115,852	110,645
Employee satisfaction index ⁽⁹⁾	n.a.	76	n.a.
Employee gender diversity (% women)	53	53	52
Senior management positions	363	352	354
Senior management gender diversity (% women)	11	10	9
Average employee age (years)	37.8	37.6	37.6
Job stability (% permanent employment)	95	93	93
Absenteeism (%)	1.5	1.6	1.6
Employee turnover (%) ⁽¹⁰⁾	11.6	10.8	9.5
Net jobs created ⁽¹¹⁾	-619	3,773	3,200
Length of service (years)	10.9	10.6	10.5
Hours of training per employee	46	48	48
Participants in volunteer initiatives that are BBVA employees	5,864	4,334	4,328

	2013	2012	2011
Environmental(12)			
CO2 emissions per person (t)	2.8	3.1	3.3
Paper consumption per person (t)	0.1	0.1	0.1
Water consumption per person (m3)	23.5	29.5	33.8
Energy consumption per person (MWh)	6.5	7.4	7.5
Persons working in certified buildings	21,220	26,697	20,267
Corporate governance			
Directors	14	14	13
Independent directors	10	11	10
Executive committee	6	6	6
Audit committee	5	6	5
Appointments committee	5	5	5
Board meetings	12	14	12
Board remuneration (million euros) ⁽¹³⁾	14.6	12.9	12.9
Gender diversity on the Board (% women)	14	14	8

(1) Ranking among the 14 companies in BBVA's peer group: Santander, HSBC, BNP, UBS, Deutsche Bank, RBS, Barclays, CS, Lloyds Bank, Intesa, SG, Unicredit, Credit Agricole, CommerzBank.

(2) For more information on the synthetic sustainability index, see the sustainability ratings section.

(3) Calculated according to the GRI calculation protocol for EC1, taking into account the generation of funds through discontinued operations. The information referring to December 31, 2012 and 2011 has been recalculated for comparison purposes due to the change in the method of consolidation of Garanti.

(4) Gross income plus the result of the deregistration of assets and non-current asset gains.

(5) Since 2013, people participating in the "Valores de Futuro" (Future values) program have been beneficiaries of education for society programs, not financial literacy programs. The data for 2012 and 2011 have been recalculated based on these criteria.

(6) Formed by current portfolio, defaulted portfolio and interest. The amount in 2012 has been recalculated applying this new criterion.

(7) Weighted by accumulated number of transactions in each entity. The amount in 2012 has been recalculated applying this new criterion.

(8) Number of cases before the banking authorities, complaints per €1,000 million of activity. Not taking into account USA in 2013, 2012 and 2011 and Paraguay and Uruguay in 2012 and 2011. The data for 2013 are provisional.

(9) In 2010 the satisfaction indicator was 73; there are no surveys in odd years.

(10) Turnover rate: = [Resignations (excluding early retirement)/No. employees at start of period] x 100

(11) Does not include new hires and losses due to changes in the scope of consolidation. The negative result in 2013 includes 1,012 early retirements.

(12) Includes BBVA Group employees and external staff. For more information on the scope and calculation method of these indicators, see the Eco-efficiency chapter.

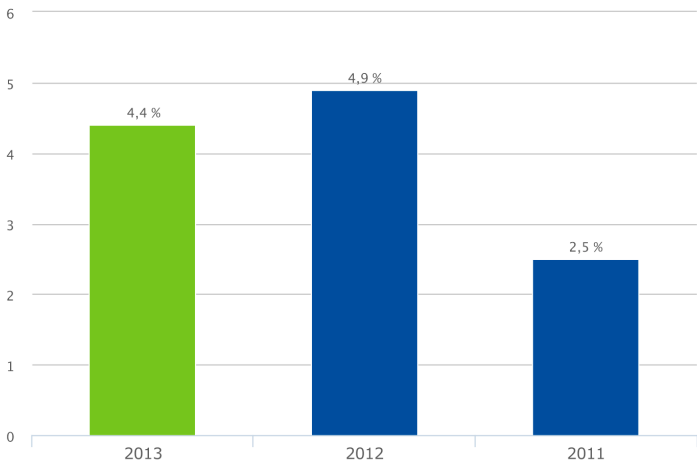
(13) Does not include contributions to savings or pension schemes.

Scope: BBVA Group

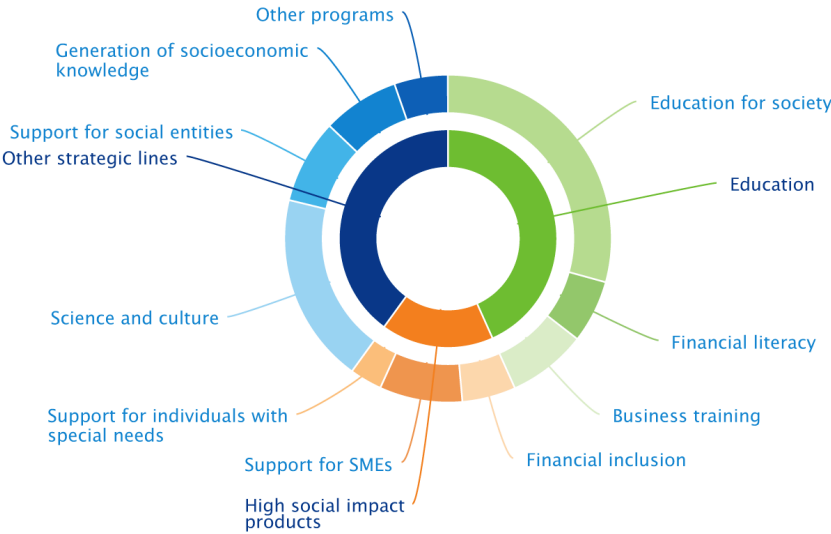
2.1.2 Investment in social programs

In 2013, BBVA allocated €97.13 million to social projects. This is an increase of 19.5% on the previous year, representing 4.4% of the net attributable profit in 2013 (4.9% in 2012 and 2.5% in 2011). This investment has given a boost to BBVA's educational programs (43.3% of the investment), support for other strategic lines (40%) and high social-impact products (16.7%).

Funds allocated to community involvement
over net attributable profit



Distribution of funds allocated to social
programs by strategic line



Strategic lines	€	%
Education		
Education for society	28,510,110	43.3%
Financial literacy	5,996,471	
Business training	7,562,032	
High social impact products		
Financial inclusion	5,182,744	16.7%
Support for SMEs	7,927,028	
Support for individuals with special needs	3,100,678	
Other strategic lines		
Science and culture	18,203,726	40%
Support for social entities	8,094,643	
Generation of socioeconomic knowledge	7,402,135	
Other programs	5,148,069	
Total	97,127,637	100%

*Note: Only expenses on social programs related to these products are included.
They do not include other costs of these financial products (development costs, investment in products, etc.).*

Distribution of funds by region or Foundation	€	%
Spain and corporate areas	38,693,577	40%
South America	11,293,930	12%
Mexico	21,216,625	22%
USA	4,142,582	4%
BBVA Foundation	16,792,072	17%
BBVA Microfinance Foundation	4,988,850	5%
Total	97,127,637	100%

Scope: BBVA Group and its Foundations

2.1.3 Economic value

BBVA's corporate social responsibility policy aims to define and promote conduct that generates value for all our stakeholders (customers, employees, shareholders, suppliers and the community).

As an aggregate, and in accordance with the GRI method established for the EC1 indicator, this value can be measured and broken down as Economic value generated, distributed and retained.

Economic value generated, distributed and retained(1)

	2013	2012*	2011*
Gross income ⁽²⁾	20,958	21,824	19,640
Gains (losses) from written-off assets	-1,915	3	44
Profit on non-current assets	203	-100	126
Discontinued operations	1,866	393	245
Economic value generated	21,112	22,120	20,055
Employees: personnel costs	5,588	5,467	5,053
Suppliers: general administrative expenses ⁽³⁾	3,635	3,466	3,202
Public sector: corporate tax and other taxes ⁽⁴⁾	467	65	503
Shareholders: dividends ⁽⁵⁾	733	1,334	1,124
Community involvement (excl. foundations)	57	46	34
Economic value distributed (EVD)	10,480	10,378	9,916
Community (Foundations)	40	36	40
Total Economic Value Distributed	10,520	10,414	9,956
Economic Value Retained	10,632	11,747	10,139

(*) Presented for comparison purposes only. The information referring to December 31, 2012 and 2011 has been recalculated for comparison purposes taking into account that:

- The main impact of new applicable rules, IFRS 10 and 11, is the change in the method of consolidation of the Group's stake in the joint Garanti business. Starting on January 1, 2013, this stake has been accounted for by the equity method. In 2012 and 2011, the stake was consolidated by the proportional method, so the information referring to 2012 and 2011 has been recalculated for comparison purposes.
- In 2013 changes were made to the business areas of the BBVA Group with respect to the structure in place in 2012 and 2011. The information for 2012 and 2011 has been recalculated in accordance with the criteria used in fiscal year 2013.

(1) Calculated according to the GRI calculation protocol for EC1, taking into account the generation of funds through discontinued operations. Scope: BBVA Group and its Foundations.

(2) Gross income once deducted interest and assimilated charges for 9,612, 11,140 and 11,028 million euros in 2013, 2012 y 2011, respectively.

(3) Approximation adjusted to payments made to third parties under the heading of purchases and services rendered, once taxes have been deducted.
(4) Includes corporate tax and tax accrued for the year.
(5) In 2011 two capital increases were made charged to voluntary reserves to increase the dividend/share ratio. The share capital was increased as a result by €68.2m. Two capital increases against reserves for €73m were also executed and agreed by the General Meeting of Shareholders in 2012. Two capital increases against reserves to implement the "dividend option" by increasing the Bank's share capital by €71m were executed and agreed by the General Meeting of Shareholders in 2013.
Scope: BBVA Group and its Foundations

The BBVA Group also makes a significant contribution toward the public sector through its own tax payments, third-party tax collection due to its economic activity and third-party tax collection in its role as collaborating entity with the tax authorities.

The BBVA Group's Total Tax Contribution (TTC), which uses the method created by PwC, includes own and third-party payments of corporate tax, VAT, local taxes and fees, income tax withholdings, Social Security payments, and payments made during the year due to tax litigation in relation to the aforementioned taxes.

Global tax contribution (million euros)

	2013	2012	2011
Own taxes	4,031	3,551	3,238
Third-party taxes	5,817	5,857	4,774
Total tax contribution	9,848	9,408	8,011

Scope:BBVA Group

BBVA Group's tax contribution with information on own taxes paid (1) (Million euros)

Country	2013			2012			2011		
	Own taxes	Third-party taxes	Total contribution	Own taxes	Third-party taxes	Total contribution	Own taxes	Third-party taxes	Total contribution
Spain	1,491	1,639	3,130	1,342	1,667	3,077	984	1,436	2,488
Mexico	809	1,963	2,772	686	1,953	2,639	1,273	1,494	2,767
United States	173	174	347	177	168	345	100	155	255
South America	1,148	1,845	2,993	935	1,823	2,758	774	1,615	2,388
Argentina	264	1,389	1,653	255	1,383	1,638	213	1,223	1,437
Chile	217	42	259	49	45	94	63	47	110
Colombia	186	199	385	206	223	429	119	184	303
Panama	20	6	26	24	8	32	0	0	0
Paraguay	9	6	15	3	8	11	13	6	19
Peru	218	77	295	230	57	287	227	72	299
Uruguay	22	13	35	25	12	37	0	0	0
Venezuela	212	113	325	141	88	229	138	82	220
Rest of the Group	410	196	606	411	246	588	107	73	113
Portugal	17	46	63	19	50	69	21	47	68
Germany	19	6	25	18	5	23	13	4	17
Belgium	1	1	2	1	1	3	4	2	6
China	13	0	13	17	0	17	0	0	0
France	28	1	29	35	2	37	12	2	13
Hong Kong	0	0	0	0	0	0	6	0	6
Ireland	2	0	2	1	0	2	0	0	0
Italy	72	8	80	37	21	58	27	4	31
Japan	0	0	0	2	0	2	1	0	1
Korea	0	1	1	1	1	1	0	0	0
Luxembourg	12	0	12	7	0	7	0	0	0
Netherlands	6	2	8	3	2	5	0	0	0
Puerto Rico	0	0	0	0	0	0	7	5	13
United Kingdom	26	14	40	12	17	29	15	9	24
Romania	2	1	3	2	2	3	0	0	0
Russia	0	0	0	1	0	1	0	0	0
Singapore	1	0	1	1	0	1	1	0	1
Switzerland	13	7	20	10	7	17	0	0	0
Taiwan	0	0	0	0	0	0	0	0	0
Turkey	198	109	307	244	138	382	0	0	0
Total	4,031	5,817	9,848	3,551	5,856	9,408	3,238	4,773	8,012

(1) Payments for corporate tax, own VAT and third-party VAT, local taxes and fees, withholdings for income tax and other taxes payable by third parties, employer and employee Social Security payments, and payments made during the year due to tax litigation.

Scope: BBVA Group

2.1.4 Impact on society

One of the main commitments of the BBVA corporate social responsibility policy is to maximize the positive impact of its business on society and minimize any possible negative effects.

The bank plays a simple role in society: attract the savings of families, companies and other groups, retain it and make it grow; and lend it, rigorously and prudently, to third parties. The difference between what the bank pays for deposits and the interest it receives from loans, its net interest income, is its main source of income. This income allows it to meet its everyday expenses such as employee wages or supplier payments, and make a profit. The role it plays therefore has a positive impact on society.

With respect to BBVA's social impact, the main positive impacts of its financial business on society are:

- Contribution to the development of the communities where the Bank operates through funding and support for productive business and financial inclusion.
- Improvement of the social well-being of the people who receive loans for buying a home or durable consumer goods.
- Generation of wealth for stakeholders, such as that resulting from the payment of dividends to shareholders, payments made to suppliers, wages earned by employees, taxes accrued and paid, etc.
- Job creation, both directly through hirings within

the Group and by means of initiatives that support job creation.

- Contribution to society through social programs with direct investment that benefit a variety of groups, focused on education.

At the same time, BBVA strives to minimize the social costs related to the environment and the negative effects originated by aspects such as default and foreclosure, with refinancing or aid for families.

A number of simple and easily understood and people-centric indicators have been designed to measure BBVA's impact on society.

BBVA began referring to the social footprint of its business activity in 2012, with one goal and one challenge: to be increasingly transparent on relevant subjects and make progress in winning back the trust lost in the financial sector.

BBVA's social impact

	2013	2012	2011
Contribution to social development and welfare			
Number of people who live in homes financed by BBVA ⁽¹⁾	4,939,731	4,742,622	4,744,654
No. of families with difficulties in meeting their loan repayments that BBVA has helped through new financing conditions adapted to their needs ⁽²⁾	139,709	117,481	n.a.
No. of SMEs supported or financed by BBVA ⁽³⁾	348,445	321,918	300,759
Number of micro-enterprises and self-employed people supported or financed by BBVA ⁽⁴⁾	1,117,411	999,107	993,489
No. of entrepreneurs in Latin America financed via microcredits by the BBVA Microfinance Foundation	1,493,709	1,293,514	948,508
Total microloan volume of the BBVA Microfinance Foundation (million euros) ⁽⁵⁾	861	887	n.a.
Number of people with mobile banking account in Latin America ⁽⁶⁾	1,973,407	1,810,530	944,592
Number of banking correspondents in Latin America	27,722	22,756	19,684
Wealth creation			
Total taxes accrued and collected by BBVA's business activity (million euros) ⁽⁷⁾	9,848	9,408	8,012
Total investment in technology and innovation (million euros)	891	866	833
Economic value generated (million euros) ⁽⁸⁾	21,112	22,120	20,055
BBVA's share of total economic value generated in the countries where it operates (%; weighted) ⁽⁹⁾	0.5	0.5	0.5
Number of individual shareholders ⁽¹⁰⁾	994,846	1,008,099	967,175
Average dividend received per individual shareholder (euros)	1,100	1,066	1,057

	2013	2012	2011
Job creation			
Net jobs created at BBVA ⁽¹¹⁾	-619	3,773	3,200
New permanent hires	6,493	7,045	7,734
New permanent hires under 30 years old (%)	51	50	50
Number of people hired through the “Yo Soy Empleo” (I am employment) program	3,397	n.a.	n.a.
Number of people employed by SMEs and micro-enterprises financed or supported by BBVA in Spain ⁽¹²⁾	1,364,883	1,387,070	1,459,575
Number of disabled people or at risk of exclusion employed by companies supported by BBVA ⁽¹³⁾	892	694	504
Contributions to society			
Investment in social programs (million euros)	97.1	81.3	74.2
Net attributable profit allocated to social programs (%)	4.4%	4.8%	2.5%
Number of financial literacy program beneficiaries ⁽¹⁴⁾	256,359	251,637	123,768
Number of basic financial skills acquired by beneficiaries of the financial literacy program ⁽¹⁵⁾	829,643	689,881	413,596
Number of recipients of integration scholarships in Latin America	92,264	62,887	59,986
Number of beneficiaries of education for society programs (million) ⁽¹⁴⁾	1.5	1.2	1.1
No. of beneficiaries from BBVA Microfinance Foundation activity in Latin America (million) ⁽¹⁶⁾	6.0	5.2	3.7

(1) An average ratio of people per financed house has been calculated based on the total population in the country divided by the number of homes registered in that country.

(2) Number of BBVA S.A. refinancing and restructuring operations as of December 31 each year for natural persons who are not businesspeople.

(3) Number of active customers in the BBVA SME segment. The criteria for assigning companies in the Group's customer segmentation were changed in 2013. The data for 2012 and 2011 have been recalculated based on these criteria.

(4) Number of active customers in the BBVA micro-enterprise segment.

(5) Formed by current portfolio, defaulted portfolio and interest. The amount in 2012 has been recalculated applying this new criterion.

(6) Number of BBVA Bancomer express accounts in Mexico in the financial inclusion segment.

(7) Includes payment of corporate tax, own VAT and third party VAT, local taxes and fees, income-tax withholdings and other taxes payable by third parties, employer and employee Social Security payments, and payments made during the year due to tax litigation.

(8) Calculated according to the GRI calculation protocol for EC1, taking into account the generation of funds through discontinued operations. The information referring to December 31, 2012 and 2011 has been recalculated for comparison purposes. Scope: BBVA Group and its Foundations. For more information, see the table “Economic Value Generated, Distributed and Retained”.

(9) An estimate, weighted according to the importance of each geographical area, of BBVA's gross income in each area with respect to the corresponding Gross Domestic Income.

(10) An individual shareholder is defined as a natural person and his asset holdings, direct employees, companies, non-profit entities and foundations. This does not include credit or insurance institutions or collective investment companies. Average for the year.

(11) Does not include new hires and losses due to changes in the scope of consolidation. The negative result in 2013 includes 1,012 early retirements.

(12) BBVA's SME and micro-enterprise segment. The criteria for segmenting the Group's customers changed in 2013, and the 2012 and 2011 data have been recalculated according to these new criteria. The publication "Retrato de las PYME 2013" by the Directorate General for Industry and Small and Medium-Sized Companies has been used to calculate the average number of jobs by type of company.

(13) Includes Momentum Project companies and special employment center suppliers

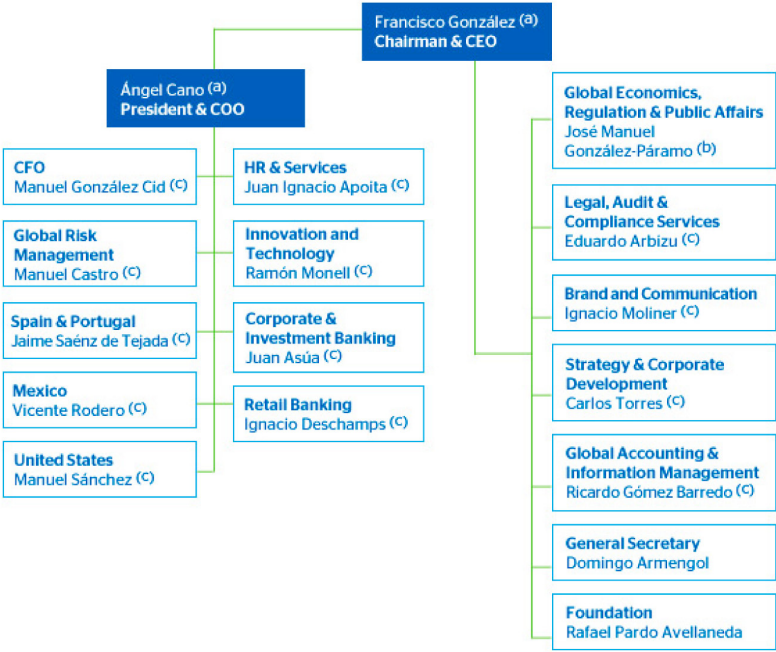
(14) Since 2013, people participating in the "Valores de Futuro" (Future values) program have been beneficiaries of education for society programs, not financial literacy programs. The data for 2012 and 2011 have been recalculated based on these criteria.

(15) Number of workshops completed by participants in the "Adelante con tu futuro" (Forward with your future) program in Mexico, Colombia and Chile, assuming that a basic financial skill is acquired in each workshop.

(16) Calculated by multiplying the number of customers by the number in the average family unit in each country.

Scope: BBVA Group

2.2 Business organization chart and structure



(a) Executive Director and Member of the Management Committee
(b) Executive Director (c) Member of the Management Committee

2.3 Sustainability ratings

Sustainability indices measure the company’s ESG (environmental, social and corporate governance) performance. The rating and continued presence in these sustainability indices depends on the demonstration of constant progress in sustainability.

In 2013 BBVA joined the [Global Initiative for Sustainability Ratings](#) (GISR) initiative launched by Ceres and the Tellus Institute. The objective of this multi-stakeholder initiative is to design a standard to accredit sustainability ratings, indices and rankings found on the market, and thus boost the contribution made by companies and other organizations toward sustainable development.

BBVA is listed on the following sustainability indices:



DJSI World
DJSI Europe
DJSI Eurozone



MSCI World ESG Index
MSCI World ex USA ESG Index
MSCI Europe ESG Index
MSCI EAFE ESG Index



FTSE4Good Global
FTSE4Good Global 100
FTSE4Good Europe
FTSE4Good Europe 50



Euronext-Vigeo Europe 120
Euronext-Vigeo Eurozone 120



STOXX Global ESG Environmental Leaders
STOXX Global ESG Social Leaders Index
EURO STOXX ESG Leaders 50
STOXX Europe ESG Leaders 50
STOXX Global ESG Leaders



Classified as Prime



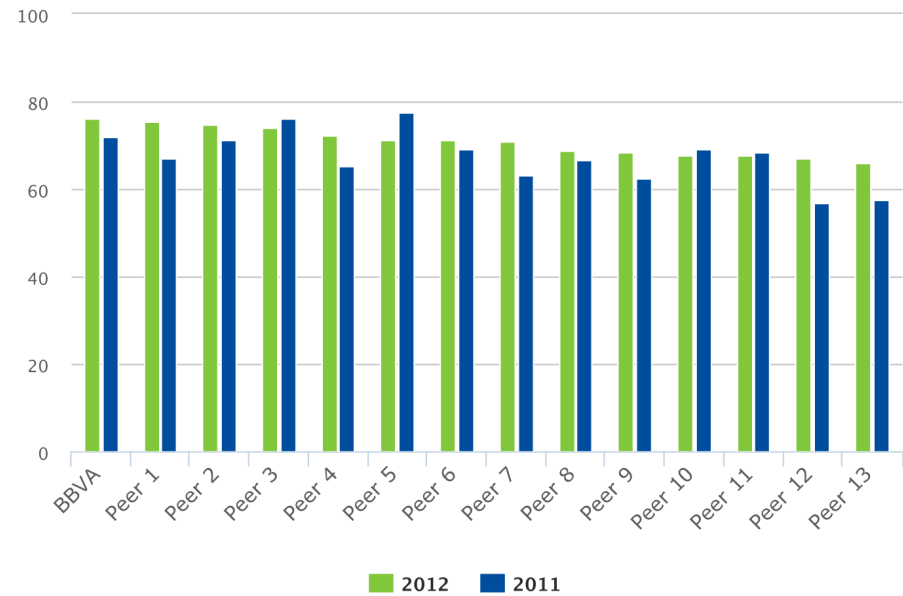
In 2013 BBVA scored 76 D according to the CDP Global 500 report

Synthetic sustainability index

Given the many indexes currently available in the market, BBVA has worked with PwC to develop a synthetic sustainability index. This pioneering methodology provides aggregate information on the Bank's position in relation to the 19 global institutions that make up its peer group in matters related to sustainability. This tool shows the Group's position in relation to its competitors in accordance with the main sustainability analyses on the market, and identifies best practices that will enable it to

continue to make progress in this area. According to the latest analysis conducted, BBVA has moved from third to first place in this index and is the leader among its main competitors.

Synthetic sustainability index* BBVA Group and Peer Group** (2011-2012)



* Arithmetic mean of the following sustainability indices: SAM (DJSI), MSCI, EIRIS, GS, Sustainalytics, CDP
** Peer Group at a global lev

2.4 CSR awards and recognition

May 2013. The Chilean government has honored the BBVA Group's organization Forum for its "Niños Adelante" (Forward, Children) program, recognizing its contribution to the self-improvement and social integration of the most vulnerable individuals in the country.

May 2013. The "Territorios Solidarios" (Solidarity Territories) program received the "100 Best ideas of the year" prize from journal Actualidad Económica for promoting the participation of BBVA employees in solidarity projects.

June 2013. The Centro Mexicano para la Filantropía (Mexican Center for Philanthropy - CEMEFI) has honored BBVA Bancomer with a distinction in the "13 years" category at its 8th Socially Responsible Company Awards. BBVA Bancomer Insurance received the five-year certificate for its efforts to promote social responsibility among its collaborators.

July 2013. The panel of judges of the first Good Governance and Shareholders Structure Forum Awards, created by the consultant Inforpress and IESE Business School, has honored the BBVA investors and shareholders website as the best online communication initiative in terms of transparency and accessibility.

July 2013. BBVA has been awarded the Excellence Prize for its Social Commitment, by the Dirigentes Digital economic magazine.

September 2013. BBVA was honored at the 16th Social Integration Awards, run by the AMIAB Group, in the Partner Institution category for its CSR initiatives and programs.

October 2013. For the fourth year running, BBVA Chile has been considered to be among the most socially responsible companies in the 2013 National Corporate Social Responsibility ranking drawn up by the magazine Qué Pasa and the Prohumana Foundation.

October 2013. BBVA has been the only bank to be included in the "Best Place to Work" ranking in the world in 2013, drawn up by Great Place To Work. It is also in first place among the companies with a registered office in Spain.

October 2013. The Ministry of Social Development presented the distinction "Más por Chile" (More for Chile) to BBVA and its "Jóvenes Emprendedores Sociales" (Young Social Entrepreneurs) program for its contribution to overcoming poverty and improving the quality of life of the most vulnerable sectors of society.

October 2013. The Mexican Center for Philanthropy (CEMEFI) honored the BBVA Bancomer Foundation in the category "Business Foundation" for its support for education, culture, and social entrepreneurship.

November 2013. BBVA Route received the Liberty and Education Award from the Fundación Europea Educación y Libertad (FUNDEL), which highlights the importance of education and liberty in the development of individuals, institutions and society.

November 2013. For the 55th National Association of Advertisers (ANDA) awards, the BBVA Foundation's "Programa Papagayo" (Parrot program) was named the Best Corporate Social Responsibility Program.

3.

Governance systems

3 GOVERNANCE SYSTEMS

3.1 Corporate governance

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

3.2 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 development and implementation policies and procedures, diffusion and training in matters of compliance and the identification, assessment and mitigation of potential compliance risks, being understood as those that affect the following issues:

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

- Personal data protection

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

This Model is built on the following pillars:

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

Independent periodical review of actual model implementation.

3. Governance systems

3.2.1 Prevention of money laundering and terrorist financing

Prevention of Money Laundering and Terrorist Financing (henceforth referred to as PML&TF) constitutes above all an ever-present objective that the BBVA Group associates with its pledge to make improvements in 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 different jurisdictions where it operates.

To achieve this objective, as a global financial group with branches and subsidiaries that operate in numerous countries, the BBVA Group has adopted a corporate risk management model which includes all compliance issues (see description in the Compliance System section).

This model is applicable to all of the entities forming part of the BBVA Group regarding PML & TF, and not only takes into account the regulations on prevention of money laundering in the jurisdictions in which BBVA operates, but also incorporates best practices of the international financial industry in this regard, as well as the recommendations issued by international entities such as the FATF (Financial Action Task Force).

It is also worth noting that the Model for Managing the Risk of Money Laundering and Financing of

Terrorist Activities is constantly evolving and subject to independent review. Given the Model's focus is based on the PML & TF risk, its controls can be reinforced through the risk analyses carried out.

The BBVA Group's work continued in 2013 to strengthen the aforementioned Model for Managing the Risk of Money Laundering and the Financing of Terrorist Activities through:

- Progress in implementing improvements through centralized guidelines in the customer risk categorization or assignment systems in terms of PML & TF, based on the factors identified by the sector as relevant for delimiting the risks of money laundering.
- The adjustment of internal policies and procedures to the regulatory changes made in the countries where the Group operates and the adoption of best international practices in these matters. By way of example, in Spain the regulations include those derived from the modification of Law 10/2010, on the prevention of money laundering and terrorist financing and the Recommendations on internal control measures for the prevention of money laundering and terrorist financing issued by SEPBLAC; in Paraguay, Resolution 349 of November 1, 2013, approving the Regulation on the prevention of money laundering, terrorist financing and the proliferation of weapons of mass destruction, based on a system of administration of ML/TF and proliferation of weapons of mass destruction; in Peru, the modification of Resolution CONASEV No. 0033-2011 (Regulations for the prevention of asset laundering and financing of terrorism) through Resolution SMV No. 007-2013-SMV-01, dated March 25, 2013).

- 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. During 2013, it has been replaced or begun replacing of the existing monitoring tool in the U.S. and South America units for a new one that provides more extensive capacities for detection.

- The full application of PML&TF in the BBVA Group to former Unnim customers.

- During 2013, a total of 71,719 training activities in the prevention of money laundering have been carried out in the Group as a whole.

Likewise, the BBVA Group has continued to work in partnership with governmental bodies and international organizations in this area. Among the international organizations there has been collaboration on the definition of the National Strategy for the Prevention and Fight against Asset Laundering and Terrorist Financing in Chile, and participation in Venezuela during the seminars planned by the International Cooperation Review Group (ICRG) of the International Financial Action Task Force (FATF).

For 2014, the BBVA Group will maintain its commitment to improve the Model for Managing the Risk of Money Laundering and Financing of Terrorist Activities, and encourage supervision of units in this field through its global PML & TF department.

3.3 Corporate assurance and internal audit

Corporate Assurance

Starting in January 2013, the BBVA Group has strengthened its internal control model by incorporating it into a scheme of governance called Corporate Assurance.

The aim is to provide Management and the Board of Directors with a comprehensive and uniform view of the Group's internal control situation.

The internal control model is structured into 3 lines of defense made up of the Business Units, Control Specialists and Internal Audit. It is the base that supports Corporate Assurance in achieving its objectives.

In the Group's new Corporate Assurance internal control model, Internal Audit forms a third line of control, after the business units and control specialists. It has the role of an independent reviewer of the model, checking compliance and the efficiency of the established corporate policies.

Internal Audit

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

Directors' Audit and Compliance Committee, thereby guaranteeing the ethical commitment adopted in the Corporate Governance System.

The Annual Audit Plan is drawn up by identifying the risks on which the Department should focus its efforts. This risk assessment procedure is a way of identifying, assessing and prioritizing risks in the different businesses. It also takes into account the current macroeconomic scenario, the specific demands of internal customers, regulatory requirements and the department's own experience. The Annual Plan is aligned with the BBVA Group's strategy and specifically the pillars for growth established in it specifically.

The main focus of the work of Internal Audit in 2013 has been the following:

- Credit risk: risk policies and credit risk quality analysis were reviewed in the different geographical areas using statistical procedures to select samples of comparable portfolios for analysis, as well as alerts and impairment indicators for selecting customers.
- Review of the basic banking processes, particularly those most closely related to day-to-day branch operations. They include the evaluation of the operation of the main procedures in loan applications, deposits and collection and payment systems.
- Within the customer-centric framework and the new customer-focused distribution and relationship model, as well as on-site audits in branches and the distance auditing procedures, reinforced with the incorporation

Internal Auditing Activities

	2013	2012	2011
Branch Audit	1,141	1,618	1,482
On-site	714	906	743
Anti-fraud	427	712	739
Remote Audits	42	54	108
Credit Risk Audit	95	44	47
Ongoing Audit and Processes⁽¹⁾	183	128	270
Regulatory ⁽¹⁾	179	200	198
Systems Audit⁽²⁾	67	83	71
Anti-fraud ⁽²⁾	2	6	0

(1) Business Units (S&P, Mexico, USA and South America) and Holding Units (Systems and CIB & AM)

(2) Holding Units (Systems and CIB&AM)

of new technological tools, the work done on evaluation of commercial practices for the placement and sale of products and services can be highlighted. The lines of work initiated in previous years were also continued with respect to alternative payment means and channels (internet and mobile banking), which provide a more flexible and responsive experience in customer relations.

- In the process of integrating the UNNIM systems into BBVA, the integrity and quality of the information received was verified to minimize the impact on the quality of the service offered to customers.

- Lean Organization involves redefining the Group's concept of efficiency and focuses on creating value for customers. To this end, some processes designed to centralize administrative operations and processes in Spain, Argentina and Mexico have been analyzed,

together with the management of fees and charges in some countries in South America. Along the same lines and also related to suppliers, the control framework for outsourcing services in the Group have been reviewed, a number of projects related to purchasing and contracts in the United States and Chile and real-estate management in Argentina have been carried out, and there has been a review of specific operations derived from the Group's decision to manage the construction of its corporate buildings.

- As part of the corporate PDSI (Information Security Plan), whose aim is to strengthen controls protecting confidential information, the methodology and design of the security model in Spain has been analyzed and a review has begun of the control framework required of companies to host BBVA systems with confidential data.

3. Governance systems

- In the fraud prevention area, Internal Audit has focused on identifying shortcomings in the control processes and also on developing, monitoring and analyzing potential fraud indicators. This makes up a Professional Integrity Model that generates a ranking of offices for analysis through remote audits or on-site audits at the affected branches or units.

- There has been a review of PML & TF policies in Spain, Portugal, Mexico, the U.S., various countries in South America and branches abroad, to ensure that they are consistent with corporate policies and local regulations.

- The process of continuous improvement and application of best practices in Internal Audit has consolidated the Quality Assurance model to evaluate the quality, efficacy and efficiency of internal auditing activity in all its phases. The function's improvement plan has also been initiated, in line with the suggestions made by Ernst & Young after the review carried out in 2012.

- In 2013 progress was also made on technological support for the department and the development and implementation of new IT tools to make the auditor's job easier and increase the efficiency of Internal Audit. Among these is Pentana, a new centralized web solution that documents working papers, new Continuous Auditing tools and "*Mi Área*" (My Area), a new more flexible and responsive application for knowledge management.

3. Governance systems

3.4 Standards of conduct

A 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 banks and employees. It publicly reflects BBVA's commitments to its direct stakeholders: shareholders, customers, employees, suppliers, and the companies in which it operates.

The [Policy of Conduct in the area of 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.

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

- Internal conduct in securities markets standards
- Compliance Statute

- Code of ethics for the recruitment of personnel
- Principles applicable to parties involved in the BBVA procurement process
- Basic principles of risk management and Risk Management Policy Manual
- Regulation on dealing with individuals or entities of public importance in matters of finances and guarantees

Other basic commitments acquired by the Group are:

- BBVA's [rules of conduct in defense](#): this policy has been in force since February 2012. It is applied to all the countries in the Group and is based on exclusion lists of companies and countries, updated quarterly by expert consultants in the area. Under this policy, BBVA does not finance, invest in or provide any financial service to companies related to the manufacture, development, maintenance or trade in controversial armaments, meaning anti-personnel weapons, cluster bombs or biological and chemical weapons. BBVA also does not participate in operations related to arms that have their origin or destination in countries with a high risk of violating human rights. In 2013 this Policy and its internal procedures defined by the Group have been incorporated in all the BBVA Group banks: BBVA Bancomer, BBVA Compass, BBVA Colombia, BBVA Provincial, BBVA Chile, BBVA Francés, BBVA Continental, BBVA Uruguay and BBVA Paraguay. BBVA Compass has been fully incorporated into the Group's environmental risk management circuit, having implemented the defense

policy and procedures, as well as the procedures relating to the Equator Principles.

- [Commitment to human rights](#)
- [Environmental policy](#)
- [Responsible Procurement Policy](#)

In 2013, the Group continued to develop its business integrity management model. At a global level, the following is worth noting:

- The deployment of a technological tool to support the common management methodology of Risk Compliance at global level.
- The practical completion of the project to extend the advanced processes and tools for controlling standards of conduct in the markets to countries with these activities in Latin America, as well as the start of the project in Asia.
- Participation with the Corporate Responsibility area and the areas of Business Development on the three pilot projects for Spain and Mexico on Transparent, Clear and Responsible (TCR) Customer Communication, with the focus on providing information about financial products or services before they are bought by customers.

For 2014, the aim of the Group is to standardize the management of Risk Compliance globally through the IT tool referred to earlier, reinforcing continuous monitoring and regular reporting to the Bank's managing bodies on the Group's state of compliance, as well as continuing to participate on the progress of the global TCR project mentioned above.

On the European front, and following the guidelines and criteria issued by the local authorities and supra-national bodies, there was particular emphasis on reinforcing measures to prevent latent conflicts of interest in the sale of financial products and services to customers:

- Revising the remuneration schemes of the sales force to check they are aligned with the principle of protecting customer interests.
- Adapting the Bank's processes as quickly as possible to the new requirements in Spain for handwritten confirmation by customers of having received the warnings regarding the appropriateness of the investment product in question to their needs. This ensures that customers fully understand how complex investment products are adapted to their profile before buying them.

For 2014, the Group's aim is to begin work on the analysis and adaptation to the future European regulations known as MiFID II, whose approval is still pending at Community level, as well as ensuring alignment of the Group to the new regulation that will strengthen prevention of market abuse at European level.

In the rest of the Group, it is worth highlighting the major effort of BBVA Bancomer in 2013 to adapt to the provisions on Sales Practices, the recent regulation that has reinforced the standards of conduct and protection for investors in this market. This process is continuing in 2014 and will result in a more robust internal framework of transparency for investment services clients, adapted to their financial requirements and for the prevention and management of conflicts of interest.

3. Governance systems

At the same time the Group has continued to improve its standards for preventing and mitigating conflicts of interest that may occur in the management of customer assets or wealth.

Legal compliance

As of December 31, 2013, the BBVA Group has not recorded any fines or penalties for breaches of legislation related to environmental issues or the supply of products and services, which might be significant regarding the Group's equity, financial situation or consolidated results.

The companies making up the BBVA Group in Spain have not received any relevant convictions in the employment courts between January 1 and December 31 2013 inclusive, in cases of equality or discrimination filed by employees; they have also not received any penalties due to very serious breaches of employment regulations.

3.5 International commitments signed

As well as the standards of conduct described, BBVA has the following rules, commitments and policies:

BBVA is committed to the following initiatives:

- **United Nations Global Compact**
- **United Nations Environment Programme Finance Initiative (UNEP FI)**
- **Equator Principles**
- **United Nations Principles for Responsible Investment**
- **International Integrated Reporting Council**
- **Carbon Disclosure Project**
- **Thun Group on banks and human rights**
- **Natural Capital Declaration**
- **Global Initiative for Sustainability Ratings**

BBVA publicly manifests its respect for the United Nations Universal Declaration of Human Rights, the basic employment legislation of the International Labor Organization and the OECD Guidelines for Multinational Enterprises.

In addition, BBVA continues to work within the framework of the Millennium Development Goals (MDG), an initiative we have supported since 2000. Our contribution toward the achievement of the MDG is reflected in the following table:

MILLENNIUM GOAL	BBVA INITIATIVE
Eradicate extreme hunger and poverty	<ul style="list-style-type: none"> • BBVA Microfinance Foundation • «Niños Adelante» (Children Forward) integration grants program • «Reading counts» initiative
Achieve universal primary education	<ul style="list-style-type: none"> • «Team. Works. In school» initiative • OEI «Early Childhood» project • «Teacher Action» project
Promote Gender equality and empower women	<ul style="list-style-type: none"> • Global Gender Diversity Plan • Diversity Charter • United Nations Women's Empowerment Principles • BBVA Microfinance Foundation
Reduce the mortality of children under the age of 5	<ul style="list-style-type: none"> • No specific initiatives
Improve maternal health	<ul style="list-style-type: none"> • No specific initiatives
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Healthcare initiatives by the BBVA Foundation • BBVA Foundation Frontiers of Knowledge Awards for Biomedicine
Ensure environmental sustainability	<ul style="list-style-type: none"> • Global Eco-Efficiency Plan • Application of the Equator Principles • Financing renewable energy • BBVA Foundation Frontiers of Knowledge Awards for Climate Change and Conservation Ecology and Biology • BBVA Foundation Awards for Biodiversity Conservation
Develop a global partnership for development	<ul style="list-style-type: none"> • BBVA Foundation Frontiers of Knowledge Awards for Development Cooperation

4.

Dialogue with stakeholders and materiality analysis

4 DIALOGUE WITH STAKEHOLDERS AND MATERIALITY ANALYSIS

4.1 Stakeholder dialogue tools

BBVA has a broad range of tools for consultation and dialogue with its stakeholders. These tools guarantee two things: that stakeholders have the proper service channels available and BBVA has sufficient sources of information to understand their priorities and expectations and thus meet their needs.

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

First, there is the specific work of each area and/or unit in its day-to-day relationship with each stakeholder group. This includes specific communication tools, such as the employee satisfaction survey, conducted by Human Resources, the customer satisfaction/recommendation surveys, and the mechanisms for dealing with complaints, coordinated by the Customer Experience teams.

Second, the work carried out by the Customer Management unit, which involves listening to our customers and integrating their opinions into the processes for developing new solutions for all the segments. This is done by using multidisciplinary methodologies, such as solution co-creation, ethnography, netnography and big data.

Third, the work conducted by the Brand and Communication area, which has global, consolidated communication tools in place to enable better

management of BBVA's brand and reputation and gain a deeper knowledge of the social contexts in which the Bank operates to be able to incorporate a more customer-centric vision into its business decisions. The following are particularly significant:

- The annual internal reputation survey targeted at employees
- Ongoing external and brand reputation surveys, targeted at customers and society at large. The BBVA community on the social media is growing every day and already has more than 10 million followers. At the end of 2013, 168 profiles are included under the umbrella of the BBVA brand on Facebook, Twitter, LinkedIn, YouTube and Google+ in 11 countries. The Group's latest news on these media is available in real time on the corporate blog bbvasocialmedia.com.
- Measurement of online reputation and communication and ongoing dialogue via social networks targeted at customers and society at large.
- Analysis of expectations and priorities of specific groups, such as sustainability analysts.

In 2013 we supplemented these tools with specific, global research to better understand what people who use banking services consider to be a bank that conducts responsible business. The goal is to be able to better focus the Bank's responsible business strategy in order to win back the trust of society.

Fourth, we have channels for dialogue with associations and social entities that are particularly attuned to specific

controversial issues in the financial sector, such as financing the defense sector, major investment projects and the housing sector in Spain.

Lastly, there is the ongoing analytical work, reports and working documents of the [BBVA Research](#) Department, which give us a more comprehensive view of what is happening in the communities where BBVA does business.

4.2 Materiality analysis

The material aspects for BBVA are determined by analyzing three types of content:

- The expectations of our main stakeholders.

- Regulations and commitments adopted in the agreements signed by the Group.
- BBVA's vision, positioning and strategy.

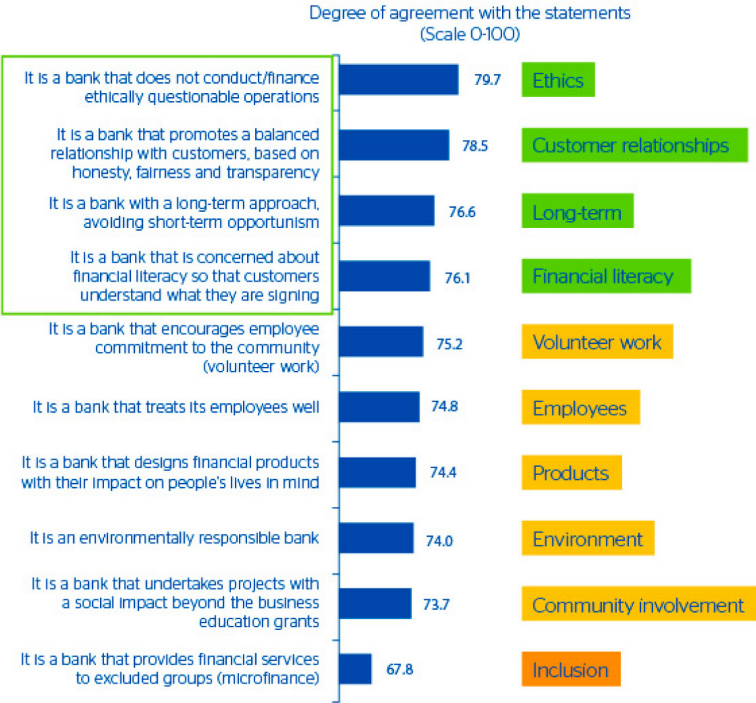
To understand our stakeholders' expectations, we will take a look at the conclusions of a survey undertaken this year on what senior managers, employees, customers and society at large expect from a responsible bank.

Senior managers and employees

We interviewed 26 of the Group's senior managers in eight countries. The results of this survey shows that, in their opinion, a responsible bank meets the following three criteria, the second being the most important:



To find out what the Group's employees expect from a responsible bank, we used the internal reputation survey, conducted on 6,000 employees in eight countries. According to this survey, for the employees a responsible bank is, fundamentally, one that does not do ethically questionable business and seeks a balanced, honest and transparent relationship with its customers, promotes financial literacy so that they can make informed decisions, and has a long-term outlook. In second order of importance, they think that a responsible bank is one that pays attention to its employees and promotes local community volunteer work.



The internal reputation survey also reveals that ethical and responsible behavior is the most important aspect out of the 36 making up emotional reputation for employees; in other words, pride of belonging. The next most important aspects are a good place to work and identifying with the corporate culture. So, being ethical does not only benefit our customers; it also means that our employees take more pride in belonging to BBVA and feel greater commitment to it.

Customers and society

Customers and society at large (here we refer to people who use banking services) share similar opinions to employees and senior managers. They also give us a great deal of information about where our work should start. The conclusions of the study conducted in eight countries (Spain, Mexico, U.S., Argentina, Colombia, Chile, Peru and Venezuela) are summarized in what we call a credibility pyramid.



4. Dialogue with stakeholders and materiality analysis

To sum up, society tells us that:

- The key to a credible responsible business plan is to start with initiatives that are based on a more balanced relationship with customers. Only once this has been reasonably solved will we have the credibility to tackle other aspects.
- The core of these initiatives that seek to improve our relationship with customers is made up of transparency and clarity, two aspects that are closely tied to ethics. Customers must feel that they are taking an informed decision if we want to build a balanced relationship with them.
- Financial literacy is the other side of transparency and clarity: customers expect us to teach them.
- Our employees are key players in this process. Employees are the ones who structure the relationship with customers and build trust and closer ties with them.
- Helping the community is also important, but only once a balanced relationship with customers has been established. Special importance is attached to this aspect in Mexico and South America. High on the list of demands is support for growth, that is, support for SMEs and entrepreneurs.

The conclusions of this survey are backed by the results of Reptrak (external reputation surveys). These show that in the markets where we operate, trust and reputation are mainly built by working on customer focus, ethical behavior and the development of the local communities where we do business.

Regulatory trends and commitments

Regulatory pressure is growing in the sector due to the financial crisis. Many of these regulations are linked to the protection of consumer rights.

Some recent examples worth mentioning include:

- Rules on Sales Practices in Mexico.
- The package of U.S. Consumer Financial Protection Bureau (CFPB) regulations.
- The EU Packaged Retail Investment Products (PRIIPs) initiative.
- Recent regulations on banking transparency in Spain and criteria issued by the supervisory body for the securities market to increase transparency for customers, for example in mutual funds.
- Measures to protect mortgage debtors without the means to pay in Spain, which were reinforced with the approval of Law 1/2013.

All of these examples prompt us to improve our marketing practices and, in particular, boost their transparency and clarity.

Lastly, the bank has taken on a series of voluntary commitments to improve our performance and impact on society. These can be viewed in the section on [international commitments](#).

BBVA's strategy

Our vision – we work for a better future for people –, our brand positioning – being simple and responsible –, and our business strategy – based on three pillars, customer focus, simplicity and omni-channel approach –, all drive us to conduct responsible business, with a customer-centric approach.

This is reflected in the five priorities for the next three years that were set at the latest management meeting:

- Aim: for our strategy to adapt to the new environment.
- Key: a customer centric approach.
- Un futuro: la vida será móvil (omnicanalidad).
- Future: life will be mobile (an omni-channel approach).
- Responsibility: win back society.

In summary, our business strategy is practically a reflection of what our stakeholders ask from us, and fulfilling their expectations is one of our top priorities.

4.3 Significant issues

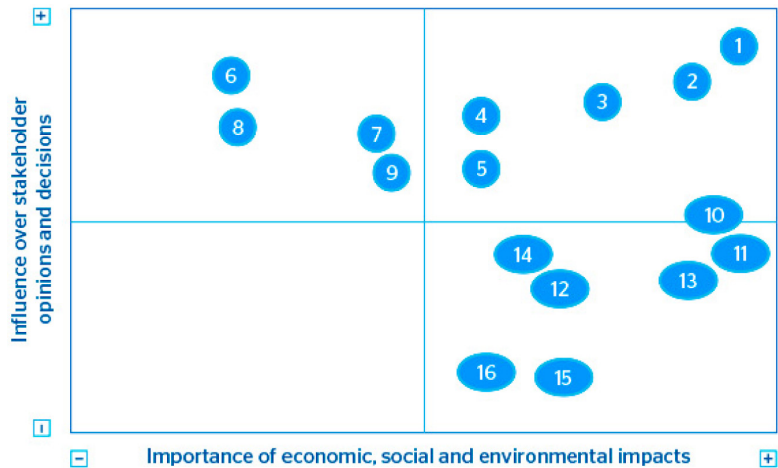
The above analysis has allowed us to identify the following significant issues:

SIGNIFICANT ISSUES		
1	Do business with the highest ethical standards	Customers
2	Promote informed decisions: clear/transparent language and financial literacy	Customers
3	Design and market products adapted to people's needs	Customers
4	Value for money (fees, interest rates), fair banking	Customers
5	Appropriate response to customer needs and profile (human element/approachability)	Customers
6	Speed and flexibility without much paperwork (simplicity)	Customers
7	Emphasis on customer security and protection (computer security, data protection, anti-fraud measures)	Customers
8	Using technology to benefit people: omni-channel approach and convenience	Customers
9	Employee training, development and motivation	Employees
10	Contribution to developing the local societies where we operate: job creation, support for SMEs and access to credit	Community
11	Banking penetration in the low income population	Community
12	Emphasis on diversity and adapting to social differences (gender, different abilities...)	Community
13	The bank's stability and financial robustness	Company
14	Fiscal responsibility and legal compliance	Company
15	Eco-efficiency	World
16	Response to humanitarian crises in other countries, helping to solve global problems	World

Classifying them in order of importance of their impact and influence on stakeholders, we get the following matrix:

4. Dialogue with stakeholders and materiality analysis

4. Dialogue with stakeholders and materiality analysis



In short: the most important issues, and therefore the key aspects of our Responsible Business plan, are ethical behavior, emphasis on informed decision-making based on clarity and financial literacy, and the design and marketing of products with people in mind.

4.4 Sensitive issues

Since the start of the crisis, we have been strongly aware of the difficult economic and social situation that some of our customers in Spain have experienced. We have taken many measures that exceed what is required by law. For example:

- In February 2012 we adhered to the Code of Good Practice approved by the Government.
- In March 2013 we contributed 899 properties to the Social Housing Fund.

- At the close of 2013 we had refinanced 62,580 mortgage loans for customers, adapting them to their capacity to pay.
- BBVA has a Committee for the Protection of Mortgage Debtors that reviews all cases in which there is a risk of social exclusion. It looks at all kinds of possible solutions, such as those mentioned, or additional ones, such as surrender of the property in lieu of payment or social rental.
- BBVA also has the [BBVA – Adecco Foundation Plan](#), which incorporates customers who are mortgage debtors into an employment plan that gives them the chance to re-enter the labor market. It also provides financial assistance of up to 400 euros per month for a maximum period of 24 months.

BBVA has direct channel of dialogue open with government administrations at national, regional and local level, as well as a variety of associations and organizations, in order to understand customer needs and offer solutions and channel the requests of people who turn to these organizations for advice.

BBVA has made its position clear on the legal decision affecting “floor clauses” in mortgage loans in Spain through the regulatory filing of an “*Hecho Relevante*” (Relevant Fact) with the National Securities Market Commission (CNMV) on June 12, 2013. In compliance with the judgment, BBVA has announced that from May 9, 2013, it no longer applies this floor clause in mortgage loan contracts where it had been included.

5.

Responsible
business

5 RESPONSIBLE BUSINESS

5.1 CR principles, values and policy

BBVA has a clearly distinctive banking model based on a strategy of return adjusted to principles of integrity, prudence and transparency:

- Integrity as a manifestation of ethics in its actions and in all its stakeholder relations.

- Prudence understood basically as the principle of precaution in risk-taking.

- Transparency as a rule offering clear and truthful access to information within the limits of the law.

This is the way BBVA does responsible business.



5. Responsible business

The vision of the BBVA brand, “we work for a better future for people” is our Why. It is based on 3 pillars: people, principles and innovation.

The vision forms the basis for BBVA's mission as a bank: “we deliver the best financial products and services.” And its positioning is doing so simply and responsibly.

Simplicity for BBVA means ease, proximity, accessibility and clarity. Responsibility is understood as a long-term process, a balanced relationship with customers and a commitment to controlling the Bank's impact on local people, companies and communities and to the development of the countries in which it operates.

BBVA's Corporate Responsibility policy aims to define and strengthen behavior that creates value for all its stakeholders: customers, employees, shareholders, suppliers and society. The main commitments undertaken through this CR policy are as follows:

- Increase the positive impact that its business has on society and minimize possible negative impacts.
- Create “social business opportunities” to generate social and economic value for BBVA.

Invest in those societies in which the Group is present through support for projects, especially those involving education.

5.2 Responsible business

The current environment definitely represents a challenge for the financial sector. Financial activity is losing its social legitimacy. This is a global loss that is permanent in nature, and is combined with a growing demand for accountability. In addition, there is increasing regulatory pressure in the sector, particularly with respect to customer protection.

Against this backdrop, BBVA offers a differential approach to banking. It is aware that there is much room for improvement, but it does not subscribe to the view that being profitable means doing business at all costs. That is why it speaks of return adjusted to principles.

This has been the major motivation behind the Responsible Business strategy, approved in 2013. The aim of this strategy is to set BBVA apart and win back society's trust.

The Responsible Business strategy is built around three main, interdependent pillars that define the strategic framework:

- Customers: banking for people. BBVA conducts its financial activity with people in mind.
- Committed employees. BBVA supports a culture of social engagement and shared values for the Group's employees.
- Society: education and science. BBVA undertakes activities mainly in the field of education, but also in science and culture.



Having defined this strategic framework, local workshops were run in the Group's eight main countries. More than 400 senior managers took part and three strategic priorities were established:

- Transparent, clear, responsible communication

The crisis has undermined people's trust in banks, complaints about misleading information have surged and tougher regulations have been introduced in the sector on customer protection and transparency. Customers perceive that terms are used which are overly technical and difficult to understand. It is not

simply a question of making sure customers are told everything - they have to be told everything in a clear way. Communicating with customers in transparent, clear and responsible (TCR) language helps them make an informed decision and is a key lever for winning back and maintaining their trust. That is why BBVA is developing a policy and working on various initiatives in order to make the bank-customer relationship "more TCR" before, during and after the contract is signed.

- Education

Education is the strategic priority of the Group's social

5. Responsible business

programs. It involves three lines of action:

- Financial literacy, which together with TCR communication is the other element that helps customers make informed decisions.
- Training for SMEs, which play an important role in the development of the country's economic and business fabric.
- Education for social integration and training on values for children and young people.
- High social impact products

High social impact is already being generated through daily business activity. Think about all the people who have mortgages with the Bank or the growth and employment created by companies with its finance. The Group thus has a great opportunity to design products and services with a greater social impact, taking into account customers' needs and the context in which they live.

The Responsible Business strategy also sets out another three strategic lines:

- Social and environmental risks and costs
- Eco-efficiency and responsible procurement
- Value-based leadership
- Social engagement and volunteer work.

- Gender diversity and the disabled
- Remuneration
- Science and culture

5.3 CR governance and management systems

The Board of Directors is responsible for approving the Corporate Responsibility policy.

The Management Committee, supervises and promotes Corporate Responsibility and Reputation (CRR).

In 2012, the Responsible Business Committee was set up. This committee is made up of the Chairman and CEO, the President and COO, the heads of the Bank's two global business areas, Retail Banking and Corporate & Investment Banking, and the areas of Brand and Communication, Human Resources and Services, Legal Services, Audit and Compliance, and Corporate Responsibility and Reputation. The committee's main role is to promote, supervise and coordinate the Group's CRR programs and those developed by local banks and their foundations. It plans to hold three meetings a year.

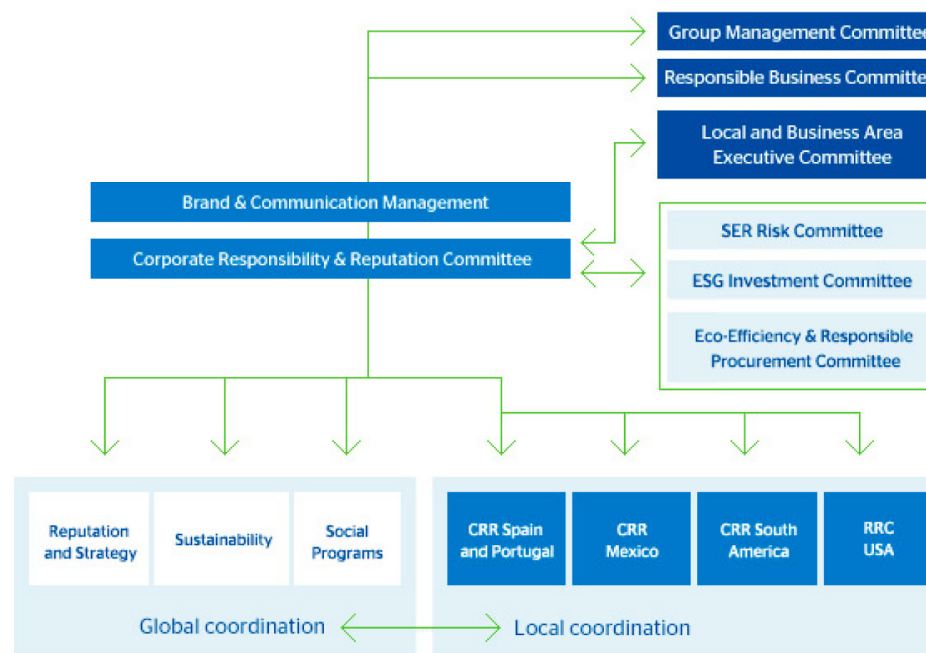
The local CRR departments and the local business and support areas promote and monitor the Responsible Business programs at a local level. This monitoring takes place at the local Steering Committee meetings, chaired by the Country Manager. Some of the Group's banks, for example BBVA Bancomer and BBVA Provincial, also have their own local Responsible Business committees.

There are other cross-sector operating committees that implement the Responsible Business programs:

- The Social, Environmental and Reputation Risk Committee, chaired by the Group's Risk Manager
- The Eco-efficiency and Responsible Procurement Committee, chaired by the Group's Procurement, Premises and Services Manager

- The ESG Investment Committee, chaired by the Group's Analyst, Investor and Shareholder Relations Manager

The secretary of these three committees belongs to the CRR Department.



6.

Transparent,
clear, responsible
communication

6 TRANSPARENT, CLEAR, RESPONSIBLE COMMUNICATION

Transparent, clear and responsible communication (TCR) is one of the strategic priorities of responsible business identified at the responsible business workshops held in 2013 in the eight main countries in which the Group operates.

The importance that the local teams attached to this at the workshops ties in with the results of the qualitative research conducted on people who use banking services. Customers in all of the countries involved think that to conduct responsible business a bank must start by giving a clear explanation of its products. Only then can an informed decision be made.

BBVA's distinctive approach to banking is based on simplicity and responsibility. For BBVA simplicity means ease, proximity, accessibility and clarity.

Communicating with customers in a transparent, clear and responsible language helps them make an informed decision and is a key lever for winning back and maintaining their trust.

What does TCR mean?

- Information is transparent when it is adequate and sufficient for decision-making, sets out both the benefits and potential risks of the product or service, and states the real facts.

- Information is clear when it is written in simple, familiar language that is easy to understand, explains the

product or service features in a user-friendly and accurate way, and avoids misunderstandings.

- Information is responsible when it encourages proper, responsible decision-making and has the customer's interests in mind.

BBVA is developing a policy and working on various initiatives in order to make the bank-customer relationship "more TCR" before, during and after the contract is signed.

Some preliminary work was undertaken in 2013:

- Two pilot projects, in Mexico and Spain, focused on the product documentation provided before signing the contract. Different types of products (for example, a deposit or a credit card) were selected in each of the countries and TCR deliverables were prepared for the customer, in accordance with easy reading guidelines, as well as our own criteria.

The project was led by a multidisciplinary team comprised of representatives from the following areas: Business Development (product, segment, marketing), Customer Experience, Legal Services, Legal Compliance, Legal Services and Corporate Responsibility and Reputation. The Association for Easy Reading checked the leaflets.

To find out whether the customer considered them to be TCR, a number of focus groups were created, on which the new leaflets and any old leaflets there may have been were tested. The results were positive and revealed a clear consumer preference for the new leaflets. It was also

6. Transparent, clear, responsible communication

concluded that this type of document creates the right values for the brand and has the potential to differentiate it and generate business.

- A pilot project in Spain for simplifying contracts, consisting of rewording a contract to make it TCR and thereby setting guidelines to adapt other contracts.
- A statistical analysis of the link between transparency and clarity and customer recommendations. This consisted of statistical analysis based on information from brand trackings available in the main geographical areas. The study showed that in every case, transparency and/or clarity featured among the subgroup of variables that have a strong impact on customer recommendations.

We are currently preparing a methodology for launching the project globally and analyzing the resources required. The Steering Committee will approve it and decide on the scope and time frames in the first few months of the year.

Running parallel to this, in 2013 six countries made headway on several initiatives aimed at being more TCR.

- Spain has already commenced the project to make TCR product leaflets a feature of almost every contract. Mexico plans on starting this in 2014, alongside other projects underway that are designed to make the customer experience a simpler one.

- In 2012, Peru got ahead of competitors by undertaking a contract simplification process, and created so-called “rapiguías” (quick guides). These are documents for customers that describe the product and are a major

step forward in making the decision-making process easier for customers.

- Chile has implemented several actions to become more TCR before, during and after the contract signing process. Before the contract is signed, the focus has been on simplifying and clarifying the pricing system, training executives to provide a transparent service and developing the “*BBVA transparente*” website with information for customers. At the time of signing the contract, attention has been focused on guaranteeing that customers understand what they have agreed to, by sending an e-mail containing a summary, providing a summary sheet or following up with a telephone call. Once the contract has been signed, more emphasis has been placed on sending messages to customers informing them of activity relating to their products (transfers, debits, rejected pre-authorized payments, and so on).

- Colombia has launched the banking business portal, an online tool that contains important information on products in accordance with the transparency and clarity principle.

- In the U.S., work on TCR has a distinctive approach that aims to respond to the room for improvement detected in a financial institution transparency evaluation report by the Pew Institute.

7 EDUCATION

At BBVA, we work for a better future for people. One of the three strategic priorities of its Responsible Business strategy is education, with three core social goals:

- Financial literacy to improve people's financial culture, allowing them to make informed financial decisions.
- Business training to help SMEs to grow and increase their social impact.
- Education for society, to promote social integration and values training for children and young people.

In 2013:

- 256,359 beneficiaries of financial literacy workshops.
- 20,028 SMEs helped by education programs.
- 1,541,276 beneficiaries through our education for society programs.

7.1 Financial literacy

The Group's first financial literacy initiatives took place at BBVA Bancomer in 2008. In light of their success, the Global Financial Literacy Plan was launched in 2009. Five years later the program is global in scope and has become consolidated across the Group. There is a complete range of content available through various channels, covering people's entire financial life cycle.

Financial literacy has become an even more important strategic priority through the 2013-2015 Responsible Business Plan. This stage poses new challenges, mainly in terms of boosting the program with new groups in mind and fostering the use of online channels as outreach tools, creating interesting content in social networks. This global program is in tune with people's real needs to help them acquire knowledge and skills.

In terms of the social impact of the Global Financial Literacy Plan, in 2013 256,359 people participated in the 829,388 workshops that ran over the course of the year.

For young people and children, BBVA has created initiatives aimed at stressing the value and importance of money in their lives and promoting behavior such as saving and control of spending. BBVA's programs are also aimed at emphasizing the role of teachers and involving parents in teaching their children how to manage their money better. Among them is the [BBVA Chile](#) initiative taught at schools via the «[Agent Piggy](#)» digital platform. In Venezuela several [interactive games](#) have also been launched to boost financial literacy. In the United States, in 2013 a collaboration agreement was signed with [EverFI](#), one of the leaders in online education, to launch interactive courses and teaching activities that challenge this segment of the population to make decisions in real-life situations.

BBVA's financial literacy initiatives for adults are open to the population as a whole, including both customers and non-customers, with the aim of reaching out to as

	2013	2012	2011
Number of financial literacy program beneficiaries ⁽¹⁾	256,359	251,637	123,768
Number of Financial Literacy workshops	829,643	689,881	413,596

(1) Since 2013, people participating in the "Valores de Futuro" (Future values) program have been beneficiaries of education for society programs, not financial literacy programs. The data for 2012 and 2011 have been recalculated based on these criteria.

Scope: BBVA Group

many people as possible. The available channels include face-to-face courses, online courses, mobile classrooms, permanent classrooms and mobile teams. The broad range of content covers every key financial moment in a person's life (personal planning, loans, credit cards, saving, pensions, insurance, mutual funds, and so on.)

The Group's work in Mexico is worth mentioning in this regard. The million-and-a-half visitors to the «[Adelante con tu futuro](#)» (Forward with your future) website received tips on personal finance and participated in the online workshops. More work was also put into face-to-face workshops, reaching out sectors of society that have no access to technology and do not know how to use it. These workshops accounted for 50% of the total in 2013.

The year 2013 also saw the launch in Spain of the «[Mi jubilación](#)» (My Retirement) initiative, in response to the need to increase people's knowledge about the pension system so that they can understand it and take informed and rational decisions to properly plan for their future. This involved several lines of action:

- BBVA Pensions Institute, with an independent [expert forum](#).
- Provision of [simulation tools](#) for websites and mobile applications.

- Dissemination of learning and training material, talks and courses and regular surveys on the population.

For more information on this initiative and other Financial Literacy initiatives launched by BBVA Asset Management, [see here](#).

BBVA also offers courses for employees of its customers, usually providing basic knowledge on personal finance that can be useful for their professional and family lives. The training activities targeted at this group have had a significant impact in Colombia, Mexico and Chile.

BBVA's work at the present time includes conveying clearly presented messages based on training clips in social networks and the mass media, for example, the radio and social networks.

BBVA's commitment to financial literacy goes beyond its own programs and includes institutional support for other national and global initiatives.

In terms of national initiatives, BBVA Bancomer has actively participated in the [Financial Literacy Week in Mexico](#), organized by the Mexican authority National Commission for the Protection of Users of Financial

Services (CONDUSEF). BBVA Chile has launched activities for young people with the National Youth Institute (INJUV) and the Ministry of Social Development. In the United States, BBVA Compass continues to back initiatives such as «Teach Children to Save» and «Get Smart About Credit», targeted at children and young people, in association with the American Bankers Association Education Foundation (ABAEF), and «Money Smart», targeted at adults, in conjunction with the Federal Deposit Insurance Corporation (FDIC).

As for global initiatives, BBVA continues to assist the Organization for Economic Cooperation and Development (OECD) with preparing the [PISA Report 2012 and 2015](#), so that as well as evaluating students' reading, math and science skills it also includes their financial culture.

Number of Financial Literacy workshops

	2013	2012	2011
Spain and Portugal	150	n/a	n/a
Mexico	787.885	656.339	413.114
South America	41.608	33.542	482
Total	829.643	689.881	413.596

n/a = not applicable
Scope: BBVA Group

Number of beneficiaries of financial literacy programs

	2013	2012	2011
Spain and Portugal (1)	830	n/a	n/a
Mexico	210.750	225.875	111.814
United States	26.944	11.674	10.693
South America	17.835	14.088	1.261
TOTAL	256.359	251.637	123.768

n/a = not applicable
(1) Since 2013, people participating in the "Valores de Futuro" (Future values) program are no longer included as beneficiaries of financial literacy programs. The data for 2012 and 2011 have been recalculated based on these criteria.
Scope: BBVA Group

7.2 Business training

Number of SMEs helped by education programs	2013
Business training	1,722
Financial literacy workshops for SMEs	18,306
Total	20,028

Scope: BBVA Group

SMEs currently play a crucial role in long-term sustainable growth, job creation and social development. As well as financial literacy courses, BBVA is focusing on first-rate business training to enhance improvement and transformation processes in the countries where it operates.

This commitment can be seen in several of BBVA's programs. One of the pillars of the «*Yo Soy Empleado*» (I am employment) program has been face-to-face training targeted at this group. SMEs can apply for business training courses taught by the top business schools in Spain, at no cost. The course has been designed to boost the growth of companies with potential so they can continue to create jobs. In 2013, 1,676 SMEs benefited from this training.

The *BBVA con tu empresa* (BBVA with your company) website features interesting online courses on topics such as skills and management, finance and business strategies.

BBVA has also become closely involved with social SMEs through «*Momentum Project*». The «Momentum Project»

is a joint BBVA and ESADE initiative with the collaboration of PwC, aimed at promoting social entrepreneurship and raising the sector's profile. It aims to support the expansion of scalable social companies that combine a high social impact with sustainable business models.

The «Momentum Project» focuses on two lines of work:

- Development of a comprehensive training, strategic mentoring, visibility, financing and follow-up program for participating social entrepreneurs, to consolidate and boost the impact of their companies.
- Creation of a support network for social entrepreneurs.

The project originated in Spain in 2011 and has now extended to Mexico and Peru. Three years on, 46 companies benefit from comprehensive support provided by the program. These SMEs have created almost 2,150 jobs and their overall revenues amount to €30 million.

In addition, financial literacy initiatives targeted at SMEs took on a more important role in 2013. Mexico offers

courses on cash flow and credit for SMEs. In the United States there are also seminars as part of the «[Money Smart for Small Business](#)» program.

In conclusion, BBVA's commitment to providing first-rate training and strategic mentoring to SMEs is an important feature of the 2013-2015 Responsible Business Plan. The next step is to extend this project to the main regions where the Group operates, with a goal of 1,000 SMEs in total provided with training in 2014.

Main Momentum Project indicators

	Spain	Mexico	Peru
	3 editions	1 edition	1 edition
Candidates	350	112	187
Participants	30	10	6
BBVA mentors	31	6	6
Jobs supported	1.060	1.085	n/a
Turnover of financial companies (euros) (1) (2)	18.351.495	9.754.978	n/a
Companies financed	12	5	n/a
Investment in the companies (euros) (3) (4)	3.600.000	1.108.316	n/a
Investment in high impact products (euros) (5)	5.000.000	1.108.316	n/a

n/a = not applicable

(1) Includes only the Spanish companies financed in 2011 and 2012.

(2) Data through October 2013.

(3) Investment in capital and loan.

(4) BBVA finances through different products growth in these Companies. In Spain, an investment fund was created. In México, loan conditions are established outside the market.

(5) BBVA's investment in the spanish fund is higher than the effectively injected by the fund in these companies.

Scope: BBVA Group

7.3 Education for society

	2013	2012	2011
Number of grants for underprivileged children by year	92,264	62,887	59,986
Number of beneficiaries of other education for society programs	1,449,012	1,174,837	1,016,472

Scope: BBVA Group

BBVA is firmly committed to education as leverage for social inclusion. Its initiatives are aimed at helping elementary and high-school students, young people and teachers.

The following programs are aimed at elementary and high-school students:

- The «*Niños Adelante*» (Forward, children) integration scholarships program, set up in 2007. It promotes access to quality education for underprivileged children and young people in Latin America. In 2013 €16.4 million were allocated to the program, which benefited 92,264 children.

The program is adapted to the reality of each country, and thus benefits different groups. In Mexico, the «*Por los que se quedan*» (For those left behind) program helps children of parents who emigrate to the United States in search of a better future; in Colombia BBVA helps children in deprived areas; in Panama poor children with no access to education, such as in the Ngöbe-Buglé indigenous region; and in Peru children with poor reading skills, through the «*Leer es estar adelante*» (Read to get ahead) program.

In 2013 initiatives continued to increase third-party loyalty to the program, with the participation of volunteer employees

acting as sponsors, and donations from customers through ATMs, online banking and financial instruments.

Since 2009, the «*Valores de futuro*» (Future values) program has taught school children about values related to the responsible use of money. A total of 63 participatory workshops, which encourage reflection and discussion in the classroom, foster skills and values such as effort, solidarity and saving.

In the 2012/13 academic year, 925,652 pupils from 4,278 schools in Spain and 119,083 pupils from 969 schools in Portugal participated in the program. This makes a total of 1,044,735 pupils from 5,247 schools, thus achieving the initial target of more than one million participants.

Ten schools in the city of Valencia also participated in the «*Ahorro para todos*» (Saving for everybody) workshop. In 2014, BBVA hopes to establish closer ties with 420 schools, by proposing a saving project in which BBVA employees can participate as volunteers.

- Partnership with Scholastic Inc to foster reading among underprivileged children through the «Reading counts» initiative and with NBA Cares, which includes the «Team. Works. In school» initiative to restore schools in six

of the main states where BBVA Compass operates. A total of 190 BBVA Compass volunteers worked together on the initiative with NBA legends Bob Lanier, Felipe López and others. Activities included financial literacy sessions and book donations to schools. More than 10,000 books were donated in 2013.

The following programs are aimed at young people:

- The «[BBVA Route](#)» training program, which BBVA has sponsored and organized since 1993, promotes education in values that encourages effort and mutual respect, promotes equal opportunity and helps overcome inequality. The program has been declared of cultural interest by UNESCO and on the 28 occasions that it has run it has helped 9,000 young people of 16 and 17 years of age to broaden their knowledge and develop a spirit of international cooperation.

In 2013, the program commemorated the Fifth Centennial of the Discovery of the Pacific Ocean by Vasco Núñez de Balboa in 1513. The 225 member of the expedition from 53 countries traveled to Panama, where they crossed the Jungle of Darién to reach the South Sea, following in his footsteps.

- The «*Jóvenes Emprendedores Sociales*» (Young Social Entrepreneurs) program. In 2013, BBVA worked alongside Ashoka to organize the second Ibero-American competition «*Cambia tu mundo*» (Change your world) targeted at young social entrepreneurs. More than 230 projects were submitted. The 20 winners from various Ibero-American countries received seed capital for their projects. In addition, with the aim of developing skills

related social entrepreneurship among young people, local programs are carried out in different countries. Since 2011, more than 43,000 young people have participated in these programs.

To improve the quality of education, teachers are given resources through different initiatives:

- BBVA has partnered with the Organization of Iberoamerican States (OIS) since 2008 to improve the quality of education provided in early childhood in Latin America. Currently this takes the form of the project «*Metas educativas 2021: La educación que queremos para la generación de los bicentenarios*» (Educational goals 2021: The education we want for the bicentennial generation), which aims to ensure that by 2021 education can provide an appropriate response to urgent social demands. These demands include a higher rate of schooling for a longer time, with recognized quality education that is fairly distributed and inclusive, and in which the majority of institutions and sectors of society take part.

Goal number 7 involves improving the quality of education in early childhood and guaranteeing proper training for teachers. In 2013, 1,099 teachers were trained in Paraguay, Uruguay, Colombia, Chile and Panama.

- FAD, UNESCO and BBVA launched their “Acción Magistral” (Teacher Action) project in 2012, to provide support for the daily work done by pre-school, elementary and high-school teachers. The objectives are:

- ◊ To create an active and cohesive community of motivated and committed teachers who deal with social

values in the classroom and thus have a direct impact on their local communities. Agents of educational change.

◇ To optimize and support this community of innovating teachers, who design and run educational programs dealing with social values, understood in the widest possible sense. To help them to become more visible and train them in the basic skills they will need in order to be agents of educational change.

◇ To gradually extend and increase the community and the number of teachers who work on social values in the community.

There are thousands of Spanish teachers firmly committed to education and engaged in the day-to-day running of schools, and the eight editions of the Teacher Action Prize are proof of this. Such teachers are committed to their students, their families and the idea of creating upstanding citizens who are ready for life, not only in academic terms but also in social values. In short, they work from the classroom for a better future. A better future for everyone.

«Acción Magistral» was founded with a spirit of commitment to all such teachers, providing support, tools and forums where they can share their experiences. The project offers online and in-person teacher training, resources for classroom teaching and forums for debate, as well as other support. The main aim is to create a cohesive and active community of engaged and motivated teachers who work with social values in the classroom, thus having a direct impact on their communities. More than 1,700 teachers participate in the

project via the platform. In 2013, 445 teachers were trained thanks to the 30-plus courses on offer.

Education is also one of the priority lines of action at Garanti Bank in Turkey. The main projects include the «Teacher Academy» Foundation, set up in 2008 to help implement an educational model based on critical and analytical thinking and on research. In the biggest project, «No Limits in Teaching», more than 85,000 teachers took part in training activities by the end of 2013. Garanti has invested 15 million (approximately €5 million) Turkish lira in the project since its launch.

Main indicators of “Niños Adelante” (Forward, children)

	Investment (€)			Number of scholarships		
	2013	2012	2011	2013	2012	2011
Argentina	1.116.839	899.174	857.870	1.333	1.232	1.202
Chile	595.683	764.240	877.252	4.614	4.686	5.146
Colombia	972.032	1.275.241	946.241	9.380	10.085	10.334
Mexico	11.290.273	10.575.585	8.051.253	16.815	15.800	15.000
Paraguay	123.449	202.859	179.451	7.253	3.581	3.455
Peru	88.521	413.990	333.574	48.249	22.883	20.229
Uruguay	126.549	60.962	42.022	120	120	120
Venezuela	2.108.266	1.594.399	1.719.734	4.500	4.500	4.500
TOTAL	16.421.612	15.786.450	13.007.396	92.264	62.887	59.986

	Indirect beneficiaries			Number of volunteers		
	2013	2012	2011	2013	2012	2011
Argentina	5.599	5.174	6.010	0	n/a	n/a
Chile	17.533	17.807	7.719	171	169	275
Colombia	40.334	41.349	45.427	0	n/a	n/a
Mexico	70.623	67.940	75.000	790	796	700
Paraguay	32.639	17.547	13.820	65	15	125
Peru	236.420	102.974	211.896	87	81	86
Uruguay	540	480	360	44	20	2
Venezuela	18.450	20.250	22.500	142	74	n/a
TOTAL	422.137	273.521	382.732	1.299	1.155	1.188

	Number of affiliates		
	2013	2012	2011
Argentina	23	21	16
Chile	2	2	2
Colombia	187	n/a	30
Mexico	7	3	18
Paraguay	1	1	1
Peru	22	21	22
Uruguay	3	2	7
Venezuela	2	2	2
TOTAL	247	52	98

n/a = not applicable
Scope: BBVA Group

Main indicators of “Valores de Futuro” (Future Values)

	2013	2012	2011
Spain			
No. of participants (students)	925.652	780.451	583.436
No. of schools	4.278	3.825	3.097
No. of volunteers	349	331	243
Portugal			
No. of participants (students)	119.083	126.944	107.279
No. of schools	969	849	843
No. of volunteers	20	20	20
Mexico			
No. of participants (students)	997	n/a	n/a
No. of schools	250	n/a	n/a
No. of volunteers	75	n/a	n/a
TOTAL PARTICIPANTS	1.045.732	907.395	690.715
TOTAL SCHOOLS	5.497	4.674	3.940
TOTAL VOLUNTEERS	444	351	263

n/a = not applicable

Scope: BBVA Group

Main indicators of the “Jóvenes Emprendedores Sociales” (Young Social Entrepreneurs) program

	Number of participants		
	2013	2012	2011
Argentina	n/a	2	7
Chile	50	25	12
Colombia	29.380	11.582	53
Spain and Portugal	58	5	3
Peru	n/a	8	12
Paraguay	71	54	31
Uruguay	n/a	24	32
Venezuela	1.239	376	7
Mexico	2	3	102
TOTAL	30.800	12.079	259

n.a. = no aplica

Alcance: Grupo BBVA



High social impact products

8 HIGH SOCIAL IMPACT PRODUCTS

One of the strategic priorities of Responsible Business is inclusive growth, with three social goals:

- Promote a bank for all through solutions for the financial inclusion segment and the activity of the [BBVA Microfinance Foundation](#).
- Support the growth of SMEs and their social impact.
- Support segments of the population with special needs.

Progress in 2013:

- 27,722 banking correspondents in Latin America, carrying out more than 77 million transactions.
- €861m in microloans granted to 1,493,709 customers, benefitting six million people as a whole in Latin America.
- 3,658 SMEs supported for the creation of 3,397 jobs through the “Yo soy empleo” (I am employment) program in Spain.
- 133 families in situations of special needs benefited by the Labor Integration Plan in collaboration with the Adecco Foundation.

8.1 Financial inclusion

8.1.1 Initiatives for the financial inclusion segment

There is evidence that greater financial inclusion has a favorable impact on the welfare and economic growth of countries.

BBVA has decided to develop a financial inclusion strategy to cover the low-income population in the nine emerging countries in which it operates. The aim is to make it easier for these people to access financial services through non-branch and self-service operations. These solutions are based on two non-branch channels: mobile banking and banking correspondents.

BBVA aims to achieve a leading position worldwide in terms of business development in the field of financial inclusion.

In Mexico, BBVA is driving forward a program to give people with no proof of income access to mortgage lending and has worked together with the National Banking and Securities Commission on regulating digital banking. This will bring down contracting costs for customers and enhance usability of [bancomer.com](#) and [Bancomer móvil](#).

In Peru, BBVA has worked closely with the regulator and the media to secure a leading position for BBVA Continental in the field of financial inclusion and for the future authorization of products related to this segment.

Within BBVA Research, the BBVA Research Department set up the Financial Inclusion Unit in 2013. This unit is

responsible for the economic analysis of the factors that limit or enhance access for people and companies to the financial system.

Mobile Banking

The most significant initiatives in this channel are:

- The «*Celularízate*» project, a tool to extend banking penetration and the financial inclusion of small retail outlets. It consists of a mobile application that allows customers to use new payment methods, make electronic payments to their suppliers and sell financial and non-financial products. The tool is currently at the roll-out stage in Mexico.

- The BBVA Bancomer «*Cuenta Express*» turns cell phones into a bank account that can be opened immediately, involves no paperwork and is easy to use, low-cost and very secure. The account ID is linked to the cell number and the account holder is also given a debit card for in-store purchases and ATM withdrawals. It now has 2 million customers in Mexico. In Peru, the business case for «*Cuenta Express*» is being prepared to develop a product for this segment.

- Since July, «*Cuenta Express*» holders can use Bancomer SMS, a tool available for the entire range of cell phones that allows users to check and top up their balance and send money to another Bancomer account by text message.

- In Colombia, «*BBVA Móvil*» has developed an application that allows users to check their balance,

transfer money, pay bills, top up their balance and withdraw money without using a card, all from their cell phone. This application is currently in the pilot phase. In Venezuela, the BBVA Provincial mobile banking service, Provinet Móvil, has increased its customers by 295,000, with an average of 5 million transactions a month, growth of 136% and 157%, respectively, on the previous year.

- BBVA Compass made major improvements to mobile banking, for example, Mobile Remote Deposit Capture, improvements to bill payment and person-to-person payment functions, and a new alerts system for accounts and payments by credit card, Fast Pay. These improvements have earned BBVA Compass the [Best in Mobile Functionality Award](#) from Javelin Strategy & Research in the United States.

Banking correspondents

The aim of banking correspondents is to increase the number of customer service points, especially in places where there are no bank branches, to provide basic financial services via entities such as stores, supermarkets, drug stores, and others. In some countries they also include cell-phone operators.

In 2013, BBVA's banking correspondents in Latin America totaled 27,722 with 77 million transactions.

In Mexico, the banking correspondent network has continued to grow, focusing on diversifying partnerships and increasing their profitability. The financial inclusion segment performs 64 million transactions a year through the banking correspondents in this country. This is a 13%

8. High social impact products

increase compared to 2012 and reflects the trust placed in this channel, as well as the convenient location of more than 20,000 retail establishments.

In Colombia new partnerships have been set up with companies that offer a large network of correspondents. This has boosted BBVA's geographical presence with 1,218 points around the country, especially in areas that the financial system does not reach. In Peru there have been developments to triple the number of banking correspondents by 2015 through correspondent administrators.

Remittances

Remittances are an effective way of boosting banking penetration and access to credit for the families receiving them.

«Bancomer Transfer Services» (BTS) accounted for around 30% of the total remittances sent from the United States to Mexico in 2013. The money can be withdrawn from various establishments such as Elektra, Coppel stores, pharmacies and supermarkets. This service recorded 13,242,000 transactions in 2013.

8.1.2 BBVA Microfinance Foundation

As part of its pledge to financial inclusion, in 2007 BBVA set up the [BBVA Microfinance Foundation](#) (*), which aims to promote sustainable and inclusive economic and social growth for the most underprivileged people in society, through productive finance (providing financial products and services and assistance with the development of productive activities).

At year end, the BBVA Microfinance Foundation was providing a service to almost 1,500,000 customers in Latin America, with a direct impact on the lives of more than 6 million people. It has over 7,000 employees and a network of 481 branches in the seven countries in the region where it now operates.

Since the Foundation was set up, it has granted loans amounting to an accumulated total of €4,416 million to customers where 59% are female and about half earn less than \$9 per day. Customers that besides self-employment, provide employment for other people in their businesses, creating wealth in their community.

BBVA Microfinance Foundation's most noteworthy activities in 2013 were:

- Consolidation and expansion of its group of microfinance institutions in the region, with the merger of two institutions in Peru, Caja Nuestra Gente and Financiera Confianza, into a new company, Financiera Confianza. This institution has become one of the leaders in the Peruvian microfinance market in terms of number of customers, with leadership and focus on the development of people with lower income, and the goal of being at the forefront of rural inclusive finance in the country.

*. 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 the Group in both governance and management. Accordingly, the BBVA Group wishes this Annual Report to reflect the fact that the BBVA Microfinance Foundation is not part of BBVA Financial Group. For this 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.

BBVA Microfinance Foundation basic global data

	2013	2012	2011
Number of customers	1,493,709	1,293,514	948,508
Social impact (million people) ⁽¹⁾	6.0	5.2	3.7
Number of employees	7,069	6,829	4,963
Number of branches	481	476	359
Total microloan volume (€ million) ⁽²⁾	861	887	n.d.
Average microloan (€) ⁽³⁾	994	1,027	n.d.
Number of countries where BBVA operates	7	7	6

(1) Calculated by multiplying the number of customers by the average ratio for family unit.

(2) Formed by current portfolio, defaulted portfolio and interest. The amount in 2012 has been recalculated applying the new criterion.

(3) Weighted by accumulated number of transactions. The amount in 2012 has been recalculated applying this new criterion.

Scope: BBVA Group

With the addition of this new institution, the Foundation now has eight microfinance institutions in the region: [Banco de las Microfinanzas-Bancamía](#) in Colombia; [Financiera Confianza](#) in Peru; [Banco Adopem](#) in the Dominican Republic; [Emprende Microfinanzas and Fondo Esperanza](#) in Chile; [Contigo Microfinanzas](#) in Argentina; [Microserfin](#) in Panama; and [Corporación para las Microfinanzas](#) in Puerto Rico.

This group of institutions specializing in productive finance have turned the BBVA Microfinance Foundation into the leading operator in terms of number of customers managed on an individual or portfolio basis in Central and South America. The Foundation is expanding its activity and continues to work on strengthening its position in the region, penetrating further in the markets that are most in need.

- Publication of its first [Social Performance Report for 2012](#), revealing what impact its activity has on its customers' lives. The report is available in digital format. It shows the profile of the Foundation's customers in aggregate form and by country. They are classified by socioeconomic condition and broken down by groups with similar characteristics, with an appraisal of their economic and social development and progress.

- Initiatives to promote and transform the development of the microfinance sector. Along the same lines, the Foundation continued to run its "Corporate Governance Training Workshops" where more than 300 members of boards of directors and senior managers in microfinance institutions have been given training since they were started in 2011.

In 2013, the Foundation ran three workshops in Peru, in conjunction with the Financial Superintendency of Peru, the Association of Microfinance Institutions (ASOMIF), and the Federation of Municipal Savings and Credit Banks (FEPCMAC), in which 118 people participated.

- BBVA Microfinance Foundation continued to receive recognition for its institutional work. As well as the United Nations Social Investment Pioneers award which the Foundation won in 2012, its microfinance institutions, customers and senior levels received recognition in 2013.

Microserfin also received the “APC Prize for satisfaction, up-to-date status, and compliance” awarded by Asociación Panameña de Crédito; Banco Adopem received a 5-diamond transparency score from the Microfinance Information Exchange for its scope and impact, financial data and risk rating; and Corporación para las Microfinanzas was awarded the Federal Certificate as Community Development Financial Institution (CDFI) by the U.S. Government.

- The Foundation’s customers also received various prizes. In Panama, José Alcides Pérez, Microserfin customer, received the “PREMIC 2013 Microenterprise Prize for Development” awarded by Fundación Citi and the National Competitiveness Center, in the industrial category, for his small company Químicos Biodegradables. In the Dominican Republic, Banco Adopem customers Randy Ovalles Grullón, Amable Rafael Yanes González and Freddy Alberto Berroa Pérez received the “Citi 2013 Microenterprise Prize” in the Agriculture Microenterprise, Young Entrepreneur Microenterprise and Microenterprise, Protection and Improving the Environment categories, respectively.

Contigo Microfinanzas customer Laura Marcela Mercado was also awarded the “2013 Micro-entrepreneur Prize” by Citi, Fundación Avina and La Nación en Argentina, for her natural cosmetics company.

- Awards given to senior managers in the Foundation’s microfinance institutions. In 2013, the Chief Executive of Bancamía in Colombia, María Mercedes Gómez Restrepo, was named “One of the most important business leaders in Colombia” by the magazine “La Nota Económica” (for the second year running) and one of “The 30 most important leaders in Colombia” by the magazine “Semana”. The Chief Executive of Banco Adopem in the Dominican Republic, Mercedes Canalda, was ranked among the “100 most important businesswomen in Latin America in 2013 by Latinvex.

**: 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 the Group in both governance and management. Accordingly, the BBVA Group wishes this Annual Report to reflect the fact that the BBVA Microfinance Foundation is not part of BBVA Financial Group. For this 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.*

Data by microfinance institution

	2013		
	Customers	Employees	Branches
Bancamía (Colombia)	604.603	2.934	181
Financiera Confianza (Peru) (1)	506.595	2.381	164
Emprende Microfinanzas (Chile)	15.324	166	28
Fondo Esperanza (Chile)	80.275	436	46
Corporación para las Microfinanzas (P. Rico)	597	19	1
Contigo Microfinanzas (Argentina)	1.417	17	1
Microserfin (Panama)	12.849	170	8
ADOPEM (Dom. Republic)	272.049	946	52
TOTAL	1.493.709	7.069	481

	2012		
	Customers	Employees	Branches
Bancamía (Colombia)	502.980	2.740	171
Financiera Confianza (Peru) (1)	456.480	2.522	179
Emprende Microfinanzas (Chile)	13.067	157	27
Fondo Esperanza (Chile)	66.474	372	37
Corporación para las Microfinanzas (P. Rico)	1.009	26	1
Contigo Microfinanzas (Argentina)	2.158	48	5
Microserfin (Panama)	11.022	154	8
ADOPEM (Dom. Republic)	240.324	810	48
TOTAL	1.293.514	6.829	476

	2011		
	Customers	Employees	Branches
Bancamía (Colombia)	453.315	2.083	140
Financiera Confianza (Peru) (1)	421.546	2.309	150
Emprende Microfinanzas (Chile)	10.345	137	27
Fondo Esperanza (Chile)	51.584	278	31
Corporación para las Microfinanzas (P. Rico)	719	11	1
Contigo Microfinanzas (Argentina)	1.175	25	3
Microserfin (Panama)	9.824	120	7
ADOPEM (Dom. Republic)	n/a	n/a	n/a
TOTAL	948.508	4.963	359

Note: n/a = not applicable. The microfinance institution was not part of the Foundation.

(1) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the values reported in 2012 and 2013 for Financiera Confianza Peru are the consolidated figures for the two companies.

Loan portfolio data broken down by microfinance institution

	2013		
	Average loan amount (€) (1)	NPA ratio (%)	Loan Portfolio Volume (thousand €)
Bancamía (Colombia)	1.142	5,5	388.101
Financiera Confianza (Peru) (2)	1.575	2,8	357.054
Emprende Microfinanzas (Chile)	744	7,8	10.810
Fondo Esperanza (Chile)	462	0,7	29.927
Corporación para las Microfinanzas (P. Rico)	1.802	24,0	700
Contigo Microfinanzas (Argentina)	878	18,7	900
Microserfin (Panama)	800	4,0	12.223
ADOPEM (Dom. Republic)	406	2,4	61.425

	2012		
	Average loan amount (€) (1)	NPA ratio (%)	Loan Portfolio Volume (thousand €)
Bancamía (Colombia)	1.123	4,4	406.598
Financiera Confianza (Peru) (2)	1.566	2,4	374.185
Emprende Microfinanzas (Chile)	776	7,9	10.899
Fondo Esperanza (Chile)	453	0,6	24.402
Corporación para las Microfinanzas (P. Rico)	1.558	20,9	1.268
Contigo Microfinanzas (Argentina)	1.009	3,6	1.857
Microserfin (Panama)	814	3,2	10.932
ADOPEM (Dom. Republic)	414	2,4	56.787

	2011		
	Average loan amount (€) (1)	NPA ratio (%)	Loan Portfolio Volume (thousand €)
Bancamía (Colombia)	891	2,8	347.615
Financiera Confianza (Peru) (2)	1.551	3,4	352.526
Emprende Microfinanzas (Chile)	855	7,5	8.842
Fondo Esperanza (Chile)	302	0,5	15.584
Corporación para las Microfinanzas (P. Rico)	1.724	17,4	1.240
Contigo Microfinanzas (Argentina)	741	7,3	870
Microserfin (Panama)	1.077	3,9	10.584
ADOPEM (Dom. Republic)	n/a	n/a	n/a

Note: n/a = not applicable. The microfinance institution was not part of the Foundation.

(1) The calculation of the average amount starting in 2013 uses the average placed in the months of the current year, divided between the number of accumulated operations in the same period.

(2) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the values reported in 2012 and 2013 for Financiera Confianza Peru are the consolidated figures for the two companies.

Customer data from the gender perspective

	2013		2012		2011	
	No. of female customers	% female customers/total customers (1)	No. of female customers	% female customers/total customers (1)	No. of female customers	% female customers/total customers (1)
Bancamía (Colombia)	347.956	57,6	295.002	58,7	271.989	60,0
Financiera Confianza (Peru) (2)	250.685	49,5	235.478	51,6	236.549	56,1
Emprende Microfinanzas (Chile)	9.675	63,1	7.690	58,9	4.764	46,1
Fondo Esperanza (Chile)	68.397	85,2	57.167	86,0	46.426	90,0
Corporación para las Microfinanzas (P. Rico)	277	46,4	519	51,4	382	53,1
Contigo Microfinanzas (Argentina)	834	58,9	1.267	58,7	705	60,0
Microserfin (Panama)	6.032	46,9	5.305	48,1	4.824	49,1
ADOPEM (Dom. Republic)	193.185	71,0	175.437	73,0	n/a	n/a
TOTAL	877.041	58,7	777.865	60,1	565.638	59,6

Note: n/a = not applicable. The microfinance institution was not part of the Foundation.

(1) The percentage of women includes both active and passive customers (in net terms).

(2) In 2013 Caja Nuestra Gente merged with Financiera Confianza in Peru, so the values reported in 2012 and 2013 for Financiera Confianza Peru are the consolidated figures for the two companies.

8.2 Support for SMEs

8.2.1 Entrepreneurship

Entrepreneurs play a key role in knowledge sharing for BBVA. This knowledge sharing allows us to stay abreast of new ideas and support entrepreneurs to help them grow, and also get to know them better so we can tailor our products and services to their needs.

With this in mind, we provide support to entrepreneurs through initiatives that promote networking and increase their visibility, with tools and training to help them grow and competitions such as [Open Talent](#) which back the most innovative projects.

The initiatives undertaken in Mexico are notable in the area of new markets and tools: BBVA Bancomer:

- participates in the entrepreneur support program led by the Ministry of the Economy, providing financing and creating a specialist commercial package with special terms and conditions; and
- uses a psychometric model as a risk tool called [Entrepreneurial Finance Lab](#), which analyzes the ethics, business skills, intelligence and attitudes of an entrepreneur to determine his or her ability and willingness to pay. This allows entrepreneurs to access credit that may not otherwise have been available to them due to not meeting traditional risk criteria.
- gives talks at universities on “Entrepreneurship at university” to foster the entrepreneurial spirit among

young people and set professional standards for enterprises.

BBVA uses social networks to provide support to entrepreneurs with specialist and up-to-date information. It is a place for consultation and networking, and creates an active community that interacts with BBVA on a daily basis in search for useful information.

An example of this in Mexico is [yosoypyme.net](#) which receives more than 100,000 visitors a month, and has 125,000 Facebook fans and almost 50,000 Twitter followers.

In Spain, [bbvacontuempresa.es](#) provides tools and simulations, as well as legal, marketing, human resources and other information, an advice service, online training, and other features.

Entrepreneur training initiatives include:

- In Mexico, [BBVA Bancomer – Social Incubator Education and Production Centers](#) run by BBVA Bancomer Foundation in conjunction with the Monterrey Institute of Technology offer micro-enterprises the skills they need to kick-start and consolidate their business. This training benefited over 12,000 people in 2013 and more than 1,618 companies have been set up since it started. Ninety percent of the training courses are grant-based.
- In Venezuela, the BBVA Provincial Foundation [Professorship of Entrepreneurship](#) has been set up in conjunction with Universidad Católica Andrés Bello (UCAB), to foster entrepreneurship and innovation. In 2013, 877 people participated in 48 courses.

- In Turkey, in 2012 Garanti commenced the *School Executive Women Entrepreneur* program in conjunction with Bosphorus University. Women entrepreneurs from a variety of cities receive 100 hours of training on business innovation and sustainable management. Around 500 women have completed the training and follow-up systems are in place to measure the impact on their businesses. The follow-up process includes [interviews with women entrepreneurs](#), with around 1,000 women taking part in 2013.

BBVA also backs other initiatives and competitions to promote entrepreneurship based on economic growth and social development in the communities in which we operate. They include:

- Support for [Emtech 2013](#), the conference on emerging technologies organized by MIT (Massachusetts Institute of Technology).

- BBVA Bancomer's participation in the [«E&Y Entrepreneur of the Year»](#) program, creating a category that gives recognition to SMEs.

- The [«Actívate y Empeñate»](#) entrepreneur competition run by BBVA Provincial, targeted at young people and coordinated by Ashoka Venezuela.

- The third BBVA «Young Social Entrepreneurs» program in Chile.

- The [BBVA-El Espectador Sustainable SME Award](#) in Colombia.

- The [«Yo Soy Empleo»](#) (I am employment) program in Spain.

BBVA also backs social entrepreneurship through the [«Momentum Project»](#) and [«Jóvenes Emprendedores Sociales»](#) (Young social entrepreneurs) programs.

Garanti provides support to women entrepreneurs to boost social and economic development in Turkey. Apart from increasing financing for women entrepreneurs, Garanti also rewards successful ventures with the [«Women Entrepreneurs Competition»](#), which was held for the seventh time in 2013. This year's competition included the Social Entrepreneur of the Year category for the first time.

In 2013, «BBVA Ventures» was also created. This is a strategic project with planned investment of USD 100 million in startups aimed at transforming the financial industry. BBVA will work alongside entrepreneurs and venture capitalists so that the bank can gain expertise in these new trends and foster innovative banking and financial initiatives.

At the Silicon Valley branch, [«BBVA Ventures»](#) is building ties with startup firms, incubators and venture capital funds to identify potential opportunities and share its knowledge of the financial industry's most innovative initiatives.

8.2.2 I am employment

	2013
Businesses benefitting from the program	3,658
No. of people hired	3,397
People hired aged under 30 (%)	38.3
Average number of months hired people had been unemployed	13.2
Installments paid (€)	2,544,750
Installments pledged (€)	5,296,500
People attending training	1,414
Total number of employees in companies receiving financial support	34,010

Scope: BBVA Group

In Spain, BBVA is striving to resolve the biggest challenge of the financial crisis: job creation. February 2013 saw the launch of «*Yo Soy Empleo*» (I am employment). This program provides comprehensive support to SMEs and the self-employed in their key role of creating jobs.

The aim is to create 10,000 new jobs. Three types of assistance are offered, which are independent and compatible with each other:

- Support for recruitment, via Infoempleo. Companies that have job-creating potential are put in contact with job seekers and a free recruitment consultancy service. In 2013, 158 selection processes took place and more than 2,000 job offers were published on the «*Yo soy Empleo*» website.

- Direct support for hiring to promote job creation by providing financial support to companies that hire

unemployed people in Spain. The assistance can be up to €3,000. In 2013, 3,397 grants were awarded which have involved the payment of €2,544,750 at year end and €5,296,500 more committed to be paid in 2014. The 2,172 SMEs and self-employed that have received grants, have created 3,397 new jobs, 74% of them with permanent contracts.

- Free, face-to-face training for growth, consisting of 36 hours over three weekends in cities around Spain, given by leading business schools. In 2013, 1,414 people received training.

Thanks to «*Yo Soy Empleo*», BBVA has become the first bank to join the Strategy for Entrepreneurship and Youth Employment 2013-2016 run by the Ministry for Employment and Social Security. Over the course of the year, more than 60 public and private institutions have joined as [partners](#) to promote the program.

8. High social impact products

In September, the TV program [Código Emprende](#) (Entrepreneur code) was launched. It follows the lives of six entrepreneurs who have to combine their personal lives with completing the challenges and weekly tasks set by the program, assisted by a coach. Viewers followed them on their adventure for seven weeks, after which a panel of experts chose the winner of the €100,000 prize: Elizabet Cuenca, from [OpenDomo Services](#).

Deloitte conducts periodic reviews of the program indicators.

BBVA has also started work on applying the CSR2 methodology to «Yo Soy Empleado». This is a tool created by Mc Kinsey which has been promoted in Spain by SERES Foundation. It measures the impact of corporate responsibility projects from both a social and an economic standpoint

8.2.3 Other initiatives for SMEs

In relation to high social impact products, BBVA is developing other initiatives to support the growth of SMEs and their impact on society.

In Spain, BBVA offers SMEs and entrepreneurs [CreditPyme](#), a financial self-assessment tool that only requires filling out a simple form with basic company information from any device. The score obtained helps the SME to find out its strengths and weaknesses and areas for improvement to increase its financing capacity and compare its situation with the average in the sector.

En 2013 en BBVA contratamos 24.257 operaciones con
In 2013, BBVA arranged 24,257 transactions with ICO

financing, totaling €1,743.3 million. This is 21% more than the previous year, when 21,673 transactions were arranged totaling €1,437.9 million. BBVA's share of ICO financing among financial institutions remains at around 13%.

In the United States, BBVA Compass has identified a great potential in micro-enterprises, a segment that is embracing technology at a rapid pace. To help them manage their business while they are on the move, a mobility package called [Mobility Bundle](#) has been launched. It includes online banking to pay bills or make deposits using a cell phone and, for retailers, credit card payments using a device that connects to their smartphone or tablet. There was a 40% increase in the number of checking accounts opened during the summer 2013 launch.

In Mexico, BBVA Bancomer has signed a [strategic alliance](#) with FedEx, Microsoft and Monterrey Institute of Technology to offer Mexican SMEs the first integrated range of financial services, advice on operations and logistics, promotion of information technology and staff training.

In Peru, 99% of companies operating in the country belong to the segment of micro and medium-sized enterprises, and account for 40-45% of GDP. However, their contribution to the domestic economy is not only limited to the GDP; they are also one of the most important sources of job creation. With this in mind, BBVA Continental has equipped Peruvian entrepreneurs with tools on the [No Soy Pyme, Soy Empresario](#) (I'm not just an SME, I'm a businessperson) website to help grow their businesses, as well as providing information and training possibilities. Promoting and supporting the work of

8. High social impact products

entrepreneurs is a priority for BBVA Continental, who this year launched its [new Business Banking](#) model.

8.3 Support for individuals with special needs

BBVA is committed to finding solutions for people with special needs who find themselves in a vulnerable situation; for example, in Spain due to the current financial and economic crisis, or at-risk groups in the countries in the Americas.

Comprehensive Plan to help families in difficult situations

In Spain, BBVA has been working on a comprehensive plan to find solutions for families who have been in a difficult situation since the start of the crisis. This plan started with mortgage re-financing, which has benefited 62,580 clients, adapting to their ability to pay.

In 2013, further solutions were found for families evicted from their homes due to problems meeting their mortgage payments and who are in a special situation of vulnerability:

- Contribution of 899 houses to the Social Housing Fund (FSV) to provide customers with rented social housing. The rent for these houses ranges from €150 to 400 a month.
- Labor integration in conjunction with the Adecco Foundation, through training for employment, with a benefit of up to €400 a month over two years, depending on the customer's profile. 133 families have benefited,

receiving €3.1 million.

- Agreement to contribute homes, initially 50, to Cáritas Diocesana in Barcelona. This provides comprehensive support aimed at fully integrating at-risk groups into society. The homes are awarded in accordance with the terms of the Cáritas rented social housing program.

Mejora Mutualista

In Mexico, BBVA has launched a comprehensive recovery model (social, physical and financial) for housing developments financed by BBVA Bancomer, with action taken on 1,242 homes in the city of Tijuana. In just a few years these houses had fallen into physical disrepair due to problems with insecurity and vandalism, and their owners had run into serious problems with overdue payments.

BBVA Bancomer is investing in the refurbishment of the houses and is working with the local authorities on improving public services. The idea is to allow owners to meet their mortgage payments as well as their water bills, property tax and maintenance fees. The project is expected to be completed in 2014.

Progress in 2013 included:

- Social recovery: training for 24 resident committees and competitions organized in each community.
- Financial recovery: restructuring of 289 loans for 448 customers. This reduced the default rate from 50% in 2012 to 42% in 2013. House sales have doubled and their value has also increased.
- Physical recovery: includes investment in street lighting

for 860 homes, 44 recycling containers, and bricking up of 103 homes as a protective measure. The local authorities have pledged considerable support in this area.

BBVA Suma

The [BBVA Suma](#) crowdfunding website was launched in 2012. It provides NGOs and other non-profit organizations with a gateway to free funding. Anyone making a donation can discover the current state of causes and emergencies and how much they have raised so far, become an NGO member or check their accountability reports.

Since the site was launched, 80 charitable and 12 humanitarian aid causes have been set up. The total amount raised has been €502,696. In 2013, a special website was created for the [typhoon in the Philippines](#), which has raised more than €12,884.

Flexible mortgage loan

In 2013, in Peru BBVA Continental launched its flexible mortgage loan product, under which borrowers can change their installment payment date or suspend one monthly mortgage payment per year.

8.4 Responsible investment

BBVA promotes initiatives that generate a special impact on society in the area of responsible investment, using three main levers: commitment to socially responsible investment; management of solidarity funds; and management of 100% of the Group employees' pension plan using socially responsible investment criteria. Assets under management in funds managed using socially responsible criteria totaled €3,617.63 million in 2013, accounting for 5.1% of the total funds managed by BBVA at that time.

	2013	2012	2011
Funds with SRI criteria out of total managed funds (%) ⁽¹⁾	5.1	2.6	2.4
Volume of funds with SRI criteria (million euros)	2,978	2,725	2,607
Subscribers in SRI funds	51,355	47,840	48,140
Equity investments under SRI management (%)	22	26	14

*(1) Total assets under management have fallen due to the sale of the pension businesses in Latin America in 2013.
Scope: BBVA Group*

8. High social impact products

Socially Responsible Investment

In 2008, BBVA committed to integrating ESG (environmental, social and corporate governance) aspects in its investment processes by subscribing to the Principles for Responsible Investment sponsored by the United Nations, through its own Employment Fund and through one of the Group's major asset managers, Gestión de Previsión y Pensiones (GPP).

BBVA has also been an active participant in [SpainSIF](#) (a Spanish social responsible investment forum) since its creation in 2008 and is currently a member of its governing board. The aim of SpainSIF, a member of EuroSIF, is to promote the integration of environmental, social and good corporate governance criteria into investment policies in Spain. BBVA Asset Management (BBVA AM) focuses its activity on three core elements:

First, the integration of ESG criteria in the investment process in the pensions area, covering both equity and sovereign debt.

As far as equity is concerned, companies are classified as leading, middle and lagging in each economic sector. The main financial and non-financial ESG risk factors are identified and assigned an ESG rating.

This fulfills a twofold objective: it aligns individual investor interests with the interests of society in general; and it invests in companies with less risk of potential conflicts, negative news or demands that could affect their stock prices and thus the profitability of the investment.

An external MSCI ESG analysis tool is used in this process, covering European companies.

In 2013, with the aim of improving reporting transparency, the reports submitted to the control committees for employment plans include the ESG rating of the equity securities in which the fund invests. Progress has also been made in incorporating social, environmental and corporate governance aspects in sovereign debt investments.

The services of MSCI ESG Research have been contracted for this purpose, with the ESG management and risk exposure information being integrated in the portfolios by the equity management team.

Since 2011 ESG benchmarks are also introduced in due diligence processes that third party funds must exceed to be recommended by BBVA AM.

The second core element is focused on the exercise of voting rights. In 2013 voting rights have been exercised at all of the Annual General Meetings for listed companies registered in Spain and also in European countries. An independent external provider, ISS, was used for this purpose.

The third core element is dialog with companies through active participation in forums such as SpainSIF, of which BBVA is an executive committee member, to promote best practices for the inclusion of ESG criteria.

With respect social-impact investment, BBVA has special products to support social enterprises that have taken part in the Momentum Project. There are high-impact products in both Spain and Mexico with very advantageous financing conditions. An investment vehicle called Momentum Social Investment has been created in Spain, which finances 12 social entrepreneurs with a total of €3.6m. In Mexico, has been agreed to invest €1.1m in 5 companies

through special loans designed specifically for companies in the Momentum Project Mexico.

Solidarity funds

«BBVA Solidaridad» is a mixed income fund that donates 0.55% of the fund's total assets under management every year to a range of NGOs registered in Spain, with each investor being able to choose the NGO.

«BBVA Bolsa Desarrollo Sostenible» is an equity fund that mainly invests in shares in companies that are considered sustainable investment companies, i.e. it invests in companies that are able to include environmental, social, ethical and governance opportunities and risks in their strategy and operating activities with a view to creating medium and long-term value for investors. The fund also makes an annual donation to the Foundation for Applied Medical Research (FIMA).

In Mexico, B+EDUCA is a social responsibility fixed-income fund that allocates 25% of the monthly return directly to the «*Por los que se quedan*» (For those left behind) integration grants.

In Peru, «BBVA leer es estar Adelante» (BBVA Read to get ahead) is a mutual fund that supports a social cause. The investor donates one tenth of the share value (fund price) to the BBVA Continental Foundation program «*Leer es estar adelante*», which aims to improve students' reading comprehension.

BBVA Employment Fund

In line with its investment policy, the BBVA Employment Fund has continued to manage most of its assets (€2,950

million at the close of 2013) according to SRI criteria. The Plan has been committed to the United Nations Principles for Responsible Investment (PRI) since it joined in 2008.

In 2013 a [new sustainability rating was assigned to the BBVA employment fund by Sustainalytics](#), with a twofold aim: to make the process more transparent; and to offer a guarantee to the control committee that SRI criteria will be used by the manager of the BBVA Employment Fund.

Pensions, Latin America

In 2013 BBVA completed the process of selling its pension fund administrators in Latin America.

The review of alternative strategies for its mandatory pension business in the region, announced in May 2012, led to the sale of Afore Mexico and the pension fund administrators AFP Provida in Chile and AFP Horizonte in Colombia and Peru.

BBVA has maintained its firm commitment to Latin America and its development, as can be seen in the Group's major investment plans for the region, as well as the high level of capitalization of its franchises.

Equity investments under SRI management

	2013			2012			2011		
	Mutual equity funds	Employment /Individual (1)	Total equity	Mutual equity funds	Employment /Individual (1)	Total equity	Mutual equity funds	Employment /Individual (1)	Total equity
Assets in equity under SRI criteria (Million euros)	28,1	906,5	934,7	24,3	824,1	848,4	22,6	428,8	451,4
Total assets in equity (Million euros)	1.964,5	2.246,7	4.211,2	1.357,2	1.962,7	3.319,9	1.267,0	1.854,2	3.121,2
Percentage (%)	1,4	40,4	22,2	1,8	42,0	25,6	1,8	23,1	14,5

(1) For employment/individual plans this year, assets in equity under SRI criteria are only those for which investment decision-making was made in accordance with SRI criteria. Total assets in equity for employment/individual plans exclude life-cycle products. Scope: BBVA Group

Volume and members of funds with CR criteria

	2013		2012		2011	
	Volume (million euros)	Members	Volume (million euros)	Members	Volume (million euros)	Members
SRI						
BBVA Desarrollo Sostenible	28,1	5.443	24,3	5.842	22,6	6.312
BBVA Employment Plan	2.950	45.912	2.701	41.998	2.584	41.828
Solidarity funds						
BBVA Solidaridad	10,2	356	10,1	322	13,8	360
B+EDUCA	588	28.202	679,7	27.349	292,1	15.410
Leer es Adelante (1)	41,3	257	28,4	306	n/a	n/a
TOTAL	3.618	80.170	3.443	75.817	2.913	63.910

Note: n/a = not applicable.

(1) Fund launched in 2012.

Scope: BBVA Group

9.

Other
strategic lines

9 OTHER STRATEGIC LINES

The Responsible Business strategy establishes three priorities (TCR communication, education and high social-impact products), as well as the following strategic lines:

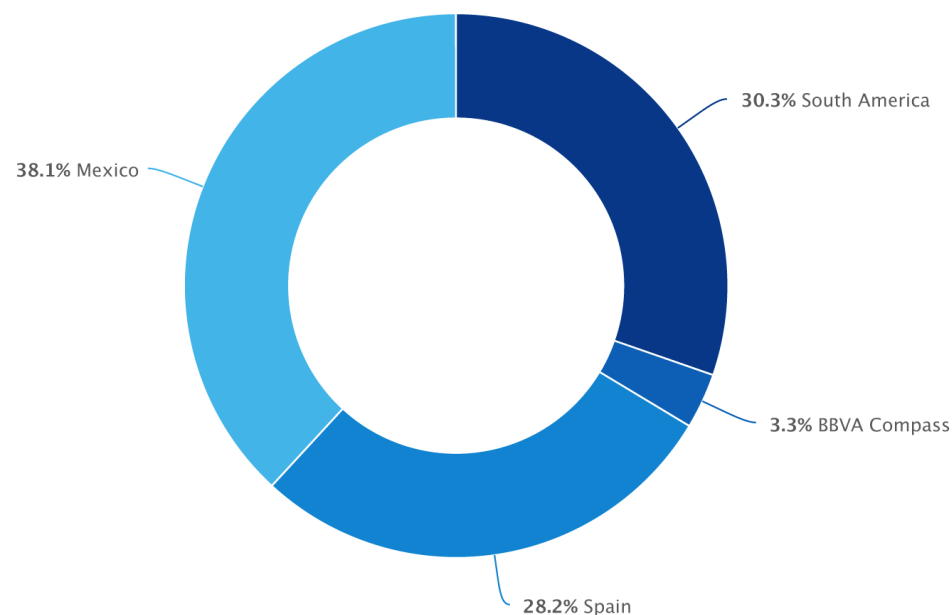
- Social and environmental risks and costs
- Eco-efficiency and responsible procurement
- Value-based leadership
- Social engagement and volunteer work
- Gender diversity and the disabled
- Remuneration
- Science and culture

9.1 Customers

Customers are at the core of BBVA's strategy. BBVA's main goal is to gain an insight into them, provide them with products and services they need and establish lasting relations of trust.

With nearly 50 million customers around the world, BBVA aims to provide an outstanding service for which it can be recognized worldwide. The Quality and Customer Experience Departments in the banks that belong to the BBVA Group strive to maintain ongoing dialogue with their customers, while transmitting to employees the importance of providing service of outstanding quality.

Geographical breakdown of number of customers:



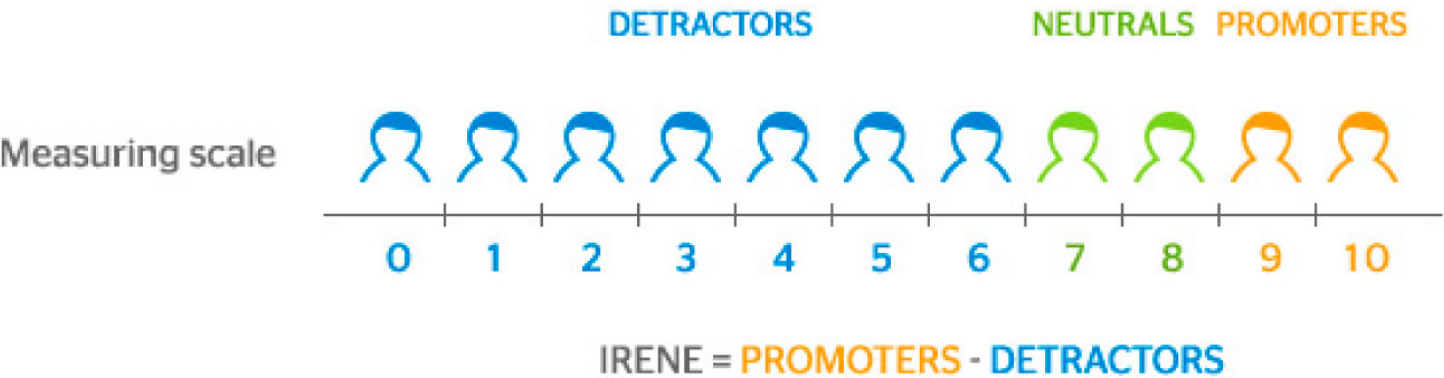
9.1.1 Customer insight

BBVA's goal is to set the benchmark as a banking group in terms of customer experience, and so become the bank that is most recommended by its customers in all the geographical areas in which it operates. In 2012 BBVA launched a global recommendation-based methodology called IReNe (Net Recommendation Indicator) whose deployment has continued in all the Group's banks in 2013.

Based on the world benchmark methodology Net Promoter® Score (NPS), IReNe asks to what extent customers would recommend BBVA's products or services, classifying their willingness to recommend on a scale of 0 to 10. The level of recommendation provides a measure of how satisfied customers are with the bank.

The customers' replies are analyzed to discover their reasons for recommending BBVA, their negative experiences and to what extent the bank is meeting their expectations. Areas for improvement can therefore be worked upon to continue to satisfy customers.

Although occasional satisfaction surveys are still conducted for different purposes, the Group has decided to use IReNe to measure customer satisfaction with reporting and follow-up at the highest management level. More than just a metric, it is considered a methodology that can improve the bank's processes and customer service model and demonstrate the organization's commitment to customers.



Since in 2012 the bank started measuring the level of recommendation and analyzing customer answers to find areas for improvement, the trend in the IReNe indicator has been positive in practically all the countries where BBVA operates:

Taking into account the measurements made in 2013, the bank has become a benchmark in customer valuations in relation to its competitors Argentina and Peru, while progress has been made in Venezuela and Spain.

IReNe trend by bank⁽¹⁾

Spain	9
Mexico	8
United States	-2
Argentina	-29
Chile	4
Colombia	7
Perú	2
Venezuela	15
Paraguay	1
Uruguay	2

*(1) The difference between the value of the NPS in the second half of 2013 and the second half of 2012, expressed in percentage points.
Scope: BBVA Group*

IReNe, BBVA and peer group ⁽¹⁾⁽²⁾

Spain	3
Mexico	1
United States ⁽³⁾	-18
Argentina	-7
Chile	3
Colombia	1
Perú	8
Venezuela	13
Paraguay	6
Uruguay	8

(1) The difference between the value of the NPS in the second half of 2013 and the second half of 2012, expressed in percentage points.

(2) Distance from peer: distance from the average of the banks in the peer group, not including BBVA.

(3) In the second half of 2013, the BBVA Compass peer group has been rebuilt to include new banks that are more appropriate to its scope of influence, so this value has been affected.

Scope: BBVA Group

9.1.2 Complaints and claims management

Customer complaints and claims continue to be an excellent starting point for improving the Group's processes because they tell us exactly which areas need to be changed to make life easier for our customers. The current economic situation, growth of the business in some regions and more demanding financial rules and regulations for financial institutions, are all forcing BBVA to make a bigger effort to manage any request, suggestion or disagreement from customers.

The complaints and claims management models are being revised throughout the Group with an emphasis on

swift and flexible response, management and resolution, using more efficient channels, and in general simplifying processes. As a result of this work, average complaints management times are being reduced and customer perceptions on the quality of the process are improving. In 2013, the average time for resolving complaints and claims in the Group was 12 calendar days.

One of the most important landmarks in complaints management in recent years has been the First Contact Resolution (FCR) methodology, in which certain types of complaints are resolved at the time the customer makes them. Initially implemented by Bancomer, this methodology has been extended to all the Group's

	2013	2012	2011
Average time for settling complaints (days) ⁽¹⁾⁽²⁾	12	9	10
Complaints settled by FCR (%) ⁽³⁾⁽⁴⁾	19	n.a.	n.a.
Number of complaints before the banking authorities ⁽⁵⁾⁽⁶⁾⁽⁷⁾	879	647	867

n.a. = not applicable

(1) In Spain, not including the claims related to floor clauses, the average resolution time would be 11.5 days.

(2) The historical series in Mexico and Colombia have been recalculated to give data in calendar days.

(3) In Spain the FCR is applied to credit card incidents, but not to claims.

(4) This kind of management is not applied in Portugal and Paraguay.

(5) For each billion euros of activity. Activity: Gross customer lending + total customer funds.

(6) Not including Paraguay and Uruguay in 2012 and 2011.

(7) Figures for 2013 are provisionals.

Scope: Spain, Mexico and South America

banks and currently a high percentage of complaints are resolved on the same day, leading to greater customer satisfaction. In 2013, 19% of customer claims were resolved using this methodology.

As well as working to resolve customer complaints quickly, BBVA analyzes the root causes to find out what is causing the complaint and to rectify it. There are complaints analysis committees in almost all of the Group's banks. These committees meet on a regular basis. After having analyzed the cases, they propose solutions to eliminate or, where this is not possible, reduce complaints due to those causes.

Complaints made by customers to supervisory bodies are handled by the Bank's specialist units and monitored closely by complaints management teams, to ensure they

are resolved to the satisfaction of all the parties involved. In 2013, 879 complaints were made to the banking authorities throughout the Group.

The Customer Ombudsman, which exists in most of the Group's banks, makes recommendations and proposals to foster good banking practices and relationships of trust between the bank and customers.

Average time for settling complaints by country (in calendar days)

	2013	2012	2011
Spain (1)	34	7	5
Mexico (2)	8	7	7
Argentina	19	12	14
Chile	8	9	12
Colombia (2)	7	7	12
Paraguay	7	n/a	n/a
Peru	12	16	11
Portugal	6	6	10
Uruguay	9	n/a	n/a
Venezuela	6	6	7

n/a = not applicable

(1) In Spain, not including the claims related to floor clauses, the average resolution time would be 11.5 days.

(2) The historical series in Mexico and Colombia have been recalculated to give data in calendar days.

Scope: Spain, Mexico and South America

Complaints settled by FCR by country

	2013	2012	2011
Spain (1)	n.a.	n.a.	n.a.
Mexico	16	n.a.	n.a.
Argentina	33	n.a.	n.a.
Chile	30	n.a.	n.a.
Colombia	82	n.a.	n.a.
Paraguay (2)	n.a.	n.a.	n.a.
Peru	37	n.a.	n.a.
Portugal (2)	n.a.	n.a.	n.a.
Uruguay	18	n.a.	n.a.
Venezuela	23	n.a.	n.a.

n.a. = not available.

(1) In Spain the FCR is applied to credit card incidents, but not to claims.

(2) This kind of management is not applied in Portugal and Paraguay.

Scope: Spain, Mexico and South America

Complaints before the banking authorities, by country (1)

	2013 (2)	2012	2011
Spain	4	2	2
Mexico	394	302	421
Argentina	160	96	91
Chile	16	19	30
Colombia	142	114	207
Paraguay (3)	1	n.a.	n.a.
Peru	41	39	31
Portugal	21	15	11
Uruguay (3)	12	n.a.	n.a.
Venezuela	88	60	74

(1) For each billion euros of activity. Activity: gross customer lending + total customer funds.

(2) Figures for 2013 are provisionals.

(3) Not including Paraguay and Uruguay in 2012 and 2011.

Scope: Spain, Mexico and South America

9.1.3 Omni-channel banking

BBVA has worked in recent years to create a multi-channel distribution model, with a greater importance given to non-physical channels, mainly digital. This way the bank can fulfill the demands of increasingly digital customers, make the most of new technology possibilities and become pioneers in establishing new customer relationship models that exploit every channel for customer interaction.

Omni-channel banking goes one step further than multi-channel banking, beyond the concept of channels as “silos”, the connectivity gaps between channels and the limited range of goods and services in digital channels. How do we do it?

- By ensuring consistency regardless of the channel the customer is using.

- By providing seamless journeys in processes where the customers use and combine different channels.
- By creating a full channel choice, focusing on distribution via digital channels (Internet and mobile).

BBVA has decided to extend this transformation with a plan for the 2013-2016 period, with three main objectives:

- To be the best valued bank in customer experience, and specifically take the lead in digital channel experience (Internet and mobile), measured in terms of customer recommendations (IReNe).
- Increase the penetration of digital channels in the customer database and lead competitors, with the aim of doubling the number of Internet banking customers and quadrupling mobile banking customers.

	2013	2012	2011
Transactions by channel (%) ⁽¹⁾			
Branches	33.8	35.8	37.7
Self-services	17.5	19.7	20.5
Online	47.6	43.1	40
Telephone	1.1	1.4	1.7
Customers by channel ⁽¹⁾			
Internet	5.631.896	4.617.970	4.039.279
Telephone	2.426.933	2.326.576	2.452.827

*(1) The historical series has been recalculated to reflect the divestment of Puerto Rico and Panama.
Scope: Spain, Mexico and South America*

- Achieve a real omni-channel system by increasing sales and transactions in non-branch channels, with particular emphasis on sales by digital channels.

This transformation has had clear effects in 2013:

- New websites launched in leading markets (Spain, Mexico and U.S.): the websites have been given more intuitive context browsing, with browsing actions being linked to each product type.
- New mobile banking applications launched, with a very significant growth in the number of users, and incorporation of innovative functionalities. BBVA is making a firm strategic commitment to cell phones, as it considers this is the best way of connecting with customers and helping them in their day-to-day needs.
- New branch layouts that are more innovative, modular and adapted to customer needs, based on the pilot FlagShip branch. They are larger and include transaction, commercial and employee areas, a welcome area with innovative marketing elements (the experience area), a specialist customer service area and a function room for internal and external events, talks and exhibitions.

9.1.4 Customer protection

The BBVA Group has set up IT security controls to prevent and mitigate cyber attacks that could have a material impact on the Group's results. These controls are part of the risk evaluation and mitigation system within the corporate internal control and operational risk structure, to ensure proper identification and effective control in compliance with the Sarbanes-Oxley Act.

The identified risks are basically divided into those which could affect availability of systems and supporting processes and those which could affect the confidentiality and integrity of the information processed in the systems.

Risks affecting availability are managed and mitigated through the Business Continuity Plans and System Continuity Plans.

In accordance with BBVA's business continuity methodology, 139 business continuity plans were implemented over the year in 24 countries in which the Group operates. Tests were run on each of these plans that enable them to be updated and to inform the Business Continuity Committee of their situation.

Some of these plans and the relevant crisis committees had to be activated in the wake of catastrophes that had an impact on BBVA's day-to-day activities in certain regions, for example the earthquake in Arequipa (Peru), tropical storms Manuel and Ingrid that affected the branch network in various Mexican states, the blackout that affected the whole of Venezuela, the blackout in Santiago de Chile and blockades at the Bancomer center in Mexico City and the Vallarta region.

In all of these cases, through the implementation of business continuity measures, BBVA was able to continue to render its critical services to customers and to comply with its obligations to society and the various authorities.

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

Risks that could affect the confidentiality and integrity of information are managed and mitigated through programs set up across the BBVA Group as part of the successive information security master plans. The master plans are ongoing and take into account the new technology-related risks that the Group faces. Organizational and technical mechanisms have been established to ensure the necessary security measures are in place to meet these new challenges.

The BBVA Group has not experienced any security incidents in 2013 that constitute a materiality either individually or as an aggregate.

BBVA has a set of security and monitoring measures in place to prevent cyber-security incidents from occurring and to detect them early if they occur, allowing swift action that limits damage to the Group.

In 2013 fraud management in the BBVA Group has focused on improving processes and tools that improve fraud prevention and reduce its occurrence.

In terms of personal data protection, along 2013 introduction of improvements have been carried out in the action plans resulting from the biennial audits on security measures under Royal Decree 1720/2007 of December 21. These audits were conducted on entities in the BBVA Group in Spain in 2012, with no significant shortcomings being detected in any of them.

The process of adapting, improving and standardizing the personal data protection activities that must be carried out in each jurisdiction where the BBVA Group operates was also continued in 2013. Of note were the adaptation and implementation actions carried out in BBVA Colombia and BBVA Banco Continental to comply with the new regulatory requirements in Colombia and Peru.

9.2 THE TEAM

Committed employees are one of the three core elements on which the Responsible Business strategy rests. It aims to promote a culture of social commitment and shared values among all the BBVA team.

This element is developed through four basic lines of action: value-based leadership in training; promotion of volunteering activities and social engagement by employees; diversity in gender and disability; and a model of remuneration based on long-term value creation for all the stakeholders.

The BBVA Group has a team of 109,305 people located in 30 countries. In terms of distribution by gender, 53% of the team are women and 47% men. The average age is 38 and the average length of service is 10.9 years. Regarding

the management positions, it is worth noting that 90% were recruited locally in communities where significant investments are made.

BBVA conducts annually a process to give public recognition to the twelve employees whose attitude has demonstrated either outstanding commitment to customers, simplicity, teamwork or responsibility managing the business. In the last edition, more than 800 people were nominated by their superiors for the BBVA Pasiónx3 prizes.

Basic employee data

	2013	2012	2011
Number of employees	109,305	115,852	110,645
Average length of service (years)	10.9	10.6	10.5
Average age (years)	37.8	37.6	37.6
Gender diversity (% women)	53	53	52
Turnover (%) ⁽¹⁾	11.6	10.9	9.5
Employee satisfaction index (%) ⁽²⁾	n.a.	n.a.	n.a.

n.a. = Not applicable
⁽¹⁾ Turnover = [Resignations (excluding early retirement)/No. employees at the start of the period] x 100
⁽²⁾ In 2010 the satisfaction indicator was 73; there are no surveys in odd years
Scope: BBVA Group

Average employee age (years) and breakdown by age bracket (%)

	2013				2012				2011			
	Average age	<25	25-45	>45	Average age	<25	25-45	>45	Average age	<25	25-45	>45
Spain and Portugal	42,3	0,5	62,3	37,2	42,1	0,7	61,4	37,9	42,0	1,1	58,8	40,1
Mexico	34,1	14,1	71,4	14,4	33,8	16,9	69,4	13,7	33,7	17,9	68,7	13,4
United States	39,8	8,2	60,1	31,8	39,5	8,4	60,5	31,1	37,4	8,5	60,2	31,3
South America	37,1	9,0	69,5	21,5	37,2	8,6	69,5	21,9	37,1	8,1	70,6	21,3
Rest of the World	39,9	1,3	72,0	26,7	39,1	1,5	74,3	24,2	38,9	2,2	76,3	21,5
Group average	37,8	8,2	67,2	24,7	37,6	9,1	66,4	24,6	37,6	9,4	65,7	24,9

Scope: BBVA Group

Average length of service (years)

	2013	2012	2011
Spain and Portugal	17	16,9	16,9
Mexico	8	7,6	8,2
United States	6,7	6,5	6,7
South America	9,6	9,4	8,9
Rest of the World	6,2	5,5	4,1
Group average	10,9	10,6	10,5

Scope: BBVA Group

Employees by job category and geographical area

	2013		2012		2011	
	No. of employees	(%)	No. of employees	(%)	No. of employees	(%)
Spain and Portugal						
Management Committee and Corporate Managers	216	0,7	209	0,6	212	0,7
Senior Management	939	3,0	944	2,9	948	3,2
Middle Management	1.835	5,9	1.747	5,4	1.779	6,0
Specialists	8.864	28,4	10.042	30,8	8.508	28,5
Sales force	12.633	40,5	12.931	39,7	11.241	37,7
Rank and file	6.720	21,5	6.679	20,5	7.123	23,9

	2013		2012		2011	
	No. of employees	(%)	No. of employees	(%)	No. of employees	(%)
Mexico						
Management Committee and Corporate Managers	64	0,2	60	0,2	60	0,2
Senior Management	275	0,7	292	0,7	283	0,8
Middle Management	488	1,3	526	1,3	483	1,3
Specialists	12.291	32,8	11.803	30,1	10.412	29,0
Sales force	14.402	38,4	15.880	40,5	13.752	38,3
Rank and file	9.999	26,7	10.683	27,2	10.960	30,5
United States						
Management Committee and Corporate Managers	14	0,1	15	0,1	14	0,1
Senior Management	137	1,2	130	1,2	151	1,2
Middle Management	2.364	21,4	2.476	21,9	2.991	23,4
Specialists	1.904	17,2	1.780	15,8	2.115	16,5
Sales force	2.503	22,6	2.310	20,5	2.426	19,0
Rank and file	4.133	37,4	4.576	40,5	5.101	39,9
South America						
Management Committee and Corporate Managers	54	0,2	54	0,2	53	0,2
Senior Management	241	0,8	258	0,8	263	0,9
Middle Management	3.255	11,4	3.218	10,2	3.266	10,6
Specialists	9.285	32,6	10.215	32,4	10.548	34,3
Sales force	8.311	29,2	9.860	31,3	9.314	30,3
Rank and file	7.336	25,8	7.888	25,0	7.280	23,7
Rest of the World						
Management Committee and Corporate Managers	15	1,4	14	1,1	15	1,1
Senior Management	83	8,0	99	7,8	85	6,2
Middle Management	350	33,6	411	32,2	424	31,1
Specialists	512	49,1	545	42,7	600	44,1
Sales force	30	2,9	65	5,1	56	4,1
Rank and file	52	5,0	142	11,1	182	13,4
Average Group						
Management Committee and Corporate Managers	363	0,3	352	0,3	354	0,3
Senior Management	1.675	1,5	1.723	1,5	1.730	1,6
Middle Management	8.292	7,6	8.378	7,2	8.943	8,1
Specialists	32.856	30,1	34.385	29,7	32.183	29,1
Sales force	37.879	34,7	41.046	35,4	36.789	33,2
Rank and file	28.240	25,8	29.968	25,9	30.646	27,7

Scope: BBVA Group

9.2.1 Recruitment, training and development

In 2013 BBVA was recognized by the international consulting firm Great Place To Work as the best financial institution in the world to work for in the GPTW ranking, which highlights the most valued multinationals in countries other than those of their parent companies. Among the factors highlighted by GPTW is the Group's capacity to attract and develop talent.

This facet is shown clearly in the more than 350,000 CVs received in 2013, which has led to the entry of 14,094 new recruits into the Group, 59% of them people under the age of 30. Most were hired in the country of origin. In addition, 2,000 people, 900 of them in Spain, have had the opportunity to carry out work practices in the Group.

With investment of €38.7 million, training this year has focused on boosting customer relations, legal requirements and risks (through the "Risk Learning Program"). It is worth mentioning that 51% training activities are carried out via e-learning, including the specific training in Corporate Responsibility.

In 2013 BBVA received the CLIP (Corporate Learning Improvement Process) certification from the European Foundation for Management Development (EFMD), in recognition of the quality of the Group's corporate training at Campus BBVA.

Basic BBVA training data

	2013	2012	2011
Total investment in training (thousand euros)	38,690	38,198	42,230
Investment in training per employee (euros) ⁽¹⁾	344	335	385
Hours of training per employee ⁽¹⁾	46	48	48
Satisfaction rating of training (out of 10)	8.5	9 ⁽²⁾	9
Employees who have received training during the year (%) ⁽¹⁾	97	92	75
Volume of subsidies received in Spain for training from FORCEM (Million euros)	3.2	3.8	3.5

(1) Figures calculated according to the average workforce for the year.

(2) Average satisfaction rating for training in Argentina, Colombia, the United States, Peru, Spain, Venezuela, Mexico and Chile (99% of total hours of training given).

Scope: BBVA Group

The BBVA Bancomer University has been launched in Mexico, where pre-university, undergraduate and postgraduate studies can be pursued. It has started with 296 employees registered to conclude their high-school diploma.

Another crucial aspect in development within the organization is the two-yearly process that determines the strengths and areas for improvement of each of the BBVA professionals. Following an individualized analysis a personal training proposal is established, which takes into account the elements to be improved and the courses that are most appropriate for this purpose.

As a way of favoring career development and transparency in promotion criteria, the positions available are published in «apúntate+», BBVA's global internal job posting tool.

Voluntary resignations (turnover)(1) and breakdown by gender (%)

	2013			2012			2011		
	Total turnover	Men	Women	Total turnover	Men	Women	Total turnover	Men	Women
Spain and Portugal	0,3	67,1	32,9	0,3	65,1	34,9	0,5	60,0	40,0
Mexico	23,7	49,7	50,3	21,9	46,8	53,2	16,3	48,7	51,3
United States	16,5	39,0	61,0	14,6	37,8	62,2	15,9	33,6	66,4
South America	6,6	44,6	55,4	6,7	44,7	55,3	7,8	45,7	54,3
Rest of the World	8,2	64,8	35,2	6,4	56,3	43,7	7,7	52,3	47,7
Group average	11,6	47,7	52,3	10,8	45,2	54,8	9,5	45,2	54,8

(1) Turnover = [Resignations (excluding early retirement)/No. employees at start of period] x 100.
Scope: BBVA Group

Recruitment of employees (1)

	2013	2012	2011
Spain and Portugal (2)	2.279	5.258	3.341
Mexico	13.962	15.514	10.161
United States (3)	2.611	2.707	3.124
South America (4)	5.054	5.525	5.834
Rest of the World	109	121	323
Total Group	24.015	29.125	22.783

Of which new hires are:

Spain and Portugal	647	1.191	971
Mexico	6.497	7.398	5.742
United States	2.424	2.665	3.118
South America	4.421	4.199	4.778
Rest of the World	105	112	304
Total Group	14.094	15.565	14.913

(1) Including recruitments by consolidation.

(2) Including 3,154 new hires due to the incorporation of UNNIM in 2012.

(3) For 2012, includes employee hires in Puerto Rico until its sale.

(4) For 2013, includes employee hires in Panama until its sale.

Scope: BBVA Group

Discharge of employees

	2013	2012	2011
Spain and Portugal			
Retirement and early retirement	1.138	718	749
Voluntary redundancies	110	69	64
Resignations	82	83	135
Others	2.309	1.636	1.853
Mexico			
Retirement and early retirement	136	170	151
Voluntary redundancies	362	143	14
Resignations	9.307	7.862	5.540
Others	5.882	4.045	2.588
United States (1)			
Retirement and early retirement	70	51	82
Voluntary redundancies	0	0	45
Resignations	1.867	1.872	2.029
Others	906	2.295	971
South America (2)			
Retirement and early retirement	3	0	3
Voluntary redundancies	598	477	712
Resignations	2.093	2.064	2.322
Others	5.371	2.215	1.681
Rest of the World			
Retirement and early retirement	4	2	3
Voluntary redundancies	66	21	64
Resignations	105	87	88
Others	153	108	20
Total Group			
Retirement and early retirement	1.351	941	988
Voluntary redundancies	1.136	710	899
Resignations	13.454	11.968	10.114
Others	14.621	10.299	7.113

(1) For 2012, includes employee losses in Puerto Rico until its sale.

(2) For 2013, includes employee losses in Panama until its sale.

Scope: BBVA Group

9.2.2 Diversity and work/life balance

To favor equal opportunity between men and women, BBVA has for some time been working in the area of gender diversity.

The Global Gender Diversity Plan is based on three lines of action: maternity, promotion and development and awareness. It includes eight corporate initiatives that have already been implemented. Initiatives of a local nature are also being developed in individual countries/areas.

The ratio of gender diversity has improved by 79 basis points in women in senior management to 11.02%, and by 65 basis points in the percentage of female executive managers, to 19.28%.

In 2013 the networking website “genera!” has been extended to cover all the Group’s employees, with the aim of sharing opinions, experiences and news related to gender diversity.

BBVA is a signatory of the Diversity Charter at European level, and of the Women’s Empowerment Principles of UN Women, as an entity that promotes diversity and equality between men and women.

In Spain there is an Equality Supervisor to facilitate and guarantee the principles of gender equality, as well as the protocol for action in cases of moral harassment. The position has been established to strengthen the culture of equality of treatment within the Bank and the principles of the Code of Conduct and Equality Plan. Also in force is the collaboration agreement with the Ministry of Health, Social Services and Equality to raise awareness and prevent gender-based violence.

In the area of the work/life balance, the voluntary measures taken by mutual agreement have continued in place. They combine an improvement in efficiency with the flexibility required to balance work and personal life.

In Spain, these measures allow a period of 3 to 5 years off to be taken for personal or professional reasons, leave for postgraduate studies or reductions in working hours.

Two recognitions have been renewed: the Equality Seal of Distinction granted by the Ministry of Health, Social Services and Equality in Spain to companies that actively promote equality, and the Family-Responsible Company Certificate. BBVA continues to form part of the Red Concilia network of the Madrid City Council, which aims to promote new business practices with respect to the work/life balance.

BBVA wants to give an opportunity to people with disabilities by contracting suppliers who are special employment centers, and supporting social organizations that work in the field of the disabled. It plans to launch a Strategic Plan for people with Different Capacities in 2014.

The V «BBVA Integra Award» was granted in 2013, supporting the social and labor integration of people with disabilities by collaboration with organizations that represent the disabled. It consists of a main cash prize of €200,000, which this time has been granted to the enterprise Galega de Economía Social, as well as €50,000 to recognize the high value of the projects submitted by six other organizations.

As part of its work with the Adecco Foundation to promote employment for people with disabilities, BBVA

has contributed with other companies to provide people with 2,434 employment contracts on the ordinary job market. This is a great step forward that has enabled thousands of people with disabilities to enter society on an equal footing.

Breakdown of employees by gender and job category (%)

	2013		2012		2011	
	Men	Women	Men	Women	Men	Women
Spain and Portugal	53,4	46,6	54,0	46,0	55,5	44,5
Management Committee and Corporate Managers	88,0	12,0	90,0	10,0	90,1	9,9
Senior Management	79,8	20,2	80,2	19,8	80,8	19,2
Middle Management	67,5	32,5	68,9	31,1	70,9	29,1
Specialists	53,5	46,5	52,9	47,1	55,9	44,1
Sales force	48,9	51,1	50,2	49,8	50,8	49,2
Rank and file	53,3	46,7	54,3	45,7	54,0	46,0
Mexico	46,4	53,6	46,0	54,0	47,1	52,9
Management Committee and Corporate Managers	93,8	6,3	90,0	10,0	91,7	8,3
Senior Management	86,2	13,8	88,0	12,0	88,7	11,3
Middle Management	79,3	20,7	78,7	21,3	80,3	19,7
Specialists	51,0	49,0	52,4	47,6	54,1	45,9
Sales force	48,9	51,1	46,1	53,9	48,4	51,6
Rank and file	34,3	65,7	35,6	64,4	36,0	64,0
United States	37,0	63,0	36,0	64,0	35,4	64,6
Management Committee and Corporate Managers	100,0	0,0	100,0	0,0	100,0	0,0
Senior Management	83,9	16,1	83,1	16,9	75,5	24,5
Middle Management	47,4	52,6	46,8	53,2	42,0	58,0

	2013		2012		2011	
	Men	Women	Men	Women	Men	Women
Specialists	38,7	61,3	37,8	62,2	40,5	59,5
Sales force	49,0	51,0	48,5	51,5	49,2	50,8
Rank and file	21,2	78,8	21,7	78,3	21,5	78,5
South America	45,7	54,3	45,3	54,7	46,0	54,0
Management Committee and Corporate Managers	85,2	14,8	87,0	13,0	88,7	11,3
Senior Management	74,3	25,7	75,2	24,8	75,3	24,7
Middle Management	53,1	46,9	56,4	43,6	60,4	39,6
Specialists	49,9	50,1	47,6	52,4	48,0	52,0
Sales force	38,0	62,0	38,6	61,4	36,6	63,4
Rank and file	44,6	55,4	45,0	55,0	47,1	52,9
Rest of the world	62,9	37,1	62,5	37,5	61,7	38,3
Management Committee and Corporate Managers	86,7	13,3	85,7	14,3	93,3	6,7
Senior Management	86,7	13,3	86,9	13,1	85,9	14,1
Middle Management	72,9	27,1	76,4	23,6	76,7	23,3
Specialists	53,1	46,9	54,1	45,9	55,3	44,7
Sales force	40,0	60,0	40,0	60,0	37,5	62,5
Rank and file	59,6	40,4	45,8	54,2	41,8	58,2
Group average	47,4	52,6	47,3	52,7	47,9	52,1
Management Committee and Corporate Managers	89,0	11,0	89,8	10,2	90,7	9,3
Senior Management	80,7	19,3	81,4	18,6	81,0	19,0
Middle Management	57,1	42,9	58,5	41,5	58,2	41,8
Specialists	50,7	49,3	50,4	49,6	51,7	48,3
Sales force	46,5	53,5	45,7	54,3	46,2	53,8
Rank and file	39,6	60,4	40,2	59,8	40,5	59,5

Scope: BBVA Group

Employees by contract type and gender (%)

	2013			2012			2011		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain and Portugal									
Full-time permanent or indefinite-term	54,6	45,4	95,1	55,3	44,7	95,0	57,0	43,0	93,2
Part-time permanent or indefinite-term	8,5	91,5	1,6	3,1	96,9	1,5	2,5	97,5	1,1
Temporary	41,0	59,0	3,3	39,7	60,3	3,5	40,8	59,2	5,8
México									
Full-time permanent or indefinite-term	46,8	53,2	86,2	46,8	53,2	83,4	48,1	51,9	85,3
Part-time permanent or indefinite-term	36,2	63,8	4,7	36,6	63,4	4,3	34,7	65,3	4,5
Temporary	48,4	51,6	9,2	43,7	56,3	12,3	43,8	56,2	10,2
United States									
Full-time permanent or indefinite-term	37,7	62,3	94,8	36,9	63,1	94,2	36,2	63,8	94,2
Part-time permanent or indefinite-term	23,1	76,9	5,2	22,1	77,9	5,8	22,3	77,7	5,7
Temporary	100,0	0,0	0,0	50,0	50,0	0,0	64,3	35,7	0,1
South America									
Full-time permanent or indefinite-term	46,4	53,6	92,2	45,8	54,2	91,2	46,2	53,8	90,7
Part-time permanent or indefinite-term	24,2	75,8	2,3	26,8	73,2	1,7	28,0	72,0	1,3
Temporary	42,7	57,3	5,5	43,2	56,8	7,1	45,3	54,7	8,0
Rest of the World									
Full-time permanent or indefinite-term	62,7	37,3	99,0	62,5	37,5	99,0	62,1	37,9	98,5
Part-time permanent or indefinite-term	50,0	50,0	0,4	0,0	0,0	0,0	0,0	0,0	0,0
Temporary	100,0	0,0	0,6	61,5	38,5	1,0	38,1	61,9	1,5
Group average									
Full-time permanent or indefinite-term	48,2	51,8	91,3	48,2	51,8	90,0	48,8	51,2	90,1
Part-time permanent or indefinite-term	27,8	72,2	3,2	27,5	72,5	2,9	27,5	72,5	2,8
Temporary	45,8	54,2	5,5	43,0	57,0	7,1	43,6	56,4	7,1

Scope: BBVA Group

9.2.3 Compensation and remuneration

BBVA considers that a reward policy is a key element for value creation. That is why it has an advanced remuneration system in place, based on the reciprocal generation of value for employees and the Group. The system is in line with the interests of shareholders and depends on prudent risk management. It takes into account the following principles:

- Long-term value creation.
- Compensation for the achievement of results based on prudent and responsible assumption of risks.
- Attraction and retention of the best professionals.
- Compensation for the level of responsibility and professional career history
- Internal equity and external competitiveness.
- Use of market benchmarks through analyses carried out by firms of recognized prestige that are leaders in the compensation consultancy sector.
- Ensure transparency in the remuneration policy.
- Guarantee there are no differences in remuneration by gender.

This system of remuneration is adapted at all times to legal specifications. It also aims to incorporate the standards and principles of the best generally accepted

national and international practices in remuneration and good governance of companies at any time. It is a dynamic system that is constantly evolving and improving.

To sum up, the combination of these elements results in a balanced system of remuneration that is coherent with the Group's strategy and its values, as well as shareholder interests.

Remuneration is made up of two clearly differentiated parts:

- A fixed compensation, which is established by taking into consideration the level of responsibility and professional career of the employee within the Group, setting a benchmark salary for each function.
- Variable remuneration, which compensates value creation in the Group through each of the units that make up BBVA, remunerating individual contributions, those of the teams and the aggregate of all of them. Variable remuneration aims to recompense achievement at the individual, group and organizational level, measured through customer, financial and other indicators. The model also includes an indicator with a weighting of 10% of the total, which recognizes the practical implementation of the BBVA corporate culture. This is particularly true of responsibility, meaning awareness of the impact individual and collective actions have on society and customers.

The ordinary variable remuneration model is directly related to results, so a reduction of results brings with it a

decrease in the amounts to be received by employees. BBVA employees also have a range of social benefits that vary between geographical areas. Overall, the most notable are preferential conditions for loans and deposits, and special treatment with regard to questions such as sick leave, medical insurance, etc.

9.2.4 Working conditions

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

With respect to health and safety at work, the Occupational Risk Prevention Service has continued to apply the BBVA Group’s corporate culture based on the commitment to work for a better future for people. This has included supervising health, risk evaluation, adaptation of job positions, establishment of emergency plans, road safety, etc. Health promotion campaigns have also been organized, as well as training and information activities for workers through the Occupational Health Portal, with the aim of improving the quality of life for people who work at BBVA.

Planning of the new corporate BBVA corporate headquarters in Madrid has been of particular importance.

In Spain, BBVA has its own medical services, which carried out more than 8,000 healthcare actions. Work has also

Breakdown of employees by gender and job category (%)

	2013	2012	2011
No. of technical preventive procedures	3,334	2,829	2,983
Preventive actions to improve working conditions	4,113	3,624	3,684
Appointments for health checks	19,367	16,361	20,037
Employees represented in health and safety committees (%)	100	100	100
Absenteeism rate (%)	2	1.9	2.4

Scope: BBVA Group

In Spain the collective agreement for the banking sector is applicable to 100% of the workforce. There are also company agreements that complement and develop the provisions of the collective agreement that are signed with the labor unions sitting on the works committees. The labor union representatives in these works committees are chosen every four years by personal, free, direct and secret ballot.

continued on the organization and promotion of blood donor campaigns.

The rate of absenteeism in the Group in 2013 was 1.49%, down on the figure of 1.64% in 2012. The accident rate in the Group is 1.62%. It is negligible in Spain, Peru and Venezuela, and highest in Mexico.

In 2013 no Employee Satisfaction Survey was carried out (it is biennial), but action plans were implemented to improve the labor climate, arising from the analysis and diagnosis of the results of the 2012 survey.

A total of 158 plans are currently in force, of which 42% are at the launch stage. The areas where the biggest effort has been made are quality of life, professional development, promotion and compensation. The results of these plans will be seen in the next Employee Satisfaction Survey in 2014.

9.2.5 Social engagement and volunteering

BBVA develops initiatives to help and boost participation by employees in social programs within the framework of the Global Corporate Volunteering Plan and other social engagement projects. In 2013 a total of 5,864 participants took part in volunteer work, which are bank employees.

Voluntarios BBVA is the website that channels initiatives with volunteers in BBVA Spain through the Volunteer Office. In Mexico and South America volunteers are primarily active in the integration scholarships program or the «*Papagayo*» program in Venezuela.

In the United States employees take part in social programs through «BBVA Compass Volunteers». A total of 1,988 employees have dedicated 72,759 hours in 2013 to volunteering activities, such as financial training or the new «Project Blue Elf holiday initiative», which offers toys to children in need in the local communities where the Bank operates.

Other social engagement projects include:

- Charity runs organized by the Group in different countries. They are open to employees, customers and society in general, to help local or global charities.
- Participation in the programs supporting social educational projects, social assistance, culture, the environment, etc., either by presenting projects for a vote or voting for projects proposed by others. The most voted projects receive financial assistance from BBVA.

In 2013, seven charity runs were organized in various geographical areas, with over 50,000 people taking part. In Spain, 12,000 participants contributed €100,000 in all, which combined with the €60,000 contributed by BBVA, has gone toward setting up a cooperative discount store in partnership with Cáritas Madrid.

Among the support programs for social projects voted by employees in 2013 are:

- «*Territorios Solidarios*» (Solidarity territories) in Spain. A total of 1,166 applications were presented, of which 552 were approved, and 178 were finally chosen to receive €1.8 million. In the process, 966 employees have sponsored various projects, which have been voted by a total of 14,060 people.
- «*Concurso de Proyectos Solidarios*» (Solidarity Projects competition) in Argentina. A total of 54 applications were presented, of which three were chosen to receive 150,000 Argentinean pesos of financial assistance.

In addition, the Group encourages the commitment of their teams through the «Passion for People» program. A number of initiatives are developed under this scheme whose beneficiaries are both BBVA professionals and their families. It provides activities such as access to concerts, painting workshops, etc.

Corporate volunteer work projects in Spain

Area of action	Project	No. Of volunteers
Financial literacy	Financial literacy for marginalized groups	7
Business training	Momentum	10
Education for society	"Valores de futuro" (Future values)	369
	"Socios por un día" (Partners for a day)	74
	"Ventajas de permanecer en el colegio" (The advantages of staying at school) and "Habilidades para el éxito" (Skills for success)	125
	Digital literacy	124
	BBVA Debate League	6
Support for individuals with special needs	Self-entrepreneurship and mentoring at penitentiaries	18
	Soccer at penitentiaries	8
	Down syndrome work experience at BBVA	33
	Charity run	9
	Toy collection	16
	Charity vegetable gardens	10
Environment	"Bosques BBVA" environmental day	192
	Other environmental days	44
TOTAL		1.045

Scope: Spain

Volunteer participation in Latin America

	No. of Volunteers	No. of Beneficiaries
Argentina	104	16.208
Chile	171	4.614
Mexico	1.203	17.989
Paraguay	112	1.060
Peru	39	494
Uruguay	485	616
Venezuela	717	5.893
Total	2.831	46.874

Scope: South America and Mexico

9.3 Social, environmental and Reputational risk

Together with the financial variables, risk management takes into account environmental, social and reputational risks. These risks may affect the credit profile of borrowers or the projects financed; and therefore the quality of the risk assumed and, in short, the repayment of loans.

The Social, Environmental and Reputational (SAR) Risk Committee was created in 2011. Its mission is to promote and monitor actions that promote the integration of social and environmental risks in the Group's activity, as well as the management of key reputational risks.

The SAR Risk Committee is chaired by the Group's Director of Risks and is formed by the Directors of Legal Services, Audit and Compliance, Communication and

Image, Technical Risks Department, Corporate Risk Management, Operational Risk and Internal Control, Risk Portfolio Management, Corporate & Investment Banking (CIB), Legal Compliance, CIB Strategy and Coordination, Retail Banking, Strategy and Coordination and Corporate Responsibility and Reputation.

The integration in risk management is coherent with the principle of prudence which governs BBVA's activity and is focused on different lines of action.

On the one hand, the *Ecorating* tool is used to value the risk portfolio of companies from an environmental point of view. A credit risk rating is assigned to each customer in accordance with a combination of several factors such as location, polluting emissions, consumption of resources, potential to affect the environment, and applicable

legislation. During 2013, the environmental risk of 215,026 customers was rated in Spain, an increase of 7.10% on the number of companies analyzed with the tool and 10.66% on the volume of exposure compared with the previous year. The tool is currently under development in Mexico.

Additionally, the Risks and Corporate Responsibility areas have begun to work on a model aimed at classifying SME loan operations in Spain according to a range of variables, not only environmental but also social. The indicators have been identified and throughout 2014 the model will be calibrated to analyze the information available and work on a pilot project.

Finally, it is worth noting that In Peru, BBVA Continental has worked with the Superintendence of Banking and Insurance to prepare a regulation for preventing social and environmental risk. It will be mandatory for all Peruvian banks.

Climate change and renewable energy funding

BBVA is committed to providing finance and guidance for renewable energy operations, in which it is a leader. In 2013 it financed four renewable energy operations with a combined installed capacity of over 1,009 MW for a total of over €1,162 million.

Among the operations financed by BBVA in 2013 are the following:

- The Merseyside waste-to-energy plant in the United Kingdom. It has a capacity to treat 444,000 tons of waste

per year and produce 233,100,000 KWh. The project reduces CO2e emissions by 37,563,188 kg. This contributes to compliance with the European Union target of reducing the volume of waste sent to landfills by 35% by the year 2020.

- The Chaglla Hydroelectric power station, with an installed capacity of 406 MW, located in the Huánuco region in Peru. The plant has a capacity to generate 2,475 GWh/year, and thus contribute toward the growing demand for energy in the country. The project is co-financed by the Inter-American Development Bank.

Training

In 2013 work continued on the online training program on Environmental and Social Risks Analysis given by UNEP FI (the United Nations Environment Program Financial Initiative). Over the year the 30-hour online training course was taken by nine risk analysts from various countries (Argentina, Colombia, Spain, the United States, Mexico, Peru and Venezuela).

Ecorating: exposure data

Environmental risk scale	2013		2012		2011	
	€ million	%	€ million	%	€ million	%
Low (1)	115.306	85,8	100.269	82,5	113.452	83,7
Medium (2)	18.910	14,1	20.810	17,1	21.628	16,0
High (3)	250	0,2	429	0,4	410	0,3
TOTAL	134.466	100,0	121.508	100,0	135.490	100,0

Ecorating: customers data

Environmental risk scale	2013		2012		2011	
	Number	%	Number	%	Number	%
Low (1)	174.874	81,3	162.356	80,9	172.587	80,6
Medium (2)	39.532	18,4	37.706	18,8	40.726	19,0
High (3)	620	0,3	709	0,4	778	0,4
TOTAL	215.026	100,0	200.771	100,0	214.091	100,0

(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 includes companies of varied size and economic solvency. Legislative pressure and environmental auditing may constitute a major risk for these groups.

(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

9.3.1 Equator Principles

The Equator Principles (EPs) are a benchmark in the financial sector to determine, evaluate and manage the environmental and social risks of projects. They are based on the International Financial Corporation’s Policy and Performance Standards on Social and Environmental Sustainability and the World Bank’s Environmental, Health and Safety general guidelines.

The EPs are applied to the financing of new projects and any significant extension to existing ones through four financial products: advice on project financing; project finance; corporate loans linked to projects; and bridge loans.

The latest version of the [Equator Principles](#) was published in 2013. They extend their scope, deal with new environmental and social concerns and represent significant progress in terms of transparency and consistency in implementation.

Since it adopted the EPs in 2004, BBVA applies them with a greater than standard scope, extending them to projects at

the operation phase and those financed with other financial products: project bonds, assignment of credit rights and project-linked guarantees. Moreover, BBVA does not apply the minimum US\$ 10 million threshold, and reviews all operations according to the EPs, regardless of the amount of the funds.

In BBVA we have a team dedicated to EP management as part of Corporate and Investment Banking (CIB). It analyzes projects in any geographical area where we have control, represents BBVA before stakeholders, reports to Senior Management and designs the management system, suggesting best practices and contributing toward training and communication of all EP-related aspects.

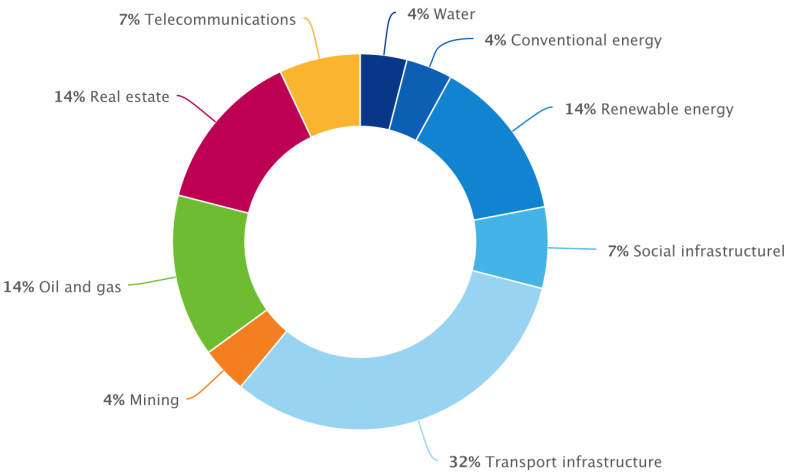
Analysis of the projects is part of the internal project structuring, admission and monitoring processes. Each reflecting is subject to a process of social and environmental due diligence that starts with assigning a category (A, B or C) which, based on the International Finance Corporation (IFC) categories, reflecting the level of the project’s environmental and social risk and impact.

Data on EP operations

	2013	2012	2011
Number of operations	28	59	91
Total amount (millions of euros)	7,934.3	23,172.8	33,157.3
Amount financed by BBVA (millions of euros)	718.8	2,553.3	5,404.3

Scope: BBVA Group

As well as classifying the projects, BBVA applies an additional classification according to the environment where the projects are located in order to have a comprehensive view of their impacts on the natural and social environment where they are developed.



Progress made over the year includes the following:

- Active participation by BBVA in the review and update process as a member of the Steering Committee the Equator Principles Association and the Communication and Social Risks working groups.
- BBVA's membership of the Outreach working group for Latin America, dedicated to debating and providing guidance on the EPs for banks in the region.
- Creation of the Reputational Risk department in CIB, responsible for the management of the Equator Principles,

the Defense Policy and the commitment to human rights in the wholesale business.

- Revision of the bank's internal procedure for adaptation to the current EPs starting on January 1, 2014.
- Publication of [environmental and social information on the investment projects financed and advised by the bank](#), which includes Environmental and Social Impact Evaluation and other non-confidential documentation. By sharing this information, BBVA wants to take a step forward in transparency and contribute toward knowledge of the impact of its activity on society and the environment.
- Organization of a webinar on the management of human rights in project finance, in which representatives of European and Latin American banks took part, as well as multilateral financial institutions.
- Publication of the quarterly bulletin issued to CIB employees on the most up-to-date information on social and environmental issues relevant to the financial sector.

Classification of projects according to the Equator Principles

	Category	2013			2012			2011		
		No. of transactions	Total amount (€ million)	Amount financed by BBVA (€ million)	No. of transactions	Total amount (€ million)	Amount financed by BBVA (€ million)	No. of transactions	Total amount (€ million)	Amount financed by BBVA (€ million)
Europe and North America	A	1	3.313	32	0	0	0	0	0	0
	B	11	2.406	360	18	9.550	1.071	43	23.060	3.069
	C	3	105	29	8	1.482	271	26	1.687	572
TOTAL Europe		15	5.824	422	26	11.033	1.341	69	24.748	3.641
Latin America	A	1	583	28	4	1.380	135	1	158	53
	B	6	766	176	19	3.652	781	13	5.381	1.245
	C	3	414	19	7	438	190	4	275	120
TOTAL Latin America		10	1.763	223	30	5.470	1.106	18	5.814	1.419
Rest of Group	A	1	157	26	1	6.615	78	0	0	0
	B	1	22	22	2	56	28	2	690	161
	C	1	169	26	0	0	0	2	1.905	184
TOTAL Rest of Group		3	348	74	3	6.670	106	4	2.595	345
TOTAL Group		28	7.934	719	59	23.173	2.553	91	33.157	5.404

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

9.3.2 Work with multilateral institutions

In 2013, BBVA maintained extensive institutional and business relations with Multilateral Financial Institutions (MFI) that contribute to regional development, including the World Bank, the European Investment Bank (EIB), the Inter-American Development Bank (IDB) and Corporación Andina de Fomento (CAF). The Group also maintains business relations with supranational bodies such as the European Financial Stability Facility (EFSF).

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

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

The BBVA Group's work with MFIs covers various areas of activity:

Foreign trade finance

Foreign trade programs are developed by supranational organizations to promote foreign trade activities in the countries where they operate. These programs offer confirming banks partial or full guarantees to cover political and commercial risks in transactions with local banks.

BBVA S.A. and all its subsidiaries in Latin America participate in at least one MFI trade finance program.

It heads the world ranking in short-term trade finance, according to the Dealogic league tables.

In Latin America, these programs promote inter-regional "South-South" trade among local SMEs. BBVA plays a crucial role through its eight subsidiary banks in the region and large customer base.

Financial brokerage

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

Most of the BBVA Group's financial brokerage activities are targeted at the agricultural industry, energy efficiency and SMEs.

In 2013, Corporación Andina de Fomento approved a line of US\$ 200 million at five years for BBVA Continental, of which US\$ 150 million were for short-term and US\$ 50 million for long-term operations.

BBVA is the bank selected by the EIB to manage and finance energy projects in Spain for sustainable urban development through the [JESSICA-FIDAE](#) (Joint European Support for Sustainable Investment in City Areas) initiative. This initiative is run by the Institute for Energy Diversification and Saving (IDAE), managed by the EIB and co-financed by the European Regional Development Fund (ERDF). It is a fund for financing energy efficiency and renewable energy projects.

In Peru, BBVA Continental continues with the «*Línea Verde*» (Green credit facility) initiative with US\$ 30 million in IDB funds to finance energy efficiency, renewable energy, clean energy production and sustainable construction projects, as well as a facility for hydro plants with US\$ 30 million in International Finance Corporation (IFC), available exclusively for financing hydroelectric projects of between 3 MW and 20 MW.

In 2013, two transactions were partially financed under the IDB's Green Credit Facility: The Callao conveyor belt and the La Chira wastewater treatment plant, bringing the use of this credit facility up to 100%.

Local capital market development

BBVA contributes toward local capital market development through structuring MFI debt issuances and providing new sources of liquidity. In January 2013 it acted as a joint lead manager of a seven-year EIB issue for €250 million.

It has also participated in 13 EFSF and ESM public issuances for an aggregate amount of €60,500 million, in which BBVA participated with €5 million per issue.

The EFSF is the body that oversees financial stability in Europe within the framework of the macroeconomic adjustment program, providing financial assistance to Member States through the issue of bonds and other instruments on the capital markets.

9.4 Responsible procurement

In 2013 BBVA's purchases totaled €7,305 million. This means it has continued to contribute significantly to the development of our 5,238 suppliers around the world.

Procurement procedure principles in BBVA

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

BBVA has also established principles through the Code of Conduct that are applicable to all those who take part in the procurement process.

BBVA encourages its suppliers to comply with its social and environmental standards, as well as the values promoted by the United Nations Global Compact.

Responsible procurement plan

The Group's [Responsible Procurement Policy](#) was approved in 2012. Its aim is to integrate social and environmental aspects into the whole procurement process. A package of policy measures approved to drive this process began to be implemented in 2013.

- Actions have been prioritized from among all those included in the plan.
- Companies in the social economy have been identified for contacting to evaluate their capacities and possible approval as BBVA suppliers.
- BBVA aims to prioritize local suppliers in its purchasing. In 2013, procurement transactions negotiated at a local level by the different countries where the Group operates accounted for 92.5% of the total amount awarded, according to the supplier's fiscal identification number.
- Communication and negotiations were established in 2013 with various Special Employment Centers in Spain. Some of these have resulted in firm contracts for

	2013	2012	2011
Number of suppliers	5,238	6,964	6,574
Supplier turnover (€m) ⁽¹⁾	7,305	5,832	5,437
Supplier satisfaction index ⁽²⁾	n.a.	81.2	n.a.
Number of approved suppliers ⁽³⁾	940	989	731

⁽¹⁾ Payments made to third parties. Does not include suppliers with amounts below €100,000.

⁽²⁾ Biennial survey

⁽³⁾ Data corresponding to BBVA, S.A.

Scope: BBVA Group

significant amounts: over €2m in the last quarter. The total volume of BBVA purchases from these centers over the year amounted to €2,772,083.

Supplier satisfaction

In recent years BBVA has carried out a biennial survey to discover the level of supplier satisfaction. The level of satisfaction of the Group's suppliers in 2012 was 81.2 out of 100 (the next survey will be carried out in 2014).

Supplier approval process

In 2013 BBVA S.A. made a number of advances in the process of approving suppliers, among them the following:

- A total of 988 suppliers have completed the approval process in Spain. Approved suppliers accounted for 89% of the amount of purchases made in Spain.
- Review of the financial analysis of suppliers and definition of a new model of analysis.
- Extension of the abbreviated approval process⁽¹⁾ for companies included in the Forbes 2000 ranking and their subsidiaries. This refers to suppliers whose solvency, quality, consolidation and guarantees are accredited objectively, thus simplifying their approval process.

Global Procurement System

The Global Procurement System (GPS) is the global technological platform that supports every stage of the procurement process in the BBVA Group (budgeting, purchasing and finance). The progress made in the GPS in 2013 is as follows:

- The complete procurement cycle is now covered by GPS in Mexico, Peru, Colombia, Chile and Argentina, as well as some companies in Spain. It is planned to include BBVA, S.A. in January 2014. With the incorporation of BBVA, S.A. into the system, GPS has consolidated its position as the BBVA Group's global procurement platform.

- A procurement tool using an electronic catalog (SRM) with web access has been incorporated to issue decentralized purchasing requests across the whole organization (it is already in place in Mexico and Chile, is being deployed in Spain, and planned for the future in Colombia, Peru and Argentina).

- Work is being done on a portal to establish an online global relationship model with suppliers that is uniform for all countries. The model involves two projects: integration of GPS and Adquira Marketplace (currently in Mexico, Peru, Colombia and Chile); and the electronic invoicing project (planned for Spain and Mexico in 2014).

- At the same time, the global building process model is being implemented to cover the whole process of management of the Group's real estate.

- Finally, a global management model for maintenance and facilities has been defined. It is the result of joint work by the corporate areas and local teams in Mexico and Spain, where it will be rolled out during the first quarter of 2014.

(1) BBVA, S.A. has two types of approval process: general and short. The short process simplifies documentation and analysis and is only for suppliers whose economic/financial situation is considered objectively accredited.

Suppliers (1) and annual turnover (2)

	2013		2012	
	No. suppliers	Annual turnover (€ million)	No. suppliers	Annual turnover (€ million)
Argentina	557	384	307	287
Bolivia	8	2	9	2
Chile	226	162	200	144
Colombia	261	211	194	164
United States	584	457	428	402
Spain	1.902	2.424	4.357	2.531
Mexico	905	2.965	825	1.756
Panama	n/a	n/a	8	2
Paraguay	43	14	46	16
Peru	348	318	268	185
Portugal	78	32	74	34
Uruguay	56	26	12	4
Venezuela	270	310	236	306
TOTAL	5.238	7.305	6.964	5.832

Total suppliers (3)

	2011		2013	
	No. suppliers	Annual turnover (€ million)	No. suppliers	Annual turnover (€ million)
Argentina	227	153	2.883	426
Bolivia	6	1	882	4
Chile	214	128	1.583	181
Colombia	171	132	3.033	236
United States	480	468	3.662	501
Spain	4.020	2.535	42.995	2.501
Mexico	767	1.540	5.850	3.065
Panama	9	2	n/a	n/a
Paraguay	40	14	6.207	25
Peru	291	179	3.594	346
Portugal	75	30	1.091	38
Uruguay	54	18	598	32
Venezuela	220	238	1.024	325
TOTAL	6.574	5.437	73.402	7.681

(1) Including "suppliers" and creditors.

(2) Payments made to third parties (not including suppliers with amounts less than €100,000). Cash flow criterion.

(3) Includes all suppliers, creditors and third parties invoicing to BBVA without a limit to the amount.

Scope: BBVA Group

Supplier satisfaction index (1)

	2013	2012	2011
Argentina	n/a	82	n/a
Chile	n/a	81	n/a
Colombia	n/a	84	n/a
United States	n/a	82	n/a
Spain	n/a	79	n/a
Mexico	n/a	77	n/a
Peru	n/a	77	n/a
Venezuela	n/a	86	n/a
TOTAL	n/a	81	n/a

(1) Biennial survey.
Scope: BBVA Group

Supplier approval in Spain

	2013	2012	2011
Number of suppliers who have passed the approval process	940	989	731
Purchases from suppliers who have taken part in the approval process (%) (1)	89	84	78
Number of suppliers who have failed the approval process	48	80	65

(1) Other purchases are from suppliers who do not meet the internal criteria that require them to take part in the approval process.
Scope: Spain

9.5 Eco-efficiency

The main expression of our commitment to the environment and efficient management of natural resources is the Global Eco-Efficiency Plan (GEP). Following the conclusion of the GEP for 2008-2012, we have launched a new Plan for the period 2013-2015, with the following objectives:

- 6% reduction in CO2 emissions (per person)
- 3% reduction in paper consumption (per person)
- 3% reduction in water consumption (per person)
- 3% reduction in energy consumption (per person)
- 33% of persons working in buildings awarded environmental certifications

GEP INDICATORS(1)

	2013	2012	2011
CO2 emissions per person (t)	2.8	3.1	3.3
Paper consumption per person (t)	0.1	0.1	0.1
Water consumption per person (m3)	23.5	29.5	33.8
Electricity consumption per Person (MWh)	6.5	7.4	7.5
Persons working in certified buildings (%) ⁽²⁾	17	25.7	19.1

(1) Includes BBVA employees and external occupants.

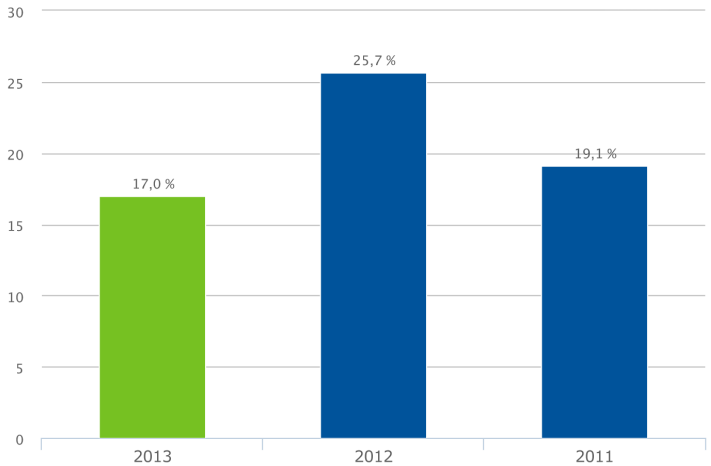
(2) Includes ISO 14001 and LEED certifications

Scope: 2013 BBVA Group. 2012 and 2012 Bank

Advances were made to reduce our enviromental footprint during the year. In 2013, Mexico has not renewed enviromental certifications because of a period of transitions to new buildings. New buildings are planned to be certified during 2014.

Since the launch of the first GEP, BBVA has worked to implement initiatives that help reduce its environmental

Persons working in certified buildings (%)

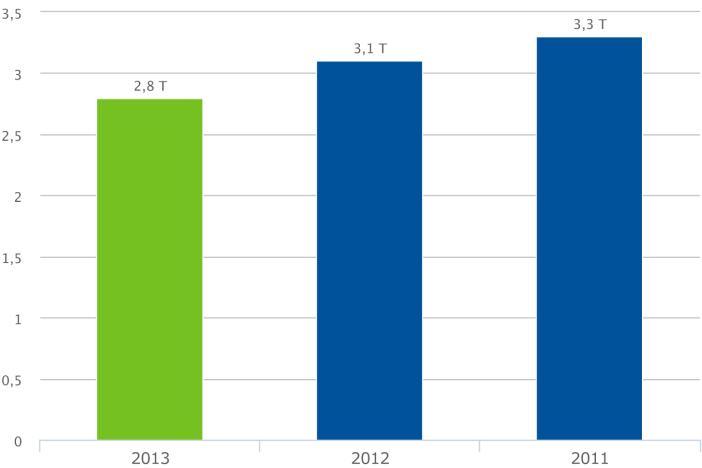


footprint, such as the installation of smart air conditioning and lighting systems, digitization of documentation in a move toward the paperless office, tele-management and automation plans for the energy management of buildings and branches, water-saving measures in facilities and the construction of new buildings according to environmental variables. The financial savings estimated following the implementation of the GEP are €1.5m per year.

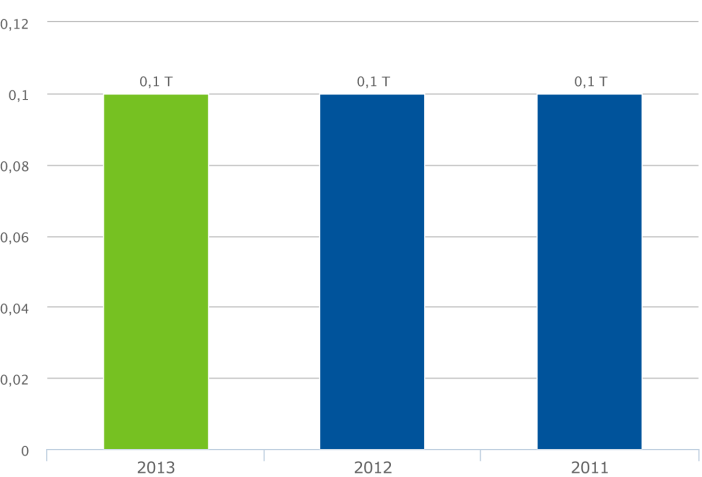
In 2013 initiatives were undertaken within the framework of the GEP covering the whole Group. Among them were the following:

- Seven new Group buildings were certified under the LEED standard in 2013 in the United States, and a further nine are now in the process of construction under these criteria in Spain, Mexico, the United States, Chile and Argentina. In total, 12 Group buildings already have this certification, specifically: the BBVA headquarters in Paraguay, the BBVA Campus in Spain and ten branches in the United States. In total, 1,643 employees already work in these buildings. LEED the most prestigious international certification standard for sustainability in construction. It evaluates aspects such as the location of the building, water management, the environmental quality of the interior, the materials used and the energy performance of the construction.
- Installation of more efficient lighting, air conditioning and illumination in the branches in Spain and Portugal, Chile, the United States, Venezuela, Mexico and Peru.
- Use of renewable energy for 100% of the deregulated facilities of BBVA Compass in Texas, and for 10% of the energy consumed in Spain.

CO2 emissions per person (T)

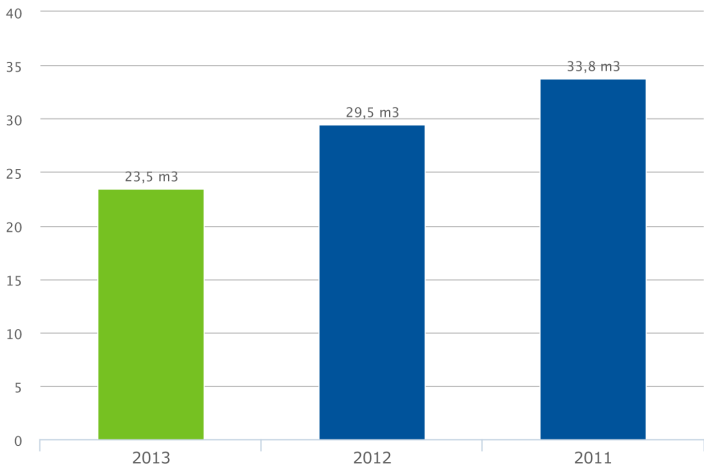


Paper consumption per person (T)

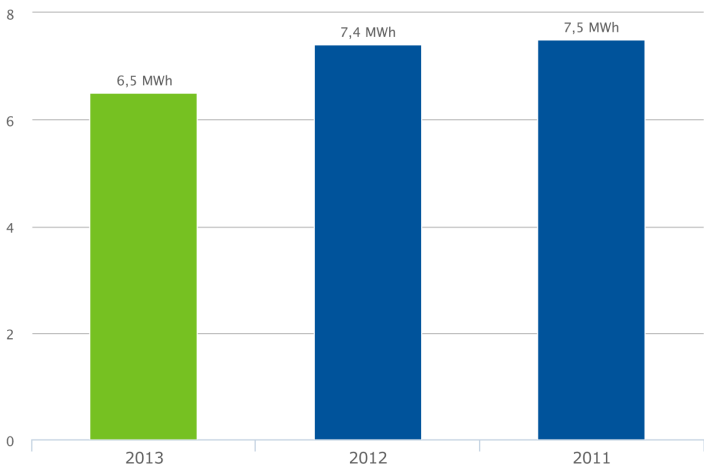


- Virtual correspondence service in Spain, by which customers can consult and manage their correspondence at any time online, without the need for paper. BBVA Colombia customers can also check their account activity and pay bills electronically through the “*Extractos Virtuales*” online statement service.
- Digitization of Central Services by replacing individual or departmental printers with multifunctional equipment and the document advisory service with areas that make mass paper generation processes more efficient and productive. This process has eliminated many documents that did not add value and allowed a redesign of the processes that consumed paper on a massive scale.
- Agreement with *Ecoembes* to boost the selective collection and recycling of light packaging, paper and cardboard generated in the buildings in Spain. Internal recycling awareness campaigns have also been run in Chile, the United States, Mexico and Colombia.
- Implementation of a computer tool for monitoring GEP indicators and defining protocols for reporting environmental information at global level.
- Participation in the Earth Hour initiative, during which 552 of the Group’s buildings switched off their lights.

Water consumption per person (m3)



Electricity consumption per Person (MWh)



Consumption of water from the public supply (m3)

	2013	2012 (1)	2011
Spain and Portugal (2)	403.781	474.460	500.595
Mexico	628.663	604.493	616.145
United States (3)	1.113.878	1.292.286	1.305.472
South America	733.109	685.578	1.147.514
TOTAL	2.879.431	3.056.817	3.569.726

(1) The 2012 figures for the U.S. and Argentina have been updated using the definitive figures for the year.

(2) Consumption of branches in Spain has been estimated taking into account a sample of branches.

(3) The figures for the U.S. only include consumption in own buildings.

Scope: BBVA Group in 2013, Bank in 2012 and 2011

Paper consumption (t)

	2013	2012 (1)	2011
Spain and Portugal	4.545	5.030	5.389
Mexico	1.960	1.822	2.194
United States	874	1.364	1.288
South America	2.214	2.413	2.430
TOTAL	9.592	10.629	11.302

(1) The 2012 figures for Colombia and Argentina have been updated using the definitive figures for the year.

Scope: BBVA Group in 2013, Bank in 2012 and 2011

Energy consumption (MWh)

	2013	2012 (1)	2011
Spain and Portugal	260.372	244.970	233.374
Electricity	246.280	235.583	225.119
Fossil fuels (2)	14.092	9.387	8.254
Mexico	219.740	231.130	228.171
Electricity	214.146	225.669	224.084
Fossil fuels (2)	5.594	5.461	4.087
United States	143.230	140.341	143.995
Electricity (3)	142.772	139.940	143.365
Fossil fuels (2)	458	401	630
South America	193.977	172.575	199.002
Electricity	191.396	169.612	195.264
Fossil fuels (2)	2.581	2.962	3.738
TOTAL	817.319	789.016	804.541
Electricity	794.594	770.804	787.832
Fossil fuels (2)	22.725	18.211	16.710

(1) The 2012 figures for Mexico and Argentina have been updated using the definitive figures for the year.

(2) Includes consumption of diesel, natural gas and LP gas.

(3) The figures for the U.S. only include consumption in own buildings.

Scope: BBVA Group

CO2 emissions (t) (1) (2)

	2013	2012	2011
Spain and Portugal	103.230	86.055	84.251
Electricity	82.142	65.808	72.583
Fossil fuels	2.827	1.930	1.921
Trips by plane	18.260	18.317	9.747
Mexico	110.653	115.252	126.615
Electricity	97.400	102.675	119.775
Fossil fuels	1.540	1.347	1.298
Trips by plane	11.712	11.230	5.542
United States	82.687	78.193	85.785
Electricity	74.563	72.352	81.871
Fossil fuels	126	112	84
Trips by plane	7.998	5.729	3.830
South America	47.366	39.183	51.721
Electricity	37.617	31.098	47.084
Fossil fuels	621	715	756
Trips by plane	9.127	7.370	3.881
TOTAL	343.935	318.755	348.372
Electricity	291.722	271.933	321.314
Fossil fuels	5.115	4.176	4.058
Trips by plane	47.098	42.646	23.000

(1) The 2012 figures for Mexico and Argentina have been updated using the definitive figures for the year.

(2) The emission factors used to calculate CO2 emissions for electricity consumption, fuel and trips are updated based on the best estimate available. In the case of CO2 emissions for electricity in Spain for 2013, the latest factor published by UNESA for 2011 has been used; in the case of the rest of the countries where the Group operates, the latest factor available published by DEFRA has been used. The emissions from plane trips and electricity in 2012 and 2011 have been recalculated using new conversion factors indicated by DEFRA in the 2013 revision.

Scope: BBVA Group in 2013, Bank in 2012 and 2011

Environmental certifications

	2013	2012	2011
Spain and Portugal			
Certified buildings	23	20	18
Employees in certified buildings (%)	41	35	38
Mexico			
Certified buildings	0	11	10
Employees in certified buildings (%)	0	35	10
United States			
Certified buildings	10	0	0
Employees in certified buildings (%)	8	0	0
South America			
Certified buildings	67	67	38
Employees in certified buildings (%)	13	15	15
TOTAL			
Certified buildings	100	98	66
Employees in certified buildings (%)	17	26	19

Scope: BBVA Group in 2013, Bank in 2012 and 2011

Waste managed (kg)

	2013	2012	2011
Spain and Portugal	482.447	433.127	705.080
Paper	260.711	358.708	654.814
Toner	131.161	10.930	11.263
Electrical and electronic appliances	68.100	55.794	35.667
Donated material	1.944	7.695	3.336
Hazardous waste	20.531	n.a.	n.a.
Mexico	1.147.570	736.310	458.416
Paper	1.088.058	710.797	443.768
Toner	n.a.	n.a.	n.a.
Electrical and electronic appliances	59.512	24.233	11.702
Donated material	n.a.	1.280	2.946
Hazardous waste	n.a.	n.a.	n.a.
United States	2.549.312	3.913.798	3.967.006
Paper	2.478.601	3.876.932	3.964.222
Toner	615	1.193	2.784
Electrical and electronic appliances	70.096	35.673	n.a.
Donated material	n.a.	n.a.	n.a.
Hazardous waste	n.a.	n.a.	n.a.
South America (1)	277.880	1.494.651	961.600
Paper	199.777	1.392.424	875.161
Toner	10.810	14.054	12.832
Electrical and electronic appliances	66.408	87.300	72.682
Donated material	885	873	925
Hazardous waste	n.a.	n.a.	n.a.
TOTAL	4.457.209	6.577.886	6.092.102
Paper	4.027.147	6.338.861	5.937.965
Toner	142.586	26.177	26.879
Electrical and electronic appliances	264.116	203.000	120.051
Donated material	2.829	9.848	7.207
Hazardous waste	20.531	n.a.	n.a.

n.a. = not available

(1) The 2012 figures for Argentina have been updated using the definitive figures for the year.

Scope: BBVA Group in 2013, Bank in 2012 and 2011

9.6 Science and culture

The BBVA Foundation

Work on Science and Culture in the plan is basically structured through support to advanced research and development of knowledge of the lines of activity of the BBVA Foundation.

The [BBVA Foundation](#) was founded based on the BBVA Group's commitment to improve the quality of life of people, with the mission of meeting the main aspirations of the society it serves: healthcare, environmental protection, and promotion of knowledge, innovation and culture.

These actions, like all those of the BBVA Foundation, are designed according to criteria of innovation, observation of ethical principles and the capacity for future projection. They are carried out in collaboration with the main scientific and cultural institutions in Spain and around the world.

Within the priority social goal of healthcare, the high incidence of cancer makes the fight against this disease one of the most pressing challenges. Basic or clinical research is the best tool to address the problem. This is the focus of some of the main projects, such as the BBVA Foundation-CNIO Cancer Cell Biology Program directed by Dr. Erwin Wagner at the National Center for Cancer Research (CNIO).

Dr. Joan Massagué, of the Sloan-Kettering Cancer Center of New York, and Dr. Roger Gomis, of the Institut de

Recerca Biomèdica de Barcelona (IRB) head up a project aimed at revealing the mechanisms of metastasis. It includes an advanced training program and various initiatives for making the findings available.

Also at the Sloan-Kettering Cancer Center in New York, but in collaboration with the Vall d'Hebron Hospital, Dr. José Baselga coordinates the program for identifying the tumor biomarkers and their application in new therapies, headed up in the Catalan hospital by Dr. Josep Tabernero.

The BBVA Foundation channels its commitment to culture through its continued support for the plastic arts, music and literature. A significant example of this are the collaborations with the Prado Museum, the Guggenheim Museum in Bilbao and the Joan Miró Foundation in Barcelona, involving the organization of a major annual exhibition in each of these centers. The BBVA Foundation also works closely with the Fine Arts Museum of Bilbao.

This year has also seen the signing of an agreement with the Thyssen-Bornemisza Museum to develop the Program of applications, digital publications and educational materials offering a great variety of applications and editions of high scientific and technical quality for smartphones, tablets and e-books. The collaboration aims to enrich the experience of accessing art for an increasingly broad public. Its first product, the application *Selected Works*, covers seven centuries of history through 143 masterpieces by 131 artists including Rembrandt, Rubens, Holbein, Caravaggio, Degas, Monet, Picasso, Kandinsky, Rothko and Hopper.

The BBVA Foundation's support for music takes a variety of different forms: creation and composition; recording

and dissemination of works of Spain's main composers from different generations; interpretation; and awards. The Foundation has agreements with the Teatro Real in Madrid; the Spanish National Youth Orchestra (JONDE); the Teatro de la Maestranza in Seville; the Royal Symphony Orchestra of Seville (ROSS); the Reina Sofía Higher School of Music; the Bilbao Friends of Opera Association (ABAO); the Orchestra and Choir of the Madrid Region (ORCAM); the Madrid Symphony Orchestra (OSM); the Basque Symphony Orchestra; and starting this year, the Gran Teatro del Liceo in Barcelona.

In addition, the BBVA Foundation has this year included the celebration of the third centennial of the Spanish Royal Academy (RAE) by sponsoring the edition of *"La lengua y la palabra"* (Language and word), a work that covers the history and current challenges of the RAE and analyzes the evolution of words, speech in Spanish and its scientific study, by members of the Academy and Spanish and international experts. The work *"La lengua y la palabra"* was presented to the public at the headquarters of the BBVA Foundation in Madrid, with the participation of four of its authors, members of the RAE.

The BBVA Foundation aims to provide an economic and social analysis of some of the main aspects of society in a global context. In 2013 this resulted in the study *Values and Worldviews*, which examines a broad range of perceptions, attitudes and core values of citizens in 10 European countries, and has had extensive media impact.

The spread of knowledge generated by basic science is the aim of the cycle *"La ciencia del cosmos, la ciencia en el cosmos"* (Science of the cosmos, science in the cosmos),

which is being held for the third time this year. All the presentations in this cycle of astrophysics and cosmology, given by outstanding international experts, have been extremely successful with the public and can now be accessed via the Foundation's website.

The BBVA Foundation sponsors a variety of prizes that give recognition and visibility to people who make an essential contribution toward improving people's lives.

The BBVA Foundation's Frontiers of Knowledge Awards creates an impact in the international community for the best attributes of Spanish science, which is represented in them through the leading multidisciplinary research institution, the Council for Scientific Research (CSIC). The international impact of the BBVA Foundation Frontiers of Knowledge Awards has focused on its rigor, guaranteed by completely independent juries made up of experts in the cutting edge of science. The excellent reception by the world scientific community of this group of awards is also reflected by the origin of the entries, presented by experts from some of the most prestigious academic and research institutions on the planet.

The BBVA Foundation Awards 2103 Frontiers of Knowledge	Winners
Ciencias Básicas (Física, Química y Matemáticas)	Maximilian Haider, Harald Rose y Knut Urban
Biomedicine	Adrian Bird
Ecology and Conservation Biology	Paul R. Ehrlich
Climate Change	Christopher Field
Information and Communication Technologies	Marvin Minsky
Economy, Finance and Business Management	Elhanan Helpman
Development Cooperation	ONG Pratham
Contemporary Music	Steve Reich

The BBVA Foundation Awards for Biodiversity Conservation are a reflection of the Foundation's commitment to the environment. With these awards the BBVA Foundation recognizes organizations and institutions in Spain and Latin America that develop conservation actions for habitats, species or ecosystems, as well as the efforts of communicators who spread knowledge on nature and the need to protect it.

9.6.1 Culture initiatives

The BBVA Group carries out a program of cultural activities in the countries where it is present.

In 2013 BBVA set up the [BBVA Collection](#) website to show its collection of works of art in Spain.

The BBVA Collection is made up of 17,487 works, of which 3,000 are of significant importance. It has been formed by the contributions of the main banks forming the Group, making it one of the most important private

artistic collections in Spain. The virtual space of the BBVA collection includes 400 works of painting, sculpture, decorative arts and coins ranging over five centuries: from Van Dyck, Murillo, Goya and Sorolla, to contemporary artists like Miró, Saura, Tàpies, Barceló, Chillida, Oteiza and Cristina Iglesias.

The masterpieces of the BBVA Collection have been shown to the public in previous years in exhibitions organized by BBVA in Spain and many countries in the Americas. Now the collection is on show to art lovers and society in general in a digital space.

Visitors to the new website will be able to reflect on, enjoy and access the BBVA Collection in a personalized way thanks to an intuitive, simple and attractive tool that includes multimedia material and allows close visual examination. The website uses gigapixel photographic techniques to display the works with an extremely high resolution. It has been prepared for visualization on all kinds of devices, with a specific version for navigation on smartphones.

The website of the BBVA Collection has received 34,617 visits by nearly 29,000 people since its publication in September 2013. Each visit lasted an average of 2 minutes.

In Mexico BBVA Bancomer continues to carry out artistic, educational and cultural activities, either directly or through provision of financial support to creators, academics, managers and institutions, in order to boost the development, conservation and dissemination of culture in Mexico. Of particular note has been the organization of the Bancomer Collection exhibition «*Paralelismos*» (Parallelisms), as well as the promotion of artists and researchers through the Art Support Fund, with 54 projects of 730 artists supported during the year, and the «*Bancomer/MACG Arte Actual*» program, which provides grants for 10 artists.

The countries in Latin America also have their cultural programs, with various initiatives supporting art and music.

In Turkey, SALT is a cultural institution created by Garanti Bank in 2011 to protect and promote the cultural heritage. It runs programs in a variety of areas, such as contemporary art, social and economic history, architecture, design and urban life. Since it was created, the 3 SALT spaces have held 25 exhibitions, 300 events, 100 guided visits and activity workshops for students, and other workshop activities. By the end of 2013, around 730,000 people had visited SALT.

In addition, Garanti has organized the «MiniBank» children's film festival since 2004 with the aim of bringing the experience of the movies to children in rural areas of

Turkey who do not have access to the cinema. A total of 70,000 children have taken part in the project.

9.7 Innovation

Innovation is one of the main pillars of the BBVA Group's strategy. It is a lever for growth, not only of our business but of society as a whole.

BBVA strives to support technological innovation and to make the business more innovative, by developing new products and services. It is also committed to open innovation, which involves tuning into and understanding what is happening in the global innovation ecosystem.

We value collective talent, consciously and explicitly looking for support from others to enrich ideas with new perspectives. The [BBVA Innovation Centers](#) in Spain, Mexico and Colombia are driving forces for new initiatives and an innovative community.

Innovation for business

BBVA has pioneered the development of innovation for business initiatives. Highlights in 2013 were:

- «[BBVA Game](#)», a pioneering initiative to apply gamification techniques to banking. BBVA's original idea was created by applying game mechanics and dynamics that improve the internet bank experience for users in Spain. It is a fun way for users to learn how to carry out day-to-day transactions at their bank (queries, transfers, signing contracts, etc.) conveniently, from anywhere and without needing to depend on branch opening times.

In its first year, «BBVA Game» has increased user satisfaction by 18% and more than doubled the average time users spend on the website. There are currently more than 170,000 users, who give thebbva.es website a score of eight out of ten.

- «[Wizzo](#)», a web and mobile application targeted at young people to allow them to manage their money easily. This was launched at the end of the year and is available to everyone, whether a BBVA customer or not. Users can send money without needing to know the account number, just as they would send a text message. Recipients who are not yet Wizzo users will receive a password to access the application and collect the money that has been

- «[BBVA Wallet](#)», a mobile application that has been launched this year in Spain. It allows customers to manage their card transactions quickly and securely on their smartphones. Possible operations range from activating and blocking cards, saving a photo of receipts showing each purchase transaction, and financing BBVA credit card payments at the time of purchase or later on. Users can also take out a virtual Wallet card, which they can top up and link to other cards or accounts that they have.

- «[Pasion>ie program](#)»: “Passion for innovation and entrepreneurship”, led by Accenture and IE Business School, in conjunction with the BBVA Innovation Center. The aim is to bring the innovation community closer to the business sector in order to provide joint support for entrepreneurial ideas that have a great deal of future potential. Pasion>ie selects 12 projects to which support is given through promotion, marketing, training, mentoring,

specialist legal advice and access to public and private financing.

Technological innovation

In 2013, new technological innovation initiatives were launched, and others already underway were consolidated. They include:

- The [BBVA Open Talent](#), in its fifth year as a program that supports innovative entrepreneurship. This program consists of a competition for entrepreneurs, that chooses the best projects related to technological innovation and banking that are less than two years old. The reward includes a €100,000 investment in the form of a collaboration agreement or a holding in the startup's share capital. In 2013, there were 916 projects from 24 countries all over the world, with a large number from Colombia, Argentina, Mexico and Peru. The next *startup competition* will commence in the first quarter of 2014.

- Collaboration with the [Women, Business and Technology platform \(MET by its Spanish acronym\)](#) to jointly develop a mentoring program targeted at female entrepreneurs. [MET Community](#) is an international collaboration platform that operates in Spain, the U.S. and Latin America. It is made up of professionals who wish to contribute to business development by promoting diversity, female entrepreneurship and social innovation. In 2013, the [Female Entrepreneurship and Social Innovation Forum](#) was set up in Colombia. A number of success stories were reported and it also included a mentoring program for female entrepreneurs.

- The BBVA Innovation Center's participation in [EmTech](#), the world's leading conference on emerging technologies. It is organized by the MIT Technology Review, a journal published by Massachusetts Institute of Technology (MIT). The BBVA Innovation Center is a global partner in Spain and Latin America.

The MIT Technology Review list of Innovators Under 35 each year recognizes the work of young people who are working on projects to solve real-life problems, in fields such as innovation, technology and research. In 2013 the awards were organized in Mexico, Spain, Argentina, Uruguay, Peru and Chile. Preparations are underway for awards in Colombia, Brazil and Central America.

- [Innova Challenge](#) is a BBVA initiative that aims to promote an open, collaborative culture between the bank and an active community of developers with similar values. The idea is for them to participate in our creative and technological development process.

The first Innova Challenge features [Big Data](#). This describes the processes, technologies and business models that are based on data and on retrieving the value that this data contains. BBVA is working on exploiting the large amount of data that it manages. A tool is being prepared that will allow companies and public institutions to take decisions based on this data. It will make decisions more efficient and will help to improve people's quality of life.

Some current examples of its use in the bank include risk analysis beyond accounting or the customer's financial history, optimal location of ATMs and branches, and bringing the range of products into line with customers' actual needs.

Open innovation

The BBVA Innovation Center has become an important meeting place for the entrepreneurial community. A number of events and activities have been held to connect with the ecosystem, including collaboration from [«Iniciador»](#), [«Hacks & Hackers»](#), [«Cloudstage»](#), [«Marketing Thinkers»](#), [«Adventure Networks»](#) and several investor days. These have promoted entrepreneurial activity, networking, knowledge of tools, training, and so on.

The [BBVA Innovation Center](#) website is a space for interaction with the rest of the virtual community. It includes information about events at the Center. Work is also being done for it to become a place to broadcast any initiatives, startups or entrepreneurship projects considered of particular interest. The [Open Talent](#) blog, in which entrepreneurs can collaborate, provides them with interesting content and experiences.

In keeping with this open innovation methodology, 2013 saw the launch of «Open Innovation». This is a channel for connecting with universities and business schools to find proposals for solving some of BBVA's real problems and challenges. It identifies the challenges that require solution and matches right schools to each case, then follows up on the solutions put forward. In Spain we worked with the Instituto de Empresa, ESADE and ICADE on the challenges proposed by a number of the Group's areas. A total of 155 students from those business schools submitted 21 proposals for four challenges set.

In Chile, the open innovation program [«Innova BBVA»](#) has been launched. Each year Chilean and foreign startups are

called to develop projects in the field of banking, financial and/or similar products or services. The bank becomes a business partner for implementing, building up, marketing and scaling the selected projects. More than 1,000 applications were submitted in response to the last two calls for projects, and nine winners were chosen, including «[InPact.me](#)», «[GoSocket](#)» and «[Agent Piggy](#)».

10.

Responsible
business goals

10 RESPONSIBLE BUSINESS GOALS

	Objectives 2015
TCR Communication	
The perception of a clear and transparent bank ⁽¹⁾	1st/2nd bank
Education	
Number of financial literacy program beneficiaries ⁽²⁾	1.000.000
Perception of support for financial literacy ⁽¹⁾	1st/2nd best perceived bank
Number of SMEs benefiting from business training programs ⁽²⁾	8.000
Number of grants for underprivileged children by year ⁽²⁾	200.000
Number of beneficiaries of education for society programs ⁽²⁾	2.000.000
High social-impact products	
Consolidate the presence of the Microfinance Foundation in Latin America ⁽²⁾	Increase in the number of customers of microfinance institutions
Number of economic grants for job creation given to SMEs ("Yo soy empleo" program) ⁽²⁾	10.000
Customers	
External customer reputation ⁽¹⁾	1st/2nd bank with best reputation
Team	
Internal employee reputation ⁽¹⁾	+2 points in reputation
Society	
External reputation among non-customers ⁽¹⁾	1st/2nd bank with best reputation
Reputation among people in general ⁽¹⁾	1st/2nd bank with best reputation
Synthetic sustainability index	1st/2nd position in index
Eco-efficiency⁽³⁾	
% reduction in CO2 emissions per person	6%
% reduction in paper consumption per person	3%
% reduction in water consumption per person	3%
% reduction in energy consumption per person	3%
% people working in certified buildings	33%

(1) RepTrak® reputation indicators, measured in the 8 main countries where BBVA operates (Spain, Mexico, Argentina, Chile, Peru, Venezuela, Colombia and the United States).

(2) Objective for the period 2013-2015.

(3) 2013-2015 Global Eco-efficiency Plan Objectives

Scope: BBVA Group

11.

Information criteria and standards

11 INFORMATION CRITERIA AND STANDARDS

11.1 Report criteria

The reported information covers the BBVA Group and 2013, although it also contains comparative data for 2011 and 2012, with an indication of their scope. Where the historical data have been changed to include improvements to the metrics, if historical series have been recalculated an explanation about this change is given. The social and environmental information on the joint businesses that are accounted for under the equity method in the Annual Financial Statements has not been consolidated. The most significant jointly controlled entity is Garanti.

The progress made this year with respect to BBVA's reporting process includes:

- Analysis of materiality has taken on a more important role. It is based on research carried out in 2013 to discover the expectations of BBVA's main stakeholders in order to find out what they expect from a bank that carries out responsible business. The result of this research has been the basis on which BBVA has formulated its Responsible Business Plan for 2013-2015. This annual information has been developed in accordance with the strategic lines defined by this new Plan.
- Work continues to achieve greater integration of financial and non-financial (also called ESG) information in corporate information, as a result of the close collaboration between the Global Accounting & Information

Management and Corporate Responsibility and Reputation areas. The result of this collaboration has resulted in BBVA's fourth integrated report "BBVA in 2013", which makes use of the reporting trends promoted by the International Integrated Reporting Council (IIRC).

- For the first time, information is included on the main initiatives developed by Garanti in the area of Corporate Responsibility.

When deciding upon the importance and materiality of the content to be included, the information expectations and demands of the main BBVA stakeholders have been taken into account, extending the engagement process in line with the recommendations of the Sustainability Reporting Guidelines (version 3, 2006) of the Global Reporting Initiative (GRI) and standard AA1000, which includes the AccountAbility Principles Standard AA 1000APS (2008).

This information is completed with the BBVA Report for 2013 and the Annual Consolidated Financial Statements and Management Report for 2013, as well as other information that is available on BBVA's website for shareholders and investors.

Basic references and international standards

This information has been prepared in accordance with the Global Reporting Initiative Guidelines for preparing sustainability reports (GRI G3.0), with a level of application of A+, and including information on the core and supplementary financial indicators. It also follows the AA1000 APS AccountAbility Principles standard. In addition, the information reflects the Progress Report 2012 on the United Nations Global Compact and

includes actions related to the United Nations Millennium Development Goals.

Following the recent approval of the GRI G4 guide, applicable starting January 1, 2016, BBVA has developed an analysis to identify the impact of applying the new standard on reaching a “comprehensive” level in its 2014 report.

Rigor and verification

Information systematization and management enables BBVA to provide a sound source of content. The information is reviewed by an external auditor, 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.

11.2 GRI indicators

Profile	2013
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.	BBVA in 2013 (Pages 84-122) CFS (Pages 33-57 and 169-173) Impact on society Social, environmental and reputational risks Sensitive Issues
2. Organizational profile	Reference
2.1 Name of the organization.	BBVA profile
2.2 Primary brands, products and/or services.	BBVA in 2013 (Pages 8 and 26-29)
2.3 Operational structure of the organization.	BBVA in 2013 (Pages 8-13) Organization chart and business structure
2.4 Location of organization's headquarters.	BBVA profile
2.5 Number of countries where the organization operates.	BBVA profile CFS (Pages 42-43)
2.6 Nature of ownership and legal form.	CFS (Page 15) CGR (2-6)
2.7 Markets served.	BBVA profile
2.8 Scale of the reporting organization.	BBVA profile
2.9 Significant changes during the reporting period in the size, structure and ownership of the organization.	BBVA profile BBVA in 2013 (Pages 47-57) CFS (Pages 80-83) Report criteria
2.10 Awards received in the reporting period.	CSR awards and recognition

3. Report parameters	Reference
REPORT PROFILE	
3.1 Reporting period for information provided.	Report criteria
3.2 Date of most recent previous report (if any).	Report criteria
3.3 Reporting cycle (annual, biennial, etc.).	Report criteria
3.4 Contact point for questions regarding the report or its contents.	Contact (bancaparatodos.com)
REPORT SCOPE	
3.5 Process for defining report content.	Dialog with stakeholders and materiality analysis Report criteria
3.6 Report scope.	Report criteria
3.7 State any specific limitations on the report scope.	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.	Report criteria CFS (Pages 18-20)
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.	Basic data Report criteria
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Basic data Report criteria
3.11 Significant changes from previous reporting periods in the scope or measurement methods applied in the report.	Report criteria

3. Report parameters	Reference
REPORT CRITERIA	
3.12 Table identifying the location of the Standard Disclosures in the report.	GRI indicators
ASSURANCE	
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Report criteria Independent review report (Deloitte)
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.	Governance systems CR governance and management systems CGR (Pages 8-36)
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 dialogue tools Working conditions CGR (Pages 6-8) BBVA Website for Shareholders and Investors
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).	Compensation and remuneration CGR (Pages 34, 64, 74 and 75) Annual Report on BBVA Director Remuneration

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGR (Pages 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 19-20)
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.	CR principles, values and policy Standards of conduct International commitments signed
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.	CR governance and management systems Standards of conduct CGR (Pages 39-44)
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR (Pages 19-20)
COMMITMENTS TO EXTERNAL INITIATIVES	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Social, environmental and reputational risks Eco-efficiency CFS (Pages 88-92)
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives the organization subscribes or endorses.	International commitments signed Ecuador Principles Education
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	International commitments signed Ecuador Principles

STAKEHOLDER ENGAGEMENT	
4.14 List of stakeholder groups engaged by the organization.	Stakeholders dialogue tools
4.15 Basis for identification and selection of stakeholders with whom to engage.	Materiality analysis
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholders dialogue 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.	Relevant issues Sensitive issues

Disclosure on management approach / Core Indicators

ECONOMIC PERFORMANCE INDICATORS	Reference	Assurance Scope
Disclosure on Management Approach	BBVA profile Responsible business Social, environmental and reputational risks BBVA in 2013 (Pages 22-27)	
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.	Key data	✓

EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change.	Social, environmental and reputational risks Eco-efficiency CDP answers	✓ (1)
EC3. Coverage of the organization's defined-benefit plan obligations.	Compensation and remuneration Working conditions CFS (Pages 139-145)	✓
EC4. Significant financial assistance received from government.	Recruitment, training and development	✓ (2)
MARKET PRESENCE		
EC6. Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Responsible procurement	✓
EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Recruitment, training and development	✓
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.	Education High social impact products Social engagement and volunteer work Science and culture Innovation	✓
ENVIRONMENTAL PERFORMANCE INDICATORS (a)	Reference	Assurance Scope
Disclosure on Management Approach	Equator Principles Standards of conduct Eco-efficiency	
MATERIALS		
EN1. Materials used by weight or volume.	Eco-efficiency	✓
EN2. Percentage of materials used that are recycled input materials.	Eco-efficiency	✓

ENERGY		
EN3. Direct energy consumption by primary energy source.	Eco-efficiency	✓ (3)
EN4. Indirect energy consumption by primary source.	Eco-efficiency	✓ (3) (4)
WATER		
EN8. Total water withdrawal by source.	Eco-efficiency	✓ (3)
BIODIVERSITY		
EN11. Description of land adjacent to or in protected areas and areas of high biodiversity value outside protected areas.	Immaterial *	
EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Immaterial *	
EMISSIONS, EFFLUENTS AND WASTE		
EN16: Total direct and indirect greenhouse gas emissions by weight.	Eco-efficiency	✓ (3) (12)
EN17. Other relevant indirect greenhouse gas emissions by weight.	Eco-efficiency	✓ (3)
EN19. Emissions of ozone-depleting substances by weight.	Immaterial *	
EN20. NO, SO, and other significant air emissions by type and weight.	Immaterial *	
EN21. Total water discharge by quality and destination.	Immaterial *	
EN22: Total weight of waste by type and disposal method.	Eco-efficiency	✓
EN23. Total number and volume of significant spills.	Immaterial *	

PRODUCTS AND SERVICES		
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Equator Principles	✓ (5)
EN27. Percentage of products sold and their packaging materials that are reclaimed by category.	Immaterial *	
COMPLIANCE		
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Standards of conduct	✓
SOCIAL PERFORMANCE INDICATORS: LABOR PRACTICES AND DECENT WORK (b)	Reference	Assurance Scope
Disclosure on Management Approach	Team	
EMPLOYMENT		
LA1. Total workforce by employment type, employment contract, and region.	Team	✓
LA2. Total number and rate of employee turnover by age group, gender, and region.	Diversity and work/life balance	✓
LABOR/MANAGEMENT RELATIONS		
LA4. Percentage of employees covered by collective labor agreements.	Working conditions	✓ (2)
LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Working conditions	✓ (5)
OCCUPATIONAL HEALTH & SAFETY		
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Working conditions	✓ (6)

11. Information criteria and standards

LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Working conditions	✓
TRAINING AND EDUCATION		
LA10. Average hours of training per year per employee by employee category.	Recruitment, training and development	✓ (7)
DIVERSITY AND EQUAL OPPORTUNITY		
LA13. Composition of corporate governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Diversity and work/life balance CGR (Pages 5-7)	✓ (8)
LA14. Ratio of basic salary of men to women by employee category.	Compensation and remuneration	✓
SOCIAL PERFORMANCE INDICATORS: HUMAN RIGHTS (c)	Reference	Assurance Scope
Disclosure on Management Approach	Standards of conduct International commitments signed Social, environmental and reputational risks 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.	International commitments signed Social, environmental and reputational risks	✓ (9)
HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Responsible procurement	✓ (5)

NON-DISCRIMINATION		
HR4. Total number of incidents of discrimination and actions taken.	Standards of conduct	✓ (2) (5)
FREEDOM OF ASSOCIATION AND COLLECTIVE LABOR AGREEMENTS		
HR5. Operations identified in which the right to exercise freedom of association and collective labor agreements may be at significant risk, and actions taken to support these rights.	Standards of conduct 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.	Standards of conduct International commitments signed	✓
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.	Standards of conduct International commitments signed	✓
SOCIAL PERFORMANCE INDICATORS: SOCIETY (d)	Referencia	Alcance de verificación
Disclosure on Management Approach	BBVA profile Governance systems Responsible business Education High social impact products Social, environmental and reputational risks	

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.	CR governance and management systems BBVA's impact on society Education Transparent, clear, responsible communication High social impact products Social, environmental and reputational risks	✓
CORRUPTION		
SO2. Percentage and total number of business units analyzed for risks related to corruption.	Corporate Assurance and Internal Audit	✓
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	Prevention of money laundering and terrorist financing	✓ (11)
SO4. Actions taken in response to incidents of corruption.	Compliance system Prevention of money laundering and terrorist financing	✓ (5)
PUBLIC POLICY		
SO5. Public policy positions and participation in public policy development and lobbying.	Standards of conduct International commitments signed	✓ (10)
COMPLIANCE		
SO8. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Standards of conduct CFS (Page 139)	✓

SOCIAL PERFORMANCE INDICATORS: PERFORMANCE INDICATORS (e)	Reference	Assurance Scope
Disclosure on Management Approach	Standards of conduct Responsible business Transparent, clear, responsible communication Complaints and claims management Customer protection	
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 protection CGR (Pages 36-39)	✓ (5)
PRODUCT AND SERVICE LABELING		
PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Transparent, clear, responsible communication CGR (Pages 36-39)	✓
MARKETING COMMUNICATIONS		
PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Transparent, clear, responsible communication	✓
COMPLIANCE		
PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CFS (Page 139) Standards of conduct Complaints and claims management	✓

Financial Sector Supplement

Impact of products and services	Reference	Assurance Scope
Disclosure on Management Approach	Responsible business Social, environmental and reputational risks Corporate Assurance and Internal Audit High social impact products	
FS1: Policies with specific environmental and social components applied to business lines.	Social, environmental and reputational risks Eco-efficiency	✓
FS2: Procedures for assessing and screening environmental and social risks in business lines.	Social, environmental and reputational risks	✓
FS3: Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Social, environmental and reputational risks	✓
FS4: Process(es) for improving staff competency to implement the environmental and social policies as applied to business lines.	Social, environmental and reputational risks	✓
FS5: Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Stakeholder dialogue tools	✓
PRODUCT PORTFOLIO		
FS6: Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	BBVA in 2013 (Pages 129, 144, 149, 159, 171, 184, 209)	✓
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.	Social, environmental and reputational risks	✓
AUDIT		
FS9: Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures.	Social, environmental and reputational risks Corporate Assurance and Internal Audit	✓
ACTIVE OWNERSHIP		
FS10: Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Responsible Investment	✓ (5)
FS11: Percentage of assets subject to positive and negative environmental or social screening.	Responsible Investment Social, environmental and reputational risks	✓ (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	✓
SOCIAL PERFORMANCE INDICATORS: SOCIETY	Reference	Assurance Scope
Disclosure on Management Approach	Financial inclusion	
COMMUNITY		
FS13: Access points in low-populated or economically disadvantaged areas by type.	Financial inclusion	✓ (5)
FS14: Initiatives to improve access to financial services for disadvantaged people.	Financial inclusion	✓

SOCIAL PERFORMANCE INDICATORS: PRODUCT RESPONSIBILITY		Reference	Assurance Scope
Disclosure on Management Approach		Responsible business Education Transparent, clear, responsible communication Customers	
CUSTOMER HEALTH & SAFETY			
FS15: Policies for the fair design and sale of financial products and services.		Transparent, clear, responsible communication Responsible business Customers	✓
MARKETING COMMUNICATIONS			
FS16: Initiatives to enhance financial literacy by type of beneficiary.		Financial inclusion Support for SMEs Education	✓

Legend and notes on scope and assurance

Legend	CGR Corporate Governance Report 2013 BBVA in 2013 CFS Consolidated Financial Statements 2013
Areas and units chiefly responsible	(a) Risks, Premises and Services, Corporate Responsibility & Reputation and business areas (b) Human Resources (c) Human Resources and Compliance (d) Corporate Responsibility & Reputation and Compliance (e) Communication and Image, Compliance and business areas

<p>Reason for the omission of the following main GRI indicators from the CR Report 2013</p>	<p>EN11: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.</p> <p>EN12: Immaterial indicator. The BBVA Group offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.</p> <p>EN19: Immaterial indicator. Regarding the use of substances that are harmful to the ozone layer, there are no installations containing significant amounts of CFCs in BBVA Group buildings.</p> <p>EN20: Immaterial indicator. Given that the BBVA Group belongs to the service sector, SO and NO emissions are insignificant as they are produced solely by staff commuting.</p> <p>EN21: Immaterial indicator. BBVA Group offices are in urban settings, so waste is discharged through sewers.</p> <p>EN23: Immaterial indicator. BBVA's activity does not entail significant risks of spills.</p> <p>EN27: Immaterial indicator. The products that BBVA Group markets do not have a significant impact in this regard..</p>
<p>NOTES ON SCOPE AND ASSURANCE</p>	
<p>✓ <i>Group</i></p> <p>(1) <i>Only the projects financed by the Equator Principles that mitigate climate change are given.</i></p> <p>(2) <i>Only reported for BBVA Spain.</i></p> <p>(3) <i>The limits on the indicator scope, perimeter and the criteria applied to the estimates are shown in the table of reference.</i></p> <p>(4) <i>Not broken down by primary source.</i></p> <p>(5) <i>Only qualitative information is included.</i></p> <p>(6) <i>Only the absenteeism rate is reported.</i></p> <p>(7) <i>Not broken down by category.</i></p> <p>(8) <i>Only broken down by age and gender.</i></p> <p>(9) <i>Only the financing of large projects is reported.</i></p> <p>(10) <i>Only international agreements relating to sustainability are reported.</i></p> <p>(11) <i>Percentage not reported.</i></p> <p>(12) <i>Regarding business trips, the emissions reported only include trips of employees of the group by aeroplane.</i></p>	

13.3 Independent assurance report



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

Independent Assurance Report on the 2013 Corporate Responsibility Information of the BBVA Group

Scope of the engagement

We have performed a review of the 2013 Corporate Responsibility Information (CRI) 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 2013 CRI to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.0 (G3.0) and the 2013 core performance indicators and the financial services sector supplement indicators proposed in the aforementioned guidelines.
- The 2013 CRI of BBVA relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard (2008) (AA1000APS).

Review standards and procedures

We have conducted our review work 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 review work consisted of making inquiries to management and certain units of the BBVA Group involved in the preparation of the CRI and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with BBVA Group personnel to ascertain the Corporate Responsibility (CR) principles, systems and management approaches applied, both in Spain and in Argentina, Chile, Colombia, Mexico, Peru, Venezuela and the United States.
- Analysis of the processes used to gather and validate the data presented in the 2013 CRI.
- Review of the minutes of the meetings of the local Corporate Responsibility and Reputation Committees, the Eco-efficiency and Responsible Procurement Committee and the Responsible Business Committee in 2013.
- Review of the steps taken in relation to the identification and treatment of stakeholders during the year and of the stakeholder group participation processes based on the analysis of the internal information and third-party reports available.
- Analysis of the coverage, materiality and completeness of the information included in the CRI on the basis of BBVA's understanding of its stakeholder groups' requirements in relation to the material issues identified by the Group and described under "Report criteria" and "Dialogue with stakeholders and materiality analysis" sections of the CRI.
- Review of the information relating to the management approaches applied and verification of the existence and scope of the CR policies, systems and procedures.
- Checking that the content of the CRI does not contradict any significant information furnished in "BBVA in 2013" and in the Group's Consolidated Financial Statements for 2013.
- Analysis of the adherence of the content of the CRI to that recommended in the GRI G3.0 Guidelines and verification that the core indicators and the financial services sector indicators included in the CRI agree with those recommended by these aforementioned Guidelines.
- Verification, by means of review tests on selected samples, the information relating to the GRI performance indicators included in the 2013 CRI 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 in Argentina, Chile, Colombia, Mexico, Peru, Venezuela and the United States.

Responsibilities of BBVA management and of Deloitte

- The preparation and content of the 2013 CRI is the responsibility of the BBVA Group's Corporate Responsibility and Reputation Department, 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 CRI.
- 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 IFAC.
- Our team consisted of a combination of professionals who are experts in CR and auditing and professionals with financial, social and environmental experience.

Conclusions

The "GRI indicators" section provides details of the performance 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 2013 CRI 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 (G3.0).

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 "Dialogue with stakeholders and materiality analysis" and "Report criteria" sections in accordance with standard AA1000 APS:

- Inclusivity: the BBVA Group has developed a participation process for stakeholders that facilitates their participation in the development of a responsible approach, as reported in the section "Dialogue with stakeholders and materiality analysis".
- Materiality: the process of determining materiality requires an understanding of important or material issues for the BBVA Group and its stakeholders, as reported in the section "Dialogue with stakeholders and materiality analysis".
- Responsiveness: the BBVA Group responds with specific actions and commitments to the material issues identified, as reported in the "Transparent, clear and responsible communication", "High social impact products" and "Education" sections of the 2013 CRI.

Observations and recommendations

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

Inclusivity and Materiality

In 2013, the new 2013-2015 Responsible Business Plan, which sets several objectives to be met in 2015, was approved. In 2013 the Group made progress in the three strategic areas of the Plan: transparent, clear and responsible (TCR) communication, high social impact products and education.

Most noteworthy with respect to TCR communication were the pilot product documentation trials that took place in Spain and Mexico in order to facilitate customers' understanding of the products before purchase. BBVA should continue to progress in this direction by extending the number of products and considering including post-sale communication.

Furthermore, it would be appropriate to continue deepening the analysis of the relevant CR aspects in jointly managed businesses and associates, especially Turkiye Garanti Bankasia.

Responsiveness

In 2013, the new 2013-2015 Global Eco-efficiency Plan was launched, the most noteworthy milestones so far being the appointment of local managers, the improvement of protocols and tools to register data in the various countries where the Group operates. The systematisation of these advances should facilitate the monitoring of environmental objectives, thus improving the BBVA Group's eco-efficiency responsiveness and management.

As regards the consideration of the social and environmental aspects in financing activities, in 2013 BBVA worked to adapt its internal procedures to the new Equator Principles approved in 2013. Their implementation in 2014, together with the expansion of the scope of the financial products to which it applies, will be an opportunity to improve the awareness of the social and environmental impacts of BBVA's activities and to minimize the effects of those impacts.

DELOITTE ADVISORY, S.L.



Helena Redondo
Madrid, March 11th, 2014

